

22 Jul 2006

From: Simon Rodda/ Bryan Webb
To: John Ah-Cann

DRILLING MORNING REPORT # 13
Longtom 3

Well Data							
Country	Australia	MDBRT	1870.0m	Cur. Hole Size	9.500in	AFE Cost	\$40,292,054
Field	Gippsland Basin	TVDBRT	1704.9m	Last Casing OD	16.000in	AFE No.	LSDED01/0
Drill Co.	DOGC	Progress	325.0m	Shoe TVDBRT	995.3m	Daily Cost	\$0
Rig	OCEAN PATRIOT	Days from spud	11.37	Shoe MDBRT	995.3m	Cum Cost	\$0
Wtr Dpth (LAT)	56.7m	Days on well	12.60	FIT/LOT:	/ 13.50ppg	Days Since Last LTI	1159
RT-ASL (LAT)	21.5m	Planned TD MD	5834.0m				
RT-ML	78.2m	Planned TD TVDRT	2458.0m				
Current Op @ 0600		Pulling out of hole due to Anadril MWD failure. Current depth XXXXm MDRT.					
Planned Op		Complete trip out of hole. Lay out MWD, inspect bit. Pick up new MWD, run in hole to shoe, service TDS, slip and cut drilling line. Run in hole to 1930m MDRT. Drill 9 1/2" pilot hole from 1930m MDRT.					

Summary of Period 0000 to 2400 Hrs
Made up RST BHA and ran in hole to 1420m MDRT, log section to 1545m MDRT. Commenced drilling 9 1/2" hole with rotary steerable from 1545m MDRT to 1870m MDRT.

FORMATION	
Name	Top
300 Sand	
200 Sand	
100 Sand	
Emperor Volcanics	
TD	

Operations For Period 0000 Hrs to 2400 Hrs on 22 Jul 2006							
Phse	Cls (RC)	Op	From	To	Hrs	Depth	Activity Description
IH	P	HBHA	0000	0230	2.50	1545.0m	Made up Power Drive Xceed rotary steerable assembly, install radio active source, shallow test ok. Run BHA from derrick to 182m MDRT
IH	P	TI	0230	0400	1.50	1545.0m	Ran in hole 9 1/2" RST BHA on 5" drill pipe to 22" shoe @995m MDRT.
IH	P	RS	0400	0430	0.50	1545.0m	Service travelling blocks and top drive.
IH	P	TI	0430	0530	1.00	1545.0m	Continued to run in hole from 22" shoe @995m MDRT to 1415m MDRT. No hole problems observed on trip in.
IH	P	LDPC	0530	0900	3.50	1545.0m	Filled drill string and established circulation. Commenced logging of 1420m MDRT to TD @1545m MDRT.
IH	P	DA	0900	2400	15.00	1870.0m	Drill 9 1/2" pilot hole with mud motor in rotary from 1545m MDRT to 1870m MDRT. 750gpm/ 3890psi/ 180rpm/ 28-30klbs WOB/ 5-10klbs tq. String wt: 210klbs rotating/ 215klbs up/ 210klbs down. @1849.0m MDRT/ 1694.71m TVD/ 57.85 deg inclination. No hole problems observed during drilling and connections, back ream every stand, take survey after connection.

Operations For Period 0000 Hrs to 0600 Hrs on 23 Jul 2006							
Phse	Cls (RC)	Op	From	To	Hrs	Depth	Activity Description
IH	P	DA	0000	0230	2.50	1930.0m	Drill 9 1/2" pilot hole with mud motor in rotary from 1870m MDRT to 1930m MDRT. 750gpm/ 3890psi/ 180rpm/ 28-30klbs WOB/ 5-10klbs tq. String wt: 210klbs rotating/ 215klbs up/ 210klbs down. @1906.0m MDRT/ 1724.0m TVD/ 57.15 deg inclination/ 180.91 azimuth. No hole problems observed during drilling and connections, back ream every stand, take survey after connection.
IH	TP (DTF)	DA	0230	0300	0.50	1930.0m	Anadril MWD tool failure, signal failed 3m after connection. Cycle pumps and perform diagnostic checks. Tool un-serviceable. Continue circulating hole clean during these checks.
IH	TP (DTF)	CHC	0300	0500	2.00	1930.0m	Circulate hole clean from 1930m MDRT, rack back 1 stand per 30minutes of circulating. Take torque and drag readings for K & M well modeling.
IH	TP (DTF)	TO	0500	0600	1.00	1930.0m	Pulled out of hole from 1844m MDRT

Phase Data to 2400hrs, 22 Jul 2006						
Phase	Phase Hrs	Start On	Finish On	Cum Hrs	Cum Days	Max Depth
RIG MOVE/RIG-UP/PRESPUD(RM)	9.5	10 Jul 2006	10 Jul 2006	9.50	0.396	0.0m
ANCHORING(A)	19	10 Jul 2006	11 Jul 2006	28.50	1.188	0.0m
CONDUCTOR HOLE(CH)	5.5	11 Jul 2006	13 Jul 2006	34.00	1.417	111.8m
CONDUCTOR CASING(CC)	32	11 Jul 2006	13 Jul 2006	66.00	2.750	111.8m
SURFACE HOLE(SH)	51.5	13 Jul 2006	15 Jul 2006	117.50	4.896	1005.0m
SURFACE CASING(SC)	26.5	15 Jul 2006	16 Jul 2006	144.00	6.000	1005.0m
INTERMEDIATE HOLE(IH)	158.5	16 Jul 2006	22 Jul 2006	302.50	12.604	1870.0m

WBM Data		Cost Today \$ 5471	
Mud Type: Petrofree	API FL:	Cl:	Solids(%vol): 21%
Sample-From: Active pit	Filter-Cake:	K+C*1000:	H2O: 17%
Time: 2145hrs	HTHP-FL: 3.0cc/30min	Hard/Ca:	Oil(%): 62%
Weight: 12.05ppg	HTHP-cake: 2/32nd"	MBT:	Sand: 0.25
Temp: 62C°		PM: 0.4	pH:
		PF:	PHPA:
Comment			Total product costs to date \$ 624,043 Cumulative total \$ 651,243 (including engineer)

Bit # 5		Wear	I	O1	D	L	B	G	O2	R
			2	2	WT	A	E	I	NO	BHA
Bitwear Comments:										
Size ("):	IADC# 437	Nozzles		Drilled over last 24 hrs		Calculated over Bit Run				
Mfr: HUGHES CHRISTENSEN	WOB(avg) 30.00klb	No.	Size	Progress	0.0m	Cum. Progress	105.0m			
Type: Rock	RPM(avg) 60	3	24/32nd"	On Bottom Hrs	0.0h	Cum. On Btm Hrs	18.9h			
Serial No.: 5102342	F.Rate 14.20bpm			IADC Drill Hrs	0.0h	Cum IADC Drill Hrs	23.5h			
Bit Model 9 1/2" MX 09	SPP 2800psi			Total Revs	307000	Cum Total Revs	715000			
Depth In 1440.0m	HSI			ROP(avg)	N/A	ROP(avg)	5.56 m/hr			
Depth Out 1545.0m	TFA 1.325									
Bit Comment										

Bit # 6		Wear	I	O1	D	L	B	G	O2	R
									NO	
Bitwear Comments:										
Size ("):	IADC# M322	Nozzles		Drilled over last 24 hrs		Calculated over Bit Run				
Mfr: REED HYCALOG	WOB(avg) 26.00klb	No.	Size	Progress	325.0m	Cum. Progress	325.0m			
Type: PDC	RPM(avg) 163	6	18/32nd"	On Bottom Hrs	10.0h	Cum. On Btm Hrs	10.0h			
Serial No.: 212936	F.Rate 17.80bpm			IADC Drill Hrs	0.0h	Cum IADC Drill Hrs	0.0h			
Bit Model 9 1/2" RSX616M-A4	SPP 3600psi			Total Revs	129000	Cum Total Revs	129000			
Depth In 1545.0m	HSI			ROP(avg)	32.50 m/hr	ROP(avg)	32.50 m/hr			
Depth Out	TFA 1.49									
Bit Comment										

BHA # 7		Weight(Wet)	Length	Torque(max)	D.C. (1) Ann Velocity
Weight(Wet)	40.00klb	182.6m	12ft-lbs	D.C. (1) Ann Velocity	
Wt Below Jar(Wet)	16.00klb	String	210.00klb	3ft-lbs	D.C. (2) Ann Velocity 615fpm
Drilling Jar Hours	1	Pick-Up	215.00klb	8ft-lbs	H.W.D.P. Ann Velocity 281fpm
		Slack-Off	210.00klb		D.P. Ann Velocity 281fpm
BHA Run Description Power drive Xceed steerable drilling assembly, Ecoscope.					
BHA Run Comment					

Equipment	Length	OD	ID	Top Conn	Serial #	Comment
Bit	0.22m	9.500in			212936	RSX616M-A2 Re-run 1
Power drive Xceed	7.66m	9.188in			119	
Ecoscope	8.05m	9.375in			779	
Telescope x/o	8.52m	6.875in			FA27	
5" Non-mag HWDP	9.09m	6.625in	2.875in		4449	
5in HWDP	27.47m	5.000in	3.000in			
Drilling Jars	9.68m	6.375in	2.750in		DAH03584	
5in HWDP		5.000in	3.000in			
	111.86m					

Survey								
MD (m)	Incl (deg)	Azim (deg)	TVD (m)	Vsec (deg)	N-S (m)	E-W (m)	DLS (deg/30m)	Tool Type
1649.14	57.5	191.9	1586.93	199.6	-199.1	-37.5	4.7	MWD
1676.22	57.6	191.2	1601.45	222.5	-218.4	-46.9	0.3	MWD
1705.31	57.9	191.1	1616.98	247.1	-267.8	-51.8	0.3	MWD
1735.69	57.6	191.2	1633.21	272.7	-267.8	-51.8	0.3	MWD
1765.00	58.0	190.0	1648.83	297.5	-292.1	-56.4	1.1	MWD
1791.87	57.9	188.9	1663.89	320.3	-314.6	-60.1	1.1	MWD
1821.27	57.9	186.3	1678.73	345.2	-339.3	-63.4	2.3	MWD
1849.18	57.9	182.8	1693.57	368.7	-362.8	-65.3	3.1	MWD
1877.52	57.9	182.4	1708.65	392.5	-386.8	-66.4	0.4	MWD
1906.16	57.2	180.9	1724.03	416.4	-411.0	-67.1	1.5	MWD

Bulk Stocks						
Name	Unit	In	Used	Adjust	Balance	
Barite Bulk	MT	0	15.69	1	137.3	
Bentonite Bulk	MT	0	0	0	21.8	
Diesel	m3	0	13	0	432.9	
Fresh Water	m3	33	18.9	0	421.6	
Drill Water	m3	0	6	0	773.9	
Cement G	MT	0	0	0	143.8	
Cement HT (Silica)	MT	0	0	0	51.4	
Brine	m3	0	0	0	0.0	

Pumps																	
Pump Data - Last 24 Hrs								Slow Pump Data									
No.	Type	Liner (in)	MW (ppg)	Eff (%)	SPM (SPM)	SPP (psi)	Flow (bpm)	Depth (m)	SPM1 (SPM)	SPP1 (psi)	Flow1 (bpm)	SPM2 (SPM)	SPP2 (psi)	Flow2 (bpm)	SPM3 (SPM)	SPP3 (psi)	Flow3 (bpm)
1	A1700PT	5.500	12.15	97	71	3900	6.07										
2	12P 160	6.000	12.15	97	64	3900	6.50	1841.0	30	325	3.00	40	400	4.00	50	500	5.00
3	12P 160	6.000	12.15	97	53	3900	5.39		30	0	3.00	40	0	4.00	50	0	5.00

Casing					
OD (in)	Csg Shoe MD (m)	Csg Shoe TVD (m)	Csg Landing Depth MD (m)	Csg Landing Depth TVD (m)	LOT/FIT (ppg)
30 "	110.80	110.80	110.80	110.80	0.00
16 "	995.32	995.32	995.32	995.32	

Personnel On Board		
Company	Pax	Comment
NEXUS	6	
DOGC	53	45 x DOGC 2x DOGC extra (, 1 x crane op, 1 x dogman) 6 x DOGC other (2 x painter, 3 x union hydraulic, 1 x crane cab man)
DOWELL SCHLUMBERGER	2	
FUGRO SURVEY LTD (ROV)	3	
SCHLUMBERGER ANADRIL	5	2 x MWD, 2 x DD, 1 x tainee MWD.

Personnel On Board		
BAROID	2	
ESS	8	
GEOSERVICES OVERSEAS S.A.	6	
Q-Tech	1	
K & M	2	
Brandt	1	
WEATHERFORD AUSTRALIA PTY LTD	2	
Total	91	

HSE Summary					
Events	Date of last	Days Since	Descr.	Remarks	
Last BOP Test	17 Jul 2006				
Abandon Drill	15 Jul 2006	7 Days	Weekly abandon rig drill		
Fire Drill	15 Jul 2006	7 Days	Weekly fire drill		
JSA	22 Jul 2006	0 Days	Drillcrew 5, deckcrew 16, mechanic 0, subsea 0, Painters 0, welder 0, marine 1.		
Man Overboard Drill	20 Jun 2006	32 Days	Monthly man overboard drill		
Safety Meeting	16 Jul 2006	6 Days	Weekly crew safety meetings	0100/1300/1900hrs	
STOP Card	22 Jul 2006	0 Days	Safe 11 un-safe 3		
Trip / Kick Drill	22 Jul 2006	0 Days	Trip and pit drill	Held trip drills and pit drills. Trip drills 1 x 28secs	

Shakers, Volumes and Losses Data						
Available	2,660.6bbl	Losses	140bbl	Equip.	Descr.	Mesh Size
Active	433.7bbl	Centrifuge	87bbl	Shaker1	VSM100	10/200/200/200/200
Hole	955.2bbl	ROC	53bbl	Shaker2	VSM100	10/200/200/200/200
Reserve	929.1bbl			Shaker3	VSM100	10/200/200/200/200
Slug	3.6bbl			Shaker4	VSM100	10/200/200/200/200
Petrofree ester	339bbl					

Marine									
Weather on 22 Jul 2006							Rig Support		
Visibility	Wind Speed	Wind Dir.	Pressure	Air Temp.	Wave Height	Wave Dir.	Wave Period	Anchors	Tension (klb)
12.0nm	12kn	90.0deg	1029.0mbar	7C°	0.5m	90.0deg		1	179.0
								2	190.0
								3	280.0
								4	251.0
								5	278.0
								6	324.0
								7	282.0
								8	170.0

Vessel Name	Arrived (Date/Time)	Departed (Date/Time)	Status	Bulks					
Item	Unit	Used	Trf. to Rig	Qty. Remaining					
Far Grip	1815hrs 21 July		Running standby						
	Diesel	m3	4	0	595				
	Fresh Water	m3	8	0	464				
	Drill Water	m3	0	0	174				
	Cement G	mt	0	0	0				
	Cement HT (Silica)	mt	0	0	0				
	Barite Bulk	mt	0	0	129				
	Bentonite Bulk	mt	0	0	0				
	Brine	m3	0	0	0				
		bbls	0	0	1418				
Pacific Wrangler		0615hrs 22 July	En-route to Melbourne						
	Diesel	m3	2.7	0	532.6				
	Fresh Water	m3	1	0	230				

				Item	Unit	Used	Trf. to Rig	Qty. Remaining
				Drill Water	m3	0	0	78
				Cement G	mt	0	0	0
				Cement HT (Silica)	mt	0	0	0
				Barite Bulk	mt	0	0	0
				Bentonite Bulk	mt	0	0	0
				Brine	m3	0	0	0
					m3	0	0	0