

03 Aug 2006

From : Troy Reid
To : Bob Goosem/ Brian King/James Hinton

Well Data				Town Side QC Done	
Drill Co.:	Ensign	Midnight Depth (MD):	636.0m	Current Hole Size:	12.250in
Rig:	Ensign 32	Midnight Depth (TVD):	525.0m	Casing O.D.:	13.375in
Prognosed TD:	2350.0m	Progress:	0.0m	Shoe TVD:	312.0m
RT-GL:	5.90m	Days From Spud:	5.81	F.I.T. / L.O.T.	/ 20.00ppg
GL Elev.:	2.71m	Days On Well:	22.75	Rig Move Distance	1800+/- k's
Current Op's @ 0600 04 Aug 2006 :		Picking up 4 1/2 HWDP and running in hole to 13 3/8 casing shoe			
Planned Operations for 04 Aug 2006 :		Continue to drill 12 1/4 hole f/- 636m with geo pilot . Drift and measure 9 5/8 casing.			

Summary of Period 0000 to 2400 Hrs
Drill, steer & survey 12-1/4" hole f/ 323m to 636m (Survey @ 622.250= 70.37deg., AZI = 121.24) Circulate and condition well. Flow check .TRPO f/- 636m to 13 3/8 casing shoe. Flow check at 13 3/8 casing shoe (static) Continue to TRPO to BHA. 636.0m Lay out 6 1/2 DC and 6 1/2 drilling jars . Rack back 8 1/2 DC. Down load MWD data Lay out Bit# 3 and Mud Motor. Pick up geo pilot tool.

Formation Tops					
Sequence	Formation Name	Top Depth (MD, (m))	Top Depth (TVD, (m))	Comment	Wireline Depth (m)
1	Gippsland LMST	320.0	314.5		

Operations For Period 0000 Hrs to 2400 Hrs on 03 Aug 2006							
Phse	Cls	Op	From	To	Hrs	Depth	Activity Description
IH	P	DM	0000	1500	15.00	636.0m	Drill, steer & survey 12-1/4" hole f/ 323m to 636m (Survey @ 622.250= 70.37deg., AZI = 121.24)
IH	P	CHC	1500	1630	1.50	636.0m	Circulate and condition well.
IH	P	TO	1630	1800	1.50	636.0m	Flow check .TRPO f/- 636m to 13 3/8 casing shoe. Flow check at 13 3/8 casing shoe (static) Continue to TRPO to BHA.
IH	P	HBHA	1800	1930	1.50	636.0m	Lay out 6 1/2 DC and 6 1/2 drilling jars . Rack back 8 1/2 DC.
IH	P	HBHA	1930	2000	0.50	636.0m	Down load MWD data
IH	P	HBHA	2000	2200	2.00	636.0m	Lay out Bit# 3 and Mud Motor. Check guage on all stabilizers. Lay out Motor with crane.
IH	P	HBHA	2200	2400	2.00	636.0m	Pick up Geo pilot with crane. Pick up and m/up MWD assy as per directional drillers instructions.

Operations For Period 0000 Hrs to 0600 Hrs on 04 Aug 2006							
Phse	Cls	Op	From	To	Hrs	Depth	Activity Description
IH		HBHA	0000	0030	0.50	636.0m	Continue to M/UP MWD Tools
IH		HBHA	0030	0230	2.00	636.0m	Attempt to install bit .Sperry's Bit breaker doesnt fit Ensign 32 rotary table. Welder had to modify. Hold Tap root investigation while modifying bit breaker.
IH		HBHA	0230	0430	2.00	636.0m	Continue to m/up 12 1/4 BHA # 4.
IH		HBHA	0430	0500	0.50	636.0m	Shallow test MWD . Geo Span skid on surface no working.
IH		HBHA	0500	0600	1.00	636.0m	Pick up 6 1/2 drilling jars and extra 4 1/2 HWDP

General Comments	
Comments	Rig Requirements
Back loaded 4 x porta loo, Recieved 3 x trucks og 9 5/8 casing. Recieved 2 x trucks mud chemicals. Dyers crane on site 16:45 for geo pilot handling.	4 1/2 " elevators not latching correctly

WBM Data		Cost Today \$ 18485		Cumulative Cost \$ 36854	
Mud Type: KCL PHPA/Glycol	Viscosity: 47sec/qt	API FL Loss: 3.8cc	CI	28000	Solids: 3.2
Depth: 636.0m	PV: 15cp	Filter Cake: 1/32nd"	K+:	6%	H2O: 94%
Time: 21:00	YP: 24lb/100ft²	HTHP FL:	Hard/Ca:	360	Oil:
Weight: 9.10ppg	Gels 10s/10m: 9 / 12	HTHP Cake:	MBT:		Sand: .5
Temp: 90.0F°	Fann (3/6/100):		PM:		pH: 9
	6 / 10 / 23		PF:	0.05	PHPA: 0.70ppb
Comment Glycol 16 drums. Treated mud with KCL/Bacide/Baracarb.					

Shakers, Volumes and Losses Data			Engineer: Manfred Olejniczak / J.V.Babu			
Equipment	Description	Mesh Size	Available	Losses	Comment	
Centrifuge	DE 1000		656.0bbl	502.0bbl	Change out shaker screens to 140	
Centrifuge	DE 1000		Active 315.0bbl	Downhole 151.0bbl		
Shaker 1	Derrick	Pyramid x 140	Mixing 152.0bbl	Surf. + Equip. 331.0bbl		
Shaker 1	Derrick	Pyramid x 140	Hole 164.0bbl	Dumped 20.0bbl		
Shaker 2	Derrick	Pyramid x 84	Slug 25.0bbl	De-Sander		
Shaker 2	Derrick	Pyramid x 140	Reserve	De-Silter		
			Kill	Centrifuge		

Bit # 3			Wear	I	O1	D	L	B	G	O2	R
			0	0	0	NO		0	I		BHA
Size:	12.250in	IADC#: 117	Nozzles		Drilled over last 24 hrs			Calculated over Bit Run			
Mfr:	REED	WOB (avg): 7.0klb	No.	Size	Progress: 0.0m			Cum. Progress: 3.0m			
Type:	mt	RPM (avg): 75	7	16/32nd"	On Bottom Time: 9.45h			Cum. On Btm Time: 9.62h			
Serial #:	D80027	F.Rate: 432gpm			IADC Time: 12.00h			Cum. IADC Time: 12.50h			
Depth In:	320.0m	SPP: 1050psi			Total Revs:			Cum. Total Revs: 0			
Depth Out:	636.0m	HSI:			ROP (avg): N/A			Overall ROP (avg): 0.31 m/hr			
Bit Model:	T11C	TFA: 1.374									

Bit # 4			Wear	I	O1	D	L	B	G	O2	R
Size:	12.250in	IADC#: S322	Nozzles		Drilled over last 24 hrs			Calculated over Bit Run			
Mfr:	HYCALOG	WOB (avg):	No.	Size	Progress:			Cum. Progress: 0.0m			
Type:	p	RPM (avg):	7	16/32nd"	On Bottom Time:			Cum. On Btm Time: 0.00h			
Serial #:	213090	F.Rate:			IADC Time:			Cum. IADC Time: 0.00h			
Depth In:	636.0m	SPP:			Total Revs:			Cum. Total Revs: 0			
Depth Out:		HSI:			ROP (avg): N/A			Overall ROP (avg): 0.00 m/hr			
Bit Model:	RSX516S	TFA: 1.374									

BHA # 3							
Wt. Below Jars Dry:	27.0klb	Length:	165.7m	Torque (max):	2000ft-lbs	DC (1) Ann Vel.:	98fpm
Weight Dry:	43.0klb	String Weight:	58.0klb	Torque On Btm:	2000ft-lbs	DC (2) Ann Vel.:	123fpm
Type:	Directional, down hole motor	Pick-Up Weight:	60.0klb	Torque Off Btm:	1800ft-lbs	HWDP Ann. Vel.:	82fpm
		Slack-Off Weight:	56.0klb			DP Ann. Vel.:	82fpm

#	Equipment	Tool Description	Length	O.D.	I.D.	Serial #	Hours
1	Bit	Tricone, w/ Geo-Pilot sleeve	0.82m		2.00in	D80027	9.45h
2	A675M78XP Mud Motor	8" Sperry Drill Lobe 6/7-4.0	8.22m	8.00in	5.25in	800168	9.45h
3	Float Sub	Float sub	0.65m	8.00in	2.81in	91506	9.45h
4	Stab	11-7/16" IB stab	1.89m		3.00in	7080449	9.45h
5	MWD Tool	8" Dir	2.77m	8.00in	1.92in	10603354	9.45h
6	MWD Tool	8" RLL	5.36m	8.00in	1.92in	DM90109064	9.45h
7	MWD Tool	8" HOC	3.08m	8.00in	1.92in	10562336	9.45h
8	Drill Collar	3x8"dc's	27.61m	8.00in	2.88in		9.45h
9	X/O	X-O	0.80m		3.00in		9.45h
10	Drill Collar	1x6-1/2" dc	9.05m	6.50in	2.81in		9.45h
11	Drilling Jars	Jars	9.95m	6.50in	2.75in	17602031	9.45h
12	Drill Collar	1x6-1/2"dc	9.42m	6.50in	2.81in		9.45h
13	HWDP	9xHWDP	86.05m	4.50in	2.75in		9.45h

BHA # 4							
Wt. Below Jars Dry:		Length:		Torque (max):		DC (1) Ann Vel.:	123fpm
Weight Dry:	31031.0klb	String Weight:		Torque On Btm:		DC (2) Ann Vel.:	153fpm
Type:	Rotary steerable	Pick-Up Weight:		Torque Off Btm:		HWDP Ann. Vel.:	82fpm
		Slack-Off Weight:				DP Ann. Vel.:	82fpm

#	Equipment	Tool Description	Length	O.D.	I.D.	Serial #	Hours
1	Bit		1.00m	12.25in		211345	
2	9600 Geo-Pilot		6.61m	9.50in	4.00in	1225083	
3	Flex Non-Mag DC		2.81m	8.00in	3.50in	CP1015763	
4	MWD		5.36m	8.00in	1.92in	DM 90109064	
5	MWD		3.08m	8.00in	1.92in	10562336	
6	Roller Reamer		2.01m	12.25in	3.00in	ASH786019	
7	Float Sub		0.65m	8.00in	2.81in	91506	
8	X/O		1.00m	8.00in	2.75in		
9	HWDP		86.05m	4.50in	2.75in		
10	Drilling Jars		9.42m	6.50in	2.75in	12A14234	
11	HWDP		57.17m	4.50in	2.75in		

Survey										
MD (m)	Incl. (deg)	Corr. AZ (deg)	TVD (m)	'V' Sect.	Dogleg (deg/100ft)	N/S (m)	E/W (m)	Departure	Deviation	Tool Type
570.64	62.05	120.65	495.9	-99.86	11.10	-99.86	182.76	208.27	118.7	MWD
584.89	64.27	121.30	502.4	-106.41	16.10	-106.41	193.66	220.97	118.8	MWD
598.88	66.35	122.11	508.2	-113.09	15.77	-113.09	204.48	233.67	118.9	MWD
613.58	68.65	121.68	513.8	-120.26	15.88	-120.26	216.01	247.23	119.1	MWD
622.25	70.37	121.24	516.9	-124.50	20.40	-124.50	222.94	255.34	119.2	MWD

Bulk Stocks					
Name	Unit	In	Used	Adjust	Balance
Barite	sx	0	60	0	1,140.0
KCl	sx	0	100	0	320.0
Salt	sx	0	0	0	0.0
Gel	sx	0	48	0	240.0
Potable Water	ltr	0	8000	0	23,000.0
Rig Fuel	ltr	0	5500	0	34,000.0
Camp Fuel	ltr	0	350	0	3,500.0

Pumps										
Pump Data - Last 24 Hrs							Slow Pump Data			
No.	Type	Liner (in)	SPM	Eff. (%)	Flow (gpm)	SPP (psi)	SPM	SPP (psi)	Depth (m)	MW (ppg)
1	National - 8P-80	5.50	85	97	216	1050	60	120	636.0	9.10
2	National - 8P-80	5.50	85	97	216	1500	60	120	636.0	9.10
3	National - 8P-80	5.50								
4	IDECO - T1000	6.00	85	97	312	1500			636.0	9.10

HSE Summary				
Events	Date of Last	Days Since	Description	Remarks