06 Aug 2006

From : Troy Reid
To : Andy Wilkinson/ Brian King/James Hinton

Well Data					**Town Side QC Done**
Drill Co.:	Ensign	Midnight Depth (MD):	1606.0m	Current Hole Size:	12.250in
Rig:	Ensign 32	Midnight Depth (TVD):	830.0m	Casing O.D.:	13.375in
Prognosed TD:	2350.0m	Progress:	35.0m	Shoe TVD:	312.0m
RT-GL:	5.90m	Days From Spud:	8.81	F.I.T. / L.O.T.	/ 20.00ppg
GL Elev.:	2.71m	Days On Well:	25.75	Rig Move Distance	1800+/- k's

Current Op's @ 0600 07 Aug 2006 : Continue to Backream at 15min per stand.

Planned Operations for 07 Aug 2006 : Backream out with clean out assy.
Run 9 5/8 casing . Floating string into hole.
Cement casing.

Summary of Period 0000 to 2400 Hrs

Drill 12 1/4 hole to 1606m Casing depth
Circulate and condition. Trip out to casing shoe. Tight at 1408,1138,1051,964.
Work through casing shoe,
Continue to trip out,layout geo pilot tools.
M/up clean out assy . Trip in to casing shoe.
Slip line.
Continue to trip in to 502m at midnight.

Formation Tops

Sequence	Formation Name	Top Depth (MD, (m))	Top Depth (TVD, (m))	Comment	Wireline Depth (m)
1	Gippsland LMST	320.0	314.5	5.9L	

Operations For Period 0000 Hrs to 2400 Hrs on 06 Aug 2006

Phse	Cls	Op	From	To	Hrs	Depth	Activity Description
IH	P	DM	0000	0230	2.50	1606.0m	Continue to drill 12 1/4 hole F/-1571m to 1606m casing depth for 9 5/8. Take survery every stand.
IH	P	CMD	0230	0500	2.50	1606.0m	Circulate and condition well prior to tripping out.
IH	P	TO	0500	0600	1.00	1606.0m	Flow check . POOH to 1408m. Tight spot at 1408. Install TDU
IH	TP	CMD	0600	0700	1.00	1606.0m	Break circulation at 1408m .Work pipe while circulating
IH	P	TO	0700	0830	1.50	1606.0m	Continue POOH f/- 1408m to 1138m. Tight at 1138m
IH	TP	CHC	0830	0930	1.00	1606.0m	Break circulation at 1138m . Work pipe while circulating
IH	TP	TO	0930	1300	3.50	1606.0m	Continue to POOH Tight spot @ 1051 & 964m work clean.Continue to POOH to 326m. Stabilisers at shoe 317m.Unable to come into 13 3/8 shoe.
IH	TP	CMD	1300	1430	1.50	1606.0m	Install TDU. Break circulation. Flush around shoe. Work through shoe area with 10RPM, 3100 ftlbs, max OP 7k. Slowly work into shoe until Bit has passed through shoe Track.
IH	P	TO	1430	1630	2.00	1606.0m	Continue to POOH to MWD tools.
IH	P	LOG	1630	1700	0.50	1606.0m	Download MWD tool at surface.
IH	P	TO	1700	1900	2.00	1606.0m	Lay out MWD and Geo Pilot tools.
IH	P	TI	1900	2230	3.50	1606.0m	M/up bit #5 (9-7/8" mill-tooth) and BHA # 5, RIH to 13 3/8 casing shoe.
IH	P	SC	2230	2300	0.50	1606.0m	Slip 66' drilling line
IH	P	RS	2300	2330	0.50	1606.0m	Rig Service
IH	P	TI	2330	2400	0.50	1606.0m	Continue to RIH to 502m. No hang ups.

Operations For Period 0000 Hrs to 0600 Hrs on 07 Aug 2006

Phse	Cls	Op	From	To	Hrs	Depth	Activity Description
IH		TI	0000	0230	2.50	1606.0m	Continue to trip in f/-502m to 1606m. Wash down last 9m. Hole in good condition, no hangups going in.

Phse	Cls	Op	From	To	Hrs	Depth	Activity Description
IH		CMD	0230	0400	1.50	1606.0m	Tag bottom and check for junk. Work pipe and circulate hole clean.
IH		RW	0400	0600	2.00	1606.0m	Backream out of hole first 2 stands to equal 2 x bottoms up, then continue at 15mins per stand to 1476m at 06:00 hrs.

General Comments

Comments	Rig Requirements
Cement water delivered for halliburton 270bbls.	

WBM Data — **Cost Today $ 829** — **Cumulative Cost $ 100883**

Mud Type:	KCl PHPA/Glycol	Viscosity:	56sec/qt	API FL Loss:	5.2cc	Cl	35000	Solids:	4.4
Depth:	1606.0m	PV:	19cp	Filter Cake:	1/32nd"	K+:	6%	H2O:	92%
Time:	05:00	YP:	32lb/100ft²	HTHP FL:	13.0cc	Hard/Ca:	600	Oil:	
Weight:	9.35ppg	Gels 10s/10m:	8 / 13	HTHP Cake:	2/32nd"	MBT:	5	Sand:	1.0
Temp:		Fann (3/6/100):				PM:		pH:	9
			8 / 11 / 30			PF:	0.1	PHPA:	0.70ppb

Comment

WBM Data — **Cost Today** — **Cumulative Cost $ 100883**

Mud Type:	KCl PHPA/Polymer/Glycol	Viscosity:	56sec/qt	API FL Loss:	4.5cc	Cl	39000	Solids:	4.4
Depth:	1606.0m	PV:	21cp	Filter Cake:	1/32nd"	K+:	6%	H2O:	92%
Time:	21:00	YP:	25lb/100ft²	HTHP FL:	13.0cc	Hard/Ca:	500	Oil:	
Weight:	9.45ppg	Gels 10s/10m:	6 / 9	HTHP Cake:	2/32nd"	MBT:	5	Sand:	0.8
Temp:		Fann (3/6/100):				PM:		pH:	9
			6 / 10 / 26			PF:	0.1	PHPA:	0.70ppb

Comment

Shakers, Volumes and Losses Data — Engineer: Manfred Olejniczak / J.V.Babu

Equipment	Description	Mesh Size
Centrifuge	DE 1000	
Centrifuge	DE 1000	
Shaker 1	Derrick	Pyramid-140/140/210/210
Shaker 1	Derrick	Pyramid-140/140/210/210
Shaker 2	Derrick	Pyramid-140/140/210/210
Shaker 2	Derrick	Pyramid-140/140/210/210

Available	**1517.0bbl**
Active	299.0bbl
Mixing	
Hole	1085.0bbl
Slug	
Reserve	133.0bbl
Kill	

Losses	**142.0bbl**
Downhole	
Surf. + Equip.	122.0bbl
Dumped	
De-Sander	
De-Silter	
Centrifuge	20.0bbl

Comment

Printed on 07 Aug 2006

Bit # 4				Wear	I	O1	D	L	B	G	O2	R
					1	1	ER	A	X	1	NO	TD

				Nozzles		Drilled over last 24 hrs		Calculated over Bit Run	
Size:	12.250in	IADC#:		No.	Size	Progress:	35.0m	Cum. Progress:	971.0m
Mfr:	HYCALOG	WOB (avg):	7.0klb	7	16/32nd"	On Bottom Time:	1.50h	Cum. On Btm Time:	21.75h
Type:	p	RPM (avg):	150			IADC Time:	2.50h	Cum. IADC Time:	37.00h
Serial #:	211345	F.Rate:	775gpm			Total Revs:		Cum. Total Revs:	0
Depth In:	636.0m	SPP:	2300psi			ROP (avg):	23.33 m/hr	Overall ROP (avg):	44.64 m/hr
Depth Out:	1606.0m	HSI:							
Bit Model:	RSX516S	TFA:	1.374						

Bit # 5				Wear	I	O1	D	L	B	G	O2	R

				Nozzles		Drilled over last 24 hrs		Calculated over Bit Run	
Size:	9.875in	IADC#:		No.	Size	Progress:		Cum. Progress:	0.0m
Mfr:	HUGHES	WOB (avg):				On Bottom Time:		Cum. On Btm Time:	0.00h
Type:		RPM (avg):				IADC Time:		Cum. IADC Time:	0.00h
Serial #:	L41360	F.Rate:				Total Revs:		Cum. Total Revs:	0
Depth In:	1606.0m	SPP:				ROP (avg):	N/A	Overall ROP (avg):	0.00 m/hr
Depth Out:		HSI:							
Bit Model:	HP11GJ	TFA:	0.000						

BHA # 4

Wt. Below Jars Dry:	0.0klb	Length:	175.0m	Torque (max):	6300ft-lbs	DC (1) Ann Vel.:	221fpm
Weight Dry:	31031.0klb	String Weight:	73000.0klb	Torque On Btm:	6100ft-lbs	DC (2) Ann Vel.:	275fpm
Type:	Rotary steerable	Pick-Up Weight:	79000.0klb	Torque Off Btm:	5800ft-lbs	HWDP Ann. Vel.:	146fpm
		Slack-Off Weight:	67000.0klb			DP Ann. Vel.:	146fpm

#	Equipment	Tool Description	Length	O.D.	I.D.	Serial #	Hours
1	Bit		1.00m	12.25in		211345	36.50h
2	9600 Geo-Pilot		6.61m	9.50in	4.00in	1225083	36.50h
3	Flex Non-Mag DC		2.81m	8.00in	3.50in	CP1015763	36.50h
4	MWD		5.36m	8.00in	1.92in	DM 90109064	36.50h
5	MWD		3.08m	8.00in	1.92in	10562336	36.50h
6	Roller Reamer		2.01m	12.25in	3.00in	ASH786019	36.50h
7	Float Sub		0.65m	8.00in	2.81in	91506	23.00h
8	X/O		1.00m	8.00in	2.75in		45.50h
9	HWDP		86.05m	4.50in	2.75in		45.50h
10	Drilling Jars		9.42m	6.50in	2.75in	12A14234	45.50h
11	HWDP		57.17m	4.50in	2.75in		36.50h

BHA # 5

Wt. Below Jars Dry:	0.0klb	Length:	175.0m	Torque (max):		DC (1) Ann Vel.:	0fpm
Weight Dry:	30150.0klb	String Weight:		Torque On Btm:		DC (2) Ann Vel.:	0fpm
Type:	Clean out assy	Pick-Up Weight:		Torque Off Btm:		HWDP Ann. Vel.:	0fpm
		Slack-Off Weight:				DP Ann. Vel.:	0fpm

#	Equipment	Tool Description	Length	O.D.	I.D.	Serial #	Hours
1	Bit		0.27m	9.78in		L41360	
2	Bit Sub		0.91m	8.00in		M1623	
3	Stab		2.48m		3.00in	SBD2396	
4	Drill Collar		18.66m	8.00in	3.00in		
5	Stab		1.89m		3.00in	7090449	
6	Drill Collar		8.95m		3.00in		
7	X/O		0.80m		2.75in		
8	Drill Collar		27.46m		3.00in		
9	HWDP		86.05m		3.00in		
10	Jar		9.95m		3.00in	176020301	
11	HWDP		57.17m				

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
1118.04	71.67	115.22	670.9	-369.18	3.65	-369.18	625.08	725.96	120.6	MWD
1233.87	71.80	114.62	707.2	-415.52	0.50	-415.52	724.83	835.49	119.8	MWD
1378.57	70.75	115.43	753.7	-473.49	0.90	-473.49	849.00	972.11	119.1	MWD
1522.57	71.02	117.07	800.8	-533.67	1.09	-533.67	971.03	1108.01	118.8	MWD
1606.00	71.07	117.05	827.9	-569.56	0.06	-569.56	1041.30	1186.89	118.7	MWD

Bulk Stocks

Name	Unit	In	Used	Adjust	Balance
Barite	sx	0	80	0	1,060.0
KCl	sx	0	0	0	-480.0
Salt	sx	0	0	0	0.0
Gel	sx	0	0	0	240.0
Potable Water	ltr	0	8000	0	21,000.0
Rig Fuel	ltr	0	8000	0	12,000.0
Camp Fuel	ltr	0	350	0	2,450.0

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	2750	60	120	1606.0	9.50
2	National - 8P-80	5.50	85	97	216	2750	60	120	1606.0	9.50
3	National - 8P-80	5.50								
4	IDECO - T1000	6.00	85	97	312	2750			1606.0	9.50

HSE Summary

Events	Date of Last	Days Since	Description	Remarks
LTI/MTI incident free days	06 Aug 2006	0 Days	Incident free days 399/TRI 181 Days	Held 2 x pre tour safety meeting .Topics discussed .Drifting casing.Working with forklift.Tripping, laying out Goe pilot.