

DRILLING MORNING REPORT # 5
Longtom 3

14 Jul 2006

From: John Wrenn/ Bryan Webb
To: John Ah-Cann

Well Data							
Country	Australia	MDBRT	1005.0m	Cur. Hole Size	22.000in	AFE Cost	\$40,292,054
Field	Gippsland Basin	TVDBRT	1004.7m	Last Casing OD	30.000in	AFE No.	LSDED01/0
Drill Co.	DOGC	Progress	481.0m	Shoe TVDBRT	110.8m	Daily Cost	\$613,893
Rig	OCEAN PATRIOT	Days from spud	3.37	Shoe MDBRT	110.8m	Cum Cost	\$2,847,399
Wtr Dpth (LAT)	56.7m	Days on well	4.60	FIT/LOT:	/	Days Since Last LTI	1152
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 with 22" BHA.					
Planned Op		Make up 18 3/4 well head R/T, lay out. Rig up and run 16" casing. Run 5" cement stinger, run well head and run in hole. Circulate and cement 16" casing					

Summary of Period 0000 to 2400 Hrs	
Drill 22" hole from 524m MDRT to 1005m MDRT. Sweep and circulate hole clean. Commenced displacing to PHG mud. Starboard crane unserviceable due to engine failure.	

Operations For Period 0000 Hrs to 2400 Hrs on 14 Jul 2006

Phse	Cls (RC)	Op	From	To	Hrs	Depth	Activity Description
SH	P	DA	0000	1430	14.50	846.0m	Drill ahead 22" hole from 524m MDRT to 846m MDRT. 1130gpm/ 2400psi/ 185rpm/ 4-6000ftlbs tq/ 28-35klbs WOB. Rotating wt 190klbs/ up wt 190klbs/ down wt 190klbs. Average ROP: 22.1m/hr Drill with sea water pumping Hi-vis sweeps as follows: 50bbls PHG/ 50bbls Guar/ 75bbls PHG. No hole problems observed during drilling or connections.
SH	TP (VE)	DA	1430	1500	0.50	846.0m	Repair anadril geograph line in derrick. Cable became tangled in dollar track roller frame due to wind.
SH	P	DA	1500	2230	7.50	1005.0m	Drill ahead 22" hole from 846m MDRT to 1005m MDRT. 1130gpm/ 2400psi/ 185rpm/ 7000ftlbs tq/ 30-35klbs WOB. Rotating wt 205klbs/ up wt 205klbs/ down wt 200klbs. Average ROP: 21.2m/hr Drill with sea water pumping Hi-vis sweeps as follows: 50bbls PHG/ 50bbls Guar/ 75bbls PHG. No hole problems observed during drilling or connections.
SH	P	CHC	2230	2400	1.50	1005.0m	@999.93m MDRT, 999.71m TVD, 2.37deg incl, 353.90deg azim, Pump 150bbls of PHG, spot around BHA. Take survey. Circulate sweep out of hole at 1200gpm/ 125rpm while mixing the last pit of PHG for displacement. Commence displacing well.

Operations For Period 0000 Hrs to 0600 Hrs on 15 Jul 2006

Phse	Cls (RC)	Op	From	To	Hrs	Depth	Activity Description
SH	P	DIS	0000	0030	0.50	1005.0m	Complete displacing well with PHG 1700bbls.
SH	P	TO	0030	0600	5.50	1005.0m	(IN PROGRESS) Pulled out of hole from 1005m MDRT. 1005m MDRT to 907m MDRT hole in good condition with occasional 5-10klbs o/pull. 907m MDRT to 888m MDRT 40-60klbs o/pull, no weight taken to RIH, wipe x 2, OK. 878m MDRT 40-60klbs o/pull, no weight to RIH, wipe x 2, OK. 845m MDRT to 840m MDRT 60-70klbs o/pull, no weight to RIH, wipe x 2, OK. 816m MDRT to 809m MDRT 70klbs o/pull, wipe x 3, OK. 798m MDRT to 793m MDRT 60-90klbs o/pull, work and wipe hard to get through this section, no problems seen at all slacking off after 90klbs up, work until clear, run through ok. 768m MDRT 50-60klbs o/pull, work x 1, ok. 759m MDRT to 757m MDRT 75-80klbs o/pull, no weight to RIH, work and wipe until clear, run through ok. 730m MDRT 40klbs o/pull, work x 1, ok. 710m MDRT 40klbs o/pull, work x 1, ok. Pulled from 710m MDRT to 577m MDRT ok. 577m MDRT 60-90klbs o/pull, work and wipe hard to get through this section, no problems seen at all slacking off after 90klbs up, work until clear, run through ok.

Phse	Cls (RC)	Op	From	To	Hrs	Depth	Activity Description
							515m MDRT 60-70klbs o/pull, work x 1, ok. 515m to 24" shoe, ok. Jet 30" housing at 1200gpm on way through with bit.

Phase Data to 2400hrs, 14 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	112.0m
CONDUCTOR CASING(CC)	32	11 Jul 2006	13 Jul 2006	66.00	2.750	112.0m
SURFACE HOLE(SH)	44.5	13 Jul 2006	14 Jul 2006	110.50	4.604	1005.0m

WBM Data		Cost Today \$ 12290			
Mud Type: PHG spud mud	API FL:	Cl:	Solids(%vol):	Viscosity	112sec/qt
Sample-From:	Filter-Cake:	K+C*1000:	H2O:	PV	
Time: 23.30hrs	HTHP-FL:	Hard/Ca:	Oil(%):	YP	
Weight: 8.70ppg	HTHP-cake:	MBT:	Sand:	Gels 10s	
Temp: 17C°		PM:	pH:	Gels 10m	
		PF:	PHPA:	Fann 003	
Comment	No engineer costs, product only. Total product costs \$ 35,606.55. Cummulative total \$ 49,206.55			Fann 006	
				Fann 100	
				Fann 200	
				Fann 300	
				Fann 600	

Bit # 2		Wear	I	O1	D	L	B	G	O2	R
Bitwear Comments:										
Size ("):	IADC#	115	Nozzles		Drilled over last 24 hrs		Calculated over Bit Run			
Mfr: SMITH	WOB(avg)	30.00klb	No.	Size	Progress	481.0m	Cum. Progress	892.0m		
Type: Rock	RPM(avg)	176	1	18/32nd"	On Bottom Hrs	18.3h	Cum. On Btm Hrs	27.0h		
Serial No.: MX 9485	F.Rate	26.78bpm	3	22/32nd"	IADC Drill Hrs	22.0h	Cum IADC Drill Hrs	35.5h		
Bit Model: 22" XR + C	SPP	2498psi			Total Revs	341000	Cum Total Revs	457000		
Depth In: 111.8m	HSI				ROP(avg)	26.28 m/hr	ROP(avg)	33.04 m/hr		
Depth Out	TFA	1.362								
Bit Comment										

BHA # 2						
Weight(Wet)	60.00klb	Length	238.5m	Torque(max)	7ft-lbs	D.C. (1) Ann Velocity
Wt Below Jar(Wet)	40.00klb	String	200.00klb	Torque(Off.Btm)	6ft-lbs	D.C. (2) Ann Velocity
Drilling Jar Hours		Pick-Up	205.00klb	Torque(On.Btm)	3ft-lbs	H.W.D.P. Ann Velocity
		Slack-Off	205.00klb			D.P. Ann Velocity

BHA Run Description

BHA Run Comment

Equipment	Length	OD	ID	Serial #	Comment
Bit	0.58m	22.000in		MX 9485	22" Milled tooth. 3 x 22, 1 x 18.
Bit Sub	0.92m	9.438in	3.000in	186-0029	Float bored, non-ported float installed.
MWD	8.79m	9.500in	4.000in	W696	
9.5in DC	9.17m	9.500in	3.000in	00005-9	
Stab	2.22m	22.000in	3.063in	207A3	22" full gauge string stab.
9.5in DC	8.99m	9.500in	3.000in	00002-9	
Stab	2.38m	22.000in	4.000in	207A2	22" full gauge string stab.
9.5in DC	9.05m	9.500in	3.000in	00004-9	
X/O	1.45m	8.188in	3.000in	A318	7 5/8 reg to 6 5/8 reg x/o.
8in DC	17.77m	8.000in	3.000in		

Equipment	Length	OD	ID	Serial #	Comment
Drilling Jars	10.21m	8.000in	3.000in	35205E	Houston engineering drilling jars.
8in DC	26.73m	8.000in	3.000in		
X/O	1.17m	7.875in	3.000in	mso 1940-02	6 5/8 reg to 4 1/2" IF.
5in HWDP	139.33m	5.000in	3.000in		

Survey									
MD (m)	Incl (deg)	Azim (deg)	TVD (m)	Vsec (deg)	N-S (m)	E-W (m)	DLS (deg/30m)	Tool Type	
573.38	0.4	72.2	573.34	4.3	4.3	-3.7	0.4	MWD	
657.48	0.6	5.6	657.44	4.9	4.9	-3.4	0.2	MWD	
744.19	1.2	5.2	744.13	6.3	6.3	-3.2	0.2	MWD	
801.34	1.7	353.9	801.27	7.7	7.7	-3.3	0.3	MWD	
857.40	2.2	356.6	857.29	9.6	9.6	-3.4	0.3	MWD	
887.03	2.3	356.6	886.90	10.7	10.7	-3.5	0.1	MWD	
999.93	2.4	353.4	999.71	15.3	15.3	-3.9	0.0	MWD	

Bulk Stocks						
Name	Unit	In	Used	Adjust	Balance	
Barite Bulk	MT	0	0	0	125.2	
Bentonite Bulk	MT	30.79	34.18	0	30.8	
Diesel	m3	0	19.5	0	214.3	
Fresh Water	m3	34	27.1	0	392.5	
Drill Water	m3	0	403.2	0	385.2	
Cement G	MT	0	0	0	153.1	
Cement HT (Silica)	MT	0	0	0	88.4	
Brine	BBLs	0	0	0	0.0	

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	6.500	8.65	97	73	2800	8.80										
2	12P 160	6.500	8.65	97	73	2800	8.80										
3	12P 160	6.500	8.65	97	73	2800	8.80										

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
UPSTREAM PETROLEUM	3	
NEXUS	1	
DOGC	52	47 x DOGC 2 x DOGC extra(1 x welders, 1 x crane op) 3 x DOGC other (3 x painter)
DOWELL SCHLUMBERGER	2	
WEATHERFORD AUSTRALIA PTY LTD	3	
CAMERON AUSTRALIA PTY LTD	1	
FUGRO SURVEY LTD (ROV)	6	
SCHLUMBERGER ANADRIL	5	3 x MWD, 2 x electricians
BAROID	2	
Q-Tech	1	
ESS	8	
GEOSERVICES OVERSEAS S.A.	2	
Total	86	

HSE Summary				
Events	Date of last	Days Since	Descr.	Remarks
Abandon Drill	09 Jul 2006	5 Days	Weekly abandon rig drill	0100/1300/1900hrs
Fire Drill	09 Jul 2006	5 Days	Weekly fire drill	
JSA	14 Jul 2006	0 Days	Drillcrew 3, deckcrew 14, mechanic 2, subsea 5, Painters 1, welder 0.	
Man Overboard Drill	20 Jun 2006	24 Days	Monthly man overboard drill	
Safety Meeting	09 Jul 2006	5 Days	Weekly crew safety meetings	
STOP Card	14 Jul 2006	0 Days	Safe 29 un-safe 19	

Shakers, Volumes and Losses Data			
Available	154bbl	Losses	4,365.9bbl
Active	38bbl	Sweeps/ Displacement.	4,365.9bbl
Reserve	116bbl		

Marine									
Weather on 14 Jul 2006							Rig Support		
Visibility	Wind Speed	Wind Dir.	Pressure	Air Temp.	Wave Height	Wave Dir.	Wave Period	Anchors	Tension (klb)
10.0nm	25kn	60.0deg	1026.0mbar	11C°	1.0m	60.0deg		1	181.0
Rig Dir.	Ris. Tension	VDL	Swell Height	Swell Dir.	Swell Period	Weather Comments		2	214.0
270.0deg		5220.00klb	1.5m	60.0deg				3	223.0
Comments								4	247.0
								5	388.0
								6	344.0
								7	234.0
								8	207.0

Vessel Name	Arrived (Date/Time)	Departed (Date/Time)	Status	Bulks				
Far Grip	0630hrs 14 July		Off loading cargo	Item	Unit	Used	Trf. to Rig	Qty. Remaining
				Diesel	m3	22		690
				Fresh Water	m3	5		500
				Drill Water	m3			320
				Cement G	mt			0
				Cement HT (Silica)	mt			0
				Barite Bulk	mt			85
				Bentonite Bulk	mt		45	0
Pacific Wrangler		0630hrs 14 July	En-route to melbourne	Item	Unit	Used	Trf. to Rig	Qty. Remaining
				Diesel	m3	5.9		636.8
				Fresh Water	m3	2		203
				Drill Water	m3			80
				Cement G	mt			0
				Cement HT (Silica)	mt			0
				Brine	m3			0
				Barite Bulk	mt			0
				Bentonite Bulk	mt			0

Helicopter Movement				
Flight #	Company	Arr/Dep. Time	Pax In/Out	Comment
1	BRISTOW HELICOPTERS AUSTRALIA PTY LTD	1021 / 1031	5 / 8	Fuel remaining on board 1689 litres.