10 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:	8.500in
Rig:	Ensign 32	Midnight Depth (TVD):	830.0m	Casing O.D.:	9.625in
Prognosed TD:	2350.0m	Progress:	0.0m	Shoe TVD:	803.0m
RT-GL:	5.90m	Days From Spud:	12.81	F.I.T. / L.O.T.	/ 20.00ppg
GL Elev.:	2.71m	Days On Well:	29.75	Rig Move Distance	1800+/- k's

Current Op's @ 0600 11 Aug 2006 : Circulate and condition mud prior to POOH.
Planned Operations for 11 Aug 2006 : POOH Change out BHA to 8-1/2" GeoPilot Rotary Steerable assy.

Summary of Period 0000 to 2400 Hrs

RIH with dumb 8 1/2 BHA picking up 69 singles of the cat walk.
Perform BOP drill, S/I well & muster
Continue to RIH w/- 8 1/2 assy to 1550m
Break circulation, wash and light ream to 1574 m. Tag cement and drill cement and float at 1575m. Drill cement with 10K WOB, 30 rpm and 200 stks per minute (1000 psi) tag soild at 1597m TMP
ROP dropped off. Steel and aluminium fragments seen at surface.
6kg of Aluminium, 4 kg Carbon Steel
Pull up off bottom and circulate the hole clean.
POOH from 1597m to surface.
Break out bit .Check condition.
M/up BHA # 7 and RIH to 1571m
Tag float collar depth, string torqued up, work through float several times . Continue to wash down to 1597m Tag up.

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 10 Aug 2006

Phse	Cls	Op	From	To	Hrs	Depth	Activity Description
IH	P	TI	0000	0330	3.50	1606.0m	RIH with 8 1/2 dumb BHA & milltooth 8-1/2" bit, picking up 69 singles of the cat walk.
IH	P	TI	0330	0400	0.50	1606.0m	Perform BOP drill S/I well & muster
IH	P	TI	0400	0600	2.00	1606.0m	Continue to RIH w/- 8 1/2 assy 1550m
IH	P	RW	0600	0830	2.50	1606.0m	Break circulation, wash and light ream to 1574 m. Tag cement and drill cement and float at 1575m. Drill cement with 10K on bit, 30 rpm and 200 stks per minute (1000 psi) tag soild at 1597m
IH	TP	DFS	0830	1100	2.50	1606.0m	ROP dropped off. Steel and aluminium fragments seen at surface. 6kg of Aluminium, 4 kg Carbon Steel recovered from ditch magnets and possum bellies.
IH	TP	CMD	1100	1230	1.50	1606.0m	Pull up off bottom and circulate the hole clean.
IH	TP	TO	1230	1530	3.00	1606.0m	POOH from 1597m to surface.
IH	TP	HBHA	1530	1600	0.50	1606.0m	Break out bit. Check condition, worn sholder cutters.
IH	TP	WO	1600	1730	1.50	1606.0m	Wait on decision for next assy.
IH	TP	TI	1730	2230	5.00	1606.0m	M/up BHA # 7 (PDC bit and stabiliser) and RIH to 1571m
IH	TP	RW	2230	2400	1.50	1606.0m	Tag at float collar depth, string torqued up, Work through float several times . Continue down to wash down to 1597m HUD.

Operations For Period 0000 Hrs to 0600 Hrs on 11 Aug 2006

Phse	Cls	Op	From	To	Hrs	Depth	Activity Description
IH		RW	0000	0100	1.00	1606.0m	Continue to drill out the through 1597m, Drill with 50 rpm, 560gpm, ROP 0.5m/hr. Break through 1598m, attempt to work back through 1597m . Sting stalled out.
IH		WSP	0100	0230	1.50	1606.0m	Stuck pipe at 1597m . No rotation 50k overpull. Install work single & attempt to work through 1597 to 1598m.

Printed on 11 Aug 2006

Phse	Cls	Op	From	To	Hrs	Depth	Activity Description
							Regain rotation . Drill NBS through 1597m. Work back through 1597m until torque reduced to 6500 ft/lbs. Continue to drill out rat hole to 1606 m
PH		D	0230	0300	0.50	1609.0m	Drill new 8 1/2 hole from 1606m to 1609m.
PH		CMD	0300	0330	0.50	1609.0m	Circulate and condition mud prior to LOT. 60% new formation in sample
PH		LOT	0330	0430	1.00	1609.0m	Perform LOT at 803m TVD. Leak off pressure 1000psi w/-9.3ppg = EMW 16.7 ppg.
PH		D	0430	0530	1.00	1619.0m	Continue to drill 8 1/2 hole f/-1609 to 1619m.
PH		CMD	0530	0600	0.50	1619.0m	Circulate and condition mud .

General Comments

Comments	Rig Requirements
Recieved 100 jnts of 7" casing. Returned 17 jnts 9 5/8 casing to storage yard.	

WBM Data		**Cost Today $ 2401**				**Cumulative Cost $ 103894**	
Mud Type:	KCl PHPA/Glycol	Viscosity:	55sec/qt	API FL Loss:	4.8cc	Cl	30000	Solids:	4.6
Depth:	1606.0m	PV:	13cp	Filter Cake:	1/32nd"	K+:	6%	H2O:	93%
Time:	10:30	YP:	22lb/100ft²	HTHP FL:		Hard/Ca:	180	Oil:	
Weight:	9.30ppg	Gels 10s/10m:	6 / 10	HTHP Cake:		MBT:	6	Sand:	0.3
Temp:		Fann (3/6/100):				PM:		pH:	9.5
			6 / 8 / 21			PF:	0.15	PHPA:	0.50ppb
Comment									

WBM Data		**Cost Today**				**Cumulative Cost $ 103894**	
Mud Type:	KCl PHPA/Polymer	Viscosity:	56sec/qt	API FL Loss:	5.8cc	Cl	29000	Solids:	4.6
Depth:	1606.0m	PV:	17cp	Filter Cake:	1/32nd"	K+:	6%	H2O:	93%
Time:	22:00	YP:	24lb/100ft²	HTHP FL:		Hard/Ca:	80	Oil:	
Weight:	9.25ppg	Gels 10s/10m:	7 / 10	HTHP Cake:		MBT:	5.5	Sand:	0.1
Temp:		Fann (3/6/100):				PM:		pH:	9.5
			6 / 9 / 24			PF:	0.18	PHPA:	
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-210/210/210/210
Shaker 1	Derrick	Pyramid-210/210/210/210
Shaker 2	Derrick	Pyramid-460/460/460/460
Shaker 2	Derrick	Pyramid-250/250/250

Available	**869.0bbl**
Active	358.0bbl
Mixing	
Hole	342.0bbl
Slug	
Reserve	169.0bbl
Kill	

Losses	**175.0bbl**
Downhole	
Surf. + Equip.	0.0bbl
Dumped	155.0bbl
De-Sander	
De-Silter	
Centrifuge	20.0bbl

Comment: Drilled out cement with old mud in hole. Dumped 155 bbl. Back on system.

Bit # 6	Wear	I	O1	D	L	B	G	O2	R
		1	1	WT	S	1	I	NO	PR

				Nozzles	Drilled over last 24 hrs		Calculated over Bit Run	
Size:	8.500in	IADC#:		No. Size	Progress:		Cum. Progress:	0.0m
Mfr:	Hycalog	WOB (avg):	5.0klb		On Bottom Time:		Cum. On Btm Time:	0.00h
Type:		RPM (avg):	50		IADC Time:		Cum. IADC Time:	0.00h
Serial #:	RO3706	F.Rate:	500gpm		Total Revs:		Cum. Total Revs:	0
Depth In:	1606.0m	SPP:	1400psi		ROP (avg):	N/A	Overall ROP (avg):	0.00 m/hr
Depth Out:	1606.0m	HSI:						
Bit Model:	HP21G	TFA:	0.000					

Bit # 7	Wear	I	O1	D	L	B	G	O2	R

				Nozzles	Drilled over last 24 hrs		Calculated over Bit Run	
Size:	8.500in	IADC#:	519	No. Size	Progress:		Cum. Progress:	0.0m
Mfr:	REED	WOB (avg):			On Bottom Time:		Cum. On Btm Time:	0.00h
Type:	p	RPM (avg):			IADC Time:		Cum. IADC Time:	0.00h
Serial #:	112295	F.Rate:			Total Revs:		Cum. Total Revs:	0
Depth In:		SPP:			ROP (avg):	N/A	Overall ROP (avg):	0.00 m/hr
Depth Out:		HSI:						
Bit Model:	RSX272	TFA:	0.000					

BHA # 6

Wt. Below Jars Dry:		Length:	208.9m	Torque (max):		DC (1) Ann Vel.:	408fpm
Weight Dry:		String Weight:	46000.0klb	Torque On Btm:		DC (2) Ann Vel.:	0fpm
Type:	Pendulum	Pick-Up Weight:	48000.0klb	Torque Off Btm:		HWDP Ann. Vel.:	236fpm
		Slack-Off Weight:	45000.0klb			DP Ann. Vel.:	236fpm

#	Equipment	Tool Description	Length	O.D.	I.D.	Serial #	Hours
1	Bit		0.26m	8.50in		RO3706	
2	Bit Sub		0.92m	6.50in	3.00in		
3	Drill Collar	6 X 6.5 DC	54.56m	6.50in	3.00in		
4	HWDP	9 X HWDP	86.05m	4.50in	2.75in		
5	Drilling Jars		9.95m	4.60in	3.00in	176020301	92.00h
6	HWDP	6 X HWDP	57.17m	4.50in	2.75in		

BHA # 7

Wt. Below Jars Dry:	30000.0klb	Length:	212.4m	Torque (max):		DC (1) Ann Vel.:	0fpm
Weight Dry:	35300.0klb	String Weight:		Torque On Btm:		DC (2) Ann Vel.:	0fpm
Type:	Pendulum	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		0.37m	8.50in	3.00in	112295	
2	Near Bit Stabiliser		1.82m		2.88in	47695	
3	X/O		0.45m	6.00in	2.88in	m1623	
4	6.5in DC		9.42m	6.50in	2.75in	32-2-5	
5	X/O		0.32m	6.00in	2.81in		
6	String Stabiliser		1.28m		3.00in	47584	
7	X/O		0.45m		3.00in		
8	6.5in DC		45.14m	6.50in	3.00in		
9	HWDP		86.05m	4.50in	2.81in		
10	Drilling Jars		9.95m		2.75in	176020301	
11	HWDP		57.17m	4.50in	2.81in		

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	0	0	900.0
KCl	sx	0	60	0	-480.0
Salt	sx	0	0	0	0.0
Gel	sx	0	0	0	240.0
Potable Water	ltr	0	6000	0	35,200.0
Rig Fuel	ltr	0	4200	0	42,400.0
Camp Fuel	ltr	0	350	0	4,700.0

Pumps

Pump Data - Last 24 Hrs

No.	Type	Liner (in)	SPM	Eff. (%)	Flow (gpm)	SPP (psi)
1	National - 8P-80	5.50		97		
2	National - 8P-80	5.50		97		
3	National - 8P-80	5.50				
4	IDECO - T1000	6.00		97	312	

Slow Pump Data

SPM	SPP (psi)	Depth (m)	MW (ppg)
			9.50
			9.50
			9.50

HSE Summary

Events	Date of Last	Days Since	Description	Remarks
LTI/MTI incident free days	10 Aug 2006	0 Days	Incident free days 11/TRI 11 Days	Held 2 x pre tour safety meeting .Topics discussed .Tripping .Manual handling,