

15 Aug 2006

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

Well Data				Town Side QC Done	
Drill Co.:	Ensign	Midnight Depth (MD):	1847.0m	Current Hole Size:	8.500in
Rig:	Ensign 32	Midnight Depth (TVD):	941.0m	Casing O.D.:	9.625in
Prognosed TD:	2350.0m	Progress:	167.0m	Shoe TVD:	803.0m
RT-GL:	5.90m	Days From Spud:	17.81	F.I.T. / L.O.T.	/ 16.70ppg
GL Elev.:	2.71m	Days On Well:	34.75	Rig Move Distance	1800+/- k's
Current Op's @ 0600 16 Aug 2006 : Continue to drill 8 1/2 hole w/- geo pilot. ROP Reduced at 1860m f/- 20m/hr to 6m/hr.					
Planned Operations for 16 Aug 2006 : Continue to drill 8 1/2 hole w/- geo pilot to TD 2350m					

Summary of Period 0000 to 2400 Hrs
POOH w/- BHA # 10. Check bit #9 balled up clean up bit and rerun in hole. Continue to 8 1/2 hole w/- GeoPilot f/-1680m to 1847m

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 15 Aug 2006							
Phse	Cls	Op	From	To	Hrs	Depth	Activity Description
PH	TP	TO	0000	0130	1.50	1680.0m	Continue to POOH to 10m.
PH	TP	HT	0130	0200	0.50	1680.0m	Hold PJSM and unload radioactive source
PH	TP	HT	0200	0230	0.50	1680.0m	Download MWD data
PH	TP	HBHA	0230	0330	1.00	1680.0m	Lay out flex joint and pull Bit# 9. Bit balled up with 1x blocked jet. Clean up bit and remove and clean out jets. No junk damage on BHA.
PH	TP	HT	0330	0430	1.00	1680.0m	M/up bit# 9RR Pick up flex joint and Test MWD. OK.
PH	TP	HT	0430	0500	0.50	1680.0m	Hole PJSM. Install radioactive source.
PH	TP	TI	0500	0600	1.00	1680.0m	Continue to RIH w/- BHA#11 to 214m
PH	TP	HT	0600	0630	0.50	1680.0m	Shallow test sperry geo pilot ok.
PH	TP	TI	0630	0830	2.00	1680.0m	Continue to RIH to 9 5/8 casing shoe 1602m
PH	TP	RW	0830	0930	1.00	1680.0m	Wash and ream down f/- 1602m to 1680m
PH	P	DM	0930	1200	2.50	1717.0m	Drill 8 1/2 hole w/- 1680m to 1717m
PH	U	RS	1200	1230	0.50	1717.0m	Service Top drive
PH	P	DM	1230	2400	11.50	1847.0m	Continue to drill 8 1/2 hole to 1847m ,WOB,10-12k, RPM 140, SPM 255 = 650GPM, SPP=2650psi.

Operations For Period 0000 Hrs to 0600 Hrs on 16 Aug 2006							
Phse	Cls	Op	From	To	Hrs	Depth	Activity Description
PH		DM	0000	0200	2.00	1881.0m	Continue to drill 8 1/2 to 1881m At 1865m pressure increase 2700psi to 2850 psi. ROP decreased f/- 20m/hr to 4-6 m/hr.
PH		DM	0200	0600	4.00	1881.0m	Suspect plugged jets. Pump several barcarb/KCl sweeps in attempt to clear jets. No change in pressure or ROP. Pull back to 1750m & perform flow test. Circ rate decreased from 645gpm to 540gpm w/ similar circ pressure. Clean hole & POOH to inspect/change bit.

General Comments	
Comments	Rig Requirements
Tesco's second engineer on site .	

WBM Data		Cost Today \$ 15447				Cumulative Cost \$ 132069		
Mud Type: KCl/PHPA/Glycol	Viscosity: 52sec/qt	API FL Loss: 5.8cc	CI	30000	Solids:	7.1		
Depth: 1681.0m	PV: 13cp	Filter Cake: 1/32nd"	K+:	6%	H2O:	90%		
Time: 10:30	YP: 24lb/100ft²	HTHP FL: 11.5cc	Hard/Ca:	350	Oil:			
Weight: 10.00ppg	Gels 10s/10m: 7 / 11	HTHP Cake: 2/32nd"	MBT:	5	Sand:	0.2		
Temp:	Fann (3/6/100):		PM:		pH:	9		
	6 / 9 / 23		PF:	0.1	PHPA:	0.50ppb		
Comment								

WBM Data		Cost Today				Cumulative Cost \$ 132069		
Mud Type: KCl/PHPA/Glycol	Viscosity: 49sec/qt	API FL Loss: 5.8cc	CI	39000	Solids:	8		
Depth: 1825.0m	PV: 19cp	Filter Cake: 1/32nd"	K+:	6%	H2O:	89%		
Time: 21:45	YP: 31lb/100ft²	HTHP FL:	Hard/Ca:	360	Oil:			
Weight: 10.40ppg	Gels 10s/10m: 9 / 12	HTHP Cake:	MBT:	5	Sand:	0.3		
Temp: 129.0F°	Fann (3/6/100):		PM:	0.15	pH:	9		
	8 / 10 / 29		PF:	0.05	PHPA:	0.50ppb		
Comment Added Radsigreene to reduce torque. Also reduced rheology. Increased KCl and Glycol.								

Shakers, Volumes and Losses Data				Engineer: Manfred Olejniczak / J.V.Babu			
Equipment	Description	Mesh Size	Available	Losses	Comment		
Centrifuge	DE 1000		Active	870.0bbl	Downhole		
Centrifuge	DE 1000		Mixing	372.0bbl	Surf. + Equip.	82.0bbl	
Shaker 1	Derrick	Pyramid-210/210	Hole	398.0bbl	Dumped		
Shaker 1	Derrick	Pyramid-210/210	Slug		De-Sander		
Shaker 2	Derrick	Pyramid-175/175	Reserve	100.0bbl	De-Silter		
Shaker 2	Derrick	Pyramid-175/175	Kill		Centrifuge		

Bit # 9			Wear	I	O1	D	L	B	G	O2	R
Size:	8.500in	IADC#:		0	0	NO		X	I	NO	PR
Mfr:	HYCALOG	WOB (avg): 18.0klb	No.	Nozzles		Drilled over last 24 hrs		Calculated over Bit Run			
Type:	p	RPM (avg): 120	6	Size	14/32nd"	Progress:	0.0m	Cum. Progress:		20.0m	
Serial #:	210621	F.Rate: 600gpm				On Bottom Time:	0.00h	Cum. On Btm Time:		3.27h	
Depth In:	1660.0m	SPP: 2300psi				IADC Time:	0.00h	Cum. IADC Time:		5.00h	
Depth Out:	1680.0m	HSI:				Total Revs:		Cum. Total Revs:		0	
Bit Model:	RSX616	TFA: 0.902				ROP (avg):	N/A	Overall ROP (avg): 6.12 m/hr			

Bit # 9rr			Wear	I	O1	D	L	B	G	O2	R
Size:	8.500in	IADC#:									
Mfr:	HYCALOG	WOB (avg): 18.0klb	No.	Nozzles		Drilled over last 24 hrs		Calculated over Bit Run			
Type:	p	RPM (avg): 120	6	Size	18/32nd"	Progress:	167.0m	Cum. Progress:		167.0m	
Serial #:	210621	F.Rate: 600gpm				On Bottom Time:	10.10h	Cum. On Btm Time:		10.10h	
Depth In:	1680.0m	SPP: 2300psi				IADC Time:	13.50h	Cum. IADC Time:		13.50h	
Depth Out:		HSI:				Total Revs:		Cum. Total Revs:		0	
Bit Model:	RSX616	TFA: 1.491				ROP (avg):	16.53 m/hr	Overall ROP (avg): 16.53 m/hr			

BHA # 10							
Wt. Below Jars Dry	5860.0klb	Length:	185.2m	Torque (max):	15500ft-lbs	DC (1) Ann Vel.:	0fpm
Weight Dry:	54529.0klb	String Weight:	70000.0klb	Torque On Btm:	8500ft-lbs	DC (2) Ann Vel.:	0fpm
Type:	Rotary Steerable	Pick-Up Weight:	120000.0klb	Torque Off Btm:	8500ft-lbs	HWDP Ann. Vel.:	283fpm
		Slack-Off Weight:	55000.0klb			DP Ann. Vel.:	283fpm

#	Equipment	Tool Description	Length	O.D.	I.D.	Serial #	Hours
1	Bit		0.41m	8.50in		210621	7.50h
2	9600 Geo-Pilot		7.08m	8.50in	1.92in	GP850085	7.50h
3	Geo-Pilot NM Flex Joint w/-DM		2.81m	6.75in	1.92in	CP1004338	7.50h
4	6-3/4		8.49m	6.75in	1.92in	DM90108295	7.50h
5	MWD		9.18m	6.75in	1.92in	DM90107112	7.50h
6	Non Mag Hang Off Sub		3.05m	6.75in	1.92in	10635033	3.50h
7	Float Sub		0.63m	6.44in	2.75in	A225	7.50h
8	X/O		0.35m	6.25in	3.00in	M1623	47.00h
9	HWDP		86.05m	6.25in	2.81in		55.50h
10	Drilling Jars		9.95m	6.50in	2.75in	176020301	102.50h
11	HWDP		57.17m	6.25in	2.81in		47.00h

BHA # 11							
Wt. Below Jars Dry	5860.0klb	Length:	185.2m	Torque (max):	15500ft-lbs	DC (1) Ann Vel.:	0fpm
Weight Dry:	54529.0klb	String Weight:	75000.0klb	Torque On Btm:	8500ft-lbs	DC (2) Ann Vel.:	0fpm
Type:	Rotary Steerable	Pick-Up Weight:	80000.0klb	Torque Off Btm:	8500ft-lbs	HWDP Ann. Vel.:	283fpm
		Slack-Off Weight:	65000.0klb			DP Ann. Vel.:	283fpm

#	Equipment	Tool Description	Length	O.D.	I.D.	Serial #	Hours
1	Bit		0.41m	8.50in		210621	17.60h
2	9600 Geo-Pilot		7.08m	8.50in	1.92in	GP850085	17.60h
3	Geo-Pilot NM Flex Joint w/-DM		2.81m	6.75in	1.92in	CP1004338	17.60h
4	6-3/4		8.49m	6.75in	1.92in	DM90108295	17.60h
5	MWD		9.18m	6.75in	1.92in	DM90107112	17.60h
6	Non Mag Hang Off Sub		3.05m	6.75in	1.92in	10635033	13.60h
7	Float Sub		0.63m	6.44in	2.75in	A225	17.60h
8	X/O		0.35m	6.25in	3.00in	M1623	57.10h
9	HWDP		86.05m	6.25in	2.81in		55.60h
10	Drilling Jars		9.95m	6.50in	2.75in	176020301	112.60h
11	HWDP		57.17m	6.25in	2.81in		57.60h

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
1647.00	69.84	118.53	841.3	-587.58	8.02	-587.58	1075.61	1225.64	118.6	MWD
1706.30	64.96	118.42	864.1	-613.68	8.23	-613.68	1123.72	1280.37	118.6	MWD
1764.18	58.81	117.25	891.3	-637.51	10.77	-637.51	1168.84	1331.39	118.6	MWD
1822.11	51.89	116.24	924.3	-658.96	12.03	-658.96	1211.36	1378.99	118.5	MWD
1851.05	47.98	115.64	942.9	-668.65	13.60	-668.65	1231.27	1401.11	118.5	MWD

Bulk Stocks					
Name	Unit	In	Used	Adjust	Balance
Barite	sx	320	480	0	290.0
KCl	sx	0	80	0	-356.0
Salt	sx	0	0	0	0.0
Gel	sx	0	0	0	240.0
Potable Water	ltr	30000	7000	0	46,000.0
Rig Fuel	ltr	12100	6700	0	34,900.0
Camp Fuel	ltr	2150	350	0	5,100.0

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	90	97	228	2700	40	200	1847.0	10.50
2	National - 8P-80	5.50	90	97	228	2700	60	300	1847.0	9.90
3	National - 8P-80	5.50	90	97	228	2700			1847.0	10.50
4	IDECO - T1000									

HSE Summary				
Events	Date of Last	Days Since	Description	Remarks
LTI/MTI incident free days	15 Aug 2006	0 Days	Incident free days 16/TRI 16 Days	Held 2 x pre tour safety meeting .Topics discussed .Housekeeping,Mixing chemicals.New crew on location take care .