

DRILLING MORNING REPORT # 18
Longtom 3

27 Jul 2006

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

Well Data							
Country	Australia	MDBRT	3437.0m	Cur. Hole Size	9.500in	AFE Cost	\$40,292,054
Field	Gippsland Basin	TVDBRT	2580.6m	Last Casing OD	16.000in	AFE No.	LSDED01/0
Drill Co.	DOGC	Progress	0.0m	Shoe TVDBRT	995.3m	Daily Cost	\$566,208
Rig	OCEAN PATRIOT	Days from spud	16.37	Shoe MDBRT	995.3m	Cum Cost	\$21,988,351
Wtr Dpth (LAT)	56.7m	Days on well	17.69	FIT/LOT:	/ 13.50ppg	Days Since Last LTI	1165
RT-ASL (LAT)	21.5m	Planned TD MD	5834.0m				
RT-ML	78.2m	Planned TD TVDRT	2458.0m				
Current Op @ 0600		Continue with wire line log #1 PEX-CMR-XPT. Currently CMR.					
Planned Op		Complete log run #1. Make up BHA, run in hole and drill 9 1/2" pilot hole to section TD.					

Summary of Period 0000 to 2400 Hrs
Pulled out of hole after conditioning for logging. Rigged up and ran logging tool string #1 PEX-CMR-XPT. Complete PEX, commenced CMR.

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

Operations For Period 0000 Hrs to 2400 Hrs on 27 Jul 2006

Phse	Cls (RC)	Op	From	To	Hrs	Depth	Activity Description
IH	TP (DFC)	RW	0000	0200	2.00	3437.0m	Continue back reaming with 180rpm, 650gpm,3-8 tq. Ream twice if torque spike observed once if torque constant, run through without pumps and rotary, zero drag observed. Continue back reaming to 1291m MDRT. Each stand was attempted to be pulled with out pumps and rotation prior to back reaming, but drag increased instantly to 40-45klbs at the point the last stand was back reamed to.
IH	P	TO	0200	0430	2.50	3437.0m	Pulled out of hole from 1291m MDRT to 174m MDRT. No excess drag observed. Flow check well @995m MDRT 16" shoe, ok.
IH	P	HBHA	0430	0600	1.50	3437.0m	Pulled out of hole BHA, rack HWDP in derrick and laid down Anadril down hole tools. Bit #7 Smith M716 1-8-RO-S-X-1-WT-PR
IH	P	LOG	0600	0700	1.00	3437.0m	Rig up for wireline operations.
IH	P	LOG	0700	0800	1.00	3437.0m	Picked up schlumberger wire line tool string #1:PEX-XPT-CMR and power up.
IH	P	LOG	0800	1100	3.00	3437.0m	Ran in hole to TD. Tools hung up at 1660m/1679m/2110m/2138m/2140m/2163m/3179m
IH	P	LOG	1100	1200	1.00	3437.0m	Start main pass lower hole section PEX logging up. Stop log @2500m MDRT.
IH	P	LOG	1200	2130	9.50	3437.0m	Ran in hole to TD for CMR. Tune CMR and commence logging up to 2578m MDRT.
IH	P	LOG	2130	2400	2.50	3437.0m	Commence XPT logging @3379m MDRT to 3290m MDRT.

Operations For Period 0000 Hrs to 0600 Hrs on 28 Jul 2006

Phse	Cls (RC)	Op	From	To	Hrs	Depth	Activity Description
IH	P	LOG	0000	0600	6.00	3437.0m	Continue with XPT logging from 3290m up with toolstring #1.

Phase Data to 2400hrs, 27 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

Phase Data to 2400hrs, 27 Jul 2006						
Phase	Phase Hrs	Start On	Finish On	Cum Hrs	Cum Days	Max Depth
CONDUCTOR HOLE(CH)	5.5	11 Jul 2006	13 Jul 2006	34.00	1.417	112.0m
CONDUCTOR CASING(CC)	32	11 Jul 2006	13 Jul 2006	66.00	2.750	112.0m
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)	280.5	16 Jul 2006	27 Jul 2006	424.50	17.688	3437.0m

WBM Data		Cost Today \$ 0		
Mud Type: Petrofree	API FL:	Cl:	Solids(%vol): 20%	Viscosity 82sec/qt
Sample-From: Active pit	Filter-Cake:	K+C*1000:	H2O: 16%	PV 43cp
Time: 19:30hrs	HTHP-FL: 3.0cc/30min	Hard/Ca:	Oil(%): 63%	YP 21lb/100ft ²
Weight: 12.15ppg	HTHP-cake: 2/32nd"	MBT:	Sand: 0.25	Gels 10s 30
Temp:		PM: 0.8	pH:	Gels 10m 51
		PF:	PHPA:	Fann 003 13
Comment	Total product costs to date \$ 833,924.85 Cumulative total \$ 869,624.85 (including engineer)			Fann 006 14
				Fann 100 32
				Fann 200
				Fann 300 64
				Fann 600 107

Bit # 7		Wear	I	O1	D	L	B	G	O2	R
			1	8	RO	S	X	1	WT	PR
Bitwear Comments:										
Size ("):	IADC#	M323	Nozzles		Drilled over last 24 hrs		Calculated over Bit Run			
Mfr: SMITH	WOB(avg)	18.00klb	No.	Size	Progress	0.0m	Cum. Progress	1567.0m		
Type: PDC	RPM(avg)	175	2	16/32nd"	On Bottom Hrs	0.0h	Cum. On Btm Hrs	47.4h		
Serial No.: JW7648	F.Rate	16.23bpm	5	18/32nd"	IADC Drill Hrs	0.0h	Cum IADC Drill Hrs	66.5h		
Bit Model M716PXC 9 1/2"	SPP	4000psi			Total Revs	477000	Cum Total Revs	1131395		
Depth In 1930.0m	HSI				ROP(avg)	N/A	ROP(avg)	33.06 m/hr		
Depth Out 3437.0m	TFA	1.63								
Bit Comment										

BHA # 8						
Weight(Wet)	38.00klb	Length	174.6m	Torque(max)	15ft-lbs	D.C. (1) Ann Velocity
Wt Below Jar(Wet)	14.00klb	String	255.00klb	Torque(Off.Btm)	4ft-lbs	D.C. (2) Ann Velocity
Drilling Jar Hours	106.8	Pick-Up	320.00klb	Torque(On.Btm)	11ft-lbs	H.W.D.P. Ann Velocity 281fpm
		Slack-Off	235.00klb			D.P. Ann Velocity 281fpm

BHA Run Description Power drive Xceed steerable drilling assembly.

BHA Run Comment						
Equipment	Length	OD	ID	Top Conn	Serial #	Comment
Bit	0.31m	9.500in		4 1/2" reg	JW7648	M716 PXC. PDC
Power drive Xceed	7.66m	9.188in			119	
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			
5in HWDP		5.000in	3.000in		DAH03584	
	111.86m					

Bulk Stocks						
Name	Unit	In	Used	Adjust	Balance	
Barite Bulk	MT	0	0	0	143.5	
Bentonite Bulk	MT	0	0	0	21.8	
Diesel	m3	150	13.6	0	479.5	
Fresh Water	m3	18	27.2	0	398.7	

Bulk Stocks						
Name	Unit	In	Used	Adjust	Balance	
Drill Water	m3	0	0	0	725.8	
Cement G	MT	0	0	0	178.6	
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	12.00	97					30		3.00	40		4.00	50		5.00
2	12P 160	6.000	12.00	97				3437.0	20	520	2.00	30	590	3.00	40	680	4.00
3	12P 160	6.000	12.00	97					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	7	
DOGC	54	45 x DOGC 3x DOGC extra (, 1 x crane op, 1 x dogman, 1 x welder) 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	4	2 x MWD, 2 x DD.
BAROID	2	
ESS	8	
GEOSERVICES OVERSEAS S.A.	6	
Q-Tech	1	
K & M	2	
Brandt	1	
WEATHERFORD AUSTRALIA PTY LTD	2	
SCHLUMBERGER OILFIELD AUSTRALIA PTY LTD	6	
Total	98	

HSE Summary					
Events	Date of last	Days Since	Descr.	Remarks	
Last BOP Test	17 Jul 2006				
Abandon Drill	23 Jul 2006	4 Days	Weekly abandon rig drill		
Fire Drill	23 Jul 2006	4 Days	Weekly fire drill		
JSA	27 Jul 2006	0 Days	Drillcrew 7, deckcrew 12, mechanic 6, subsea 0, Painters 0, welder 3, marine 0, catering 0, 3rd party 0.		
Man Overboard Drill	21 Jul 2006	6 Days	Monthly man overboard drill		
Safety Meeting	23 Jul 2006	4 Days	Weekly crew safety meetings	0100/1300/1900hrs	
STOP Card	27 Jul 2006	0 Days	Safe 2 un-safe 7		
Trip / Kick Drill	27 Jul 2006	0 Days	Trip and pit drill	Held trip drills and pit drills. Trip drills 1 x 26secs	

Shakers, Volumes and Losses Data						
Available	2,595.7bbl	Losses	0bbl	Equip.	Descr.	Mesh Size
Active	315.5bbl			Shaker1	VSM100	10/200/200/200/200
Hole	1,460.2bbl			Shaker1	VSM100	10/200/200/200/200
				Shaker2	VSM100	10/200/200/200/200

Shakers, Volumes and Losses Data					
Reserve	656.1bbl		Equip.	Descr.	Mesh Size
Slug	8.9bbl		Shaker2	VSM100	10/200/200/200/200
Petrofree ester	155bbl		Shaker3	VSM100	10/200/200/200/200
			Shaker3	VSM100	10/200/200/200/200
			Shaker4	VSM100	10/200/200/200/200
			Shaker4	VSM100	10/200/200/200/200

Marine									
Weather on 27 Jul 2006							Rig Support		
Visibility	Wind Speed	Wind Dir.	Pressure	Air Temp.	Wave Height	Wave Dir.	Wave Period	Anchors	Tension (klb)
10.0nm	1kn	0.0deg	1021.0mbar	11C°	1.0m	0.0deg		1	214.0
Rig Dir.	Ris. Tension	VDL	Swell Height	Swell Dir.	Swell Period	Weather Comments			
270.0deg	292.00klb	4993.00klb	0.5m	0.0deg	-1s				
Comments							2	179.0	
							3	256.0	
							4	243.0	
							5	328.0	
							6	326.0	
							7	203.0	
							8	201.0	

Vessel Name	Arrived (Date/Time)	Departed (Date/Time)	Status	Bulks				
Far Grip	0600hrs 26th July		Running standby	Item	Unit	Used	Trf. to Rig	Qty. Remaining
				Diesel	m3	5	150	390
Fresh Water	m3	8	0	424				
Drill Water	m3	0	0	174				
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				
	bbls	0	0	1005				
Pacific Wrangler	1940hrs 27th July		Stand by.	Item	Unit	Used	Trf. to Rig	Qty. Remaining
Diesel	m3	10.8	0	439.2				
Fresh Water	m3	5	8	253				
Drill Water	m3	0	0	308				
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				
	m3	0	0	428				

Helicopter Movement				
Flight #	Company	Arr/Dep. Time	Pax In/Out	Comment
1	BRISTOW HELICOPTERS AUSTRALIA PTY LTD	1024 / 1035	7 / 6	Fuel remaining on board 3492 liters