12 Aug 2006 **From : Troy Reid**
To : Andy Wilkinson/ Brian King/James Hinton

Well Data					**Town Side QC Done**
Drill Co.:	Ensign	Midnight Depth (MD):	1660.0m	Current Hole Size:	8.500in
Rig:	Ensign 32	Midnight Depth (TVD):	848.0m	Casing O.D.:	9.625in
Prognosed TD:	2350.0m	Progress:	41.0m	Shoe TVD:	803.0m
RT-GL:	5.90m	Days From Spud:	14.81	F.I.T. / L.O.T.	/ 16.70ppg
GL Elev.:	2.71m	Days On Well:	31.75	Rig Move Distance	1800+/- k's

Current Op's @ 0600 13 Aug 2006 :	Trip in hole with circulating assy
Planned Operations for 13 Aug 2006 :	Wait on Tesco Hydraulic pump to get flown in and installed. Estimate arrival on site 18:00 hrs. POOH with circulating assy once we know parts are on the way.

Summary of Period 0000 to 2400 Hrs

Attempt to set Geo pilot to Home (zero deflection) setting, unable to set. Change out down link choke size and set geo pilot at Home setting. Wash down f/-1575 to 1619m as per sperry parameters.Tool past float and shoe with no hang ups. Drill 8 1/2 hole f/-1619m to 1659m. Drill with 575gpm, 50rpm, WOB 10. Drill with these parameters until geo pilot tools are in open hole. ROP 12-15m/hr. TDU hydraulic pump over heated. Trouble shoot. POOH back to 9 5/8 casing shoe. Repair seals on TDU hydraulic pump. RIH and attempt to drill f/-1659m TDU Hydraulic pump overheated - 220 deg. POOH back inside 9 5/8 casing shoe and circulate while change out Tesco hydraulic pump. RIH and continue to drill 8 1/2 hole with rotary steerable assy. f/- 1659m to 1660m .Tesco hydraulic pump overheated - 220deg. POOH back inside 9 5/8 casing shoe. Source replacement pump for Tesco Hydraulic system.
Pooh to surface
Hold JHA for removing Radio active sources. Remove radio active sources,

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 12 Aug 2006

Phse	Cls	Op	From	To	Hrs	Depth	Activity Description
PH	P	SC	0000	0030	0.50	1619.0m	Continue to calibrate block height sensor with sperry sun
PH	TP	CMD	0030	0130	1.00	1619.0m	Attempt to set Geo Pilot to 'home' (zero deflection) setting unable to set. Change out down link choke size and set geo pilot at 'home' setting (zero deflection).
PH	P	RW	0130	0300	1.50	1619.0m	Wash down f/-1575 to 1619m as per sperry parameters. Tool past float and shoe with no hang ups.
PH	P	DM	0300	0700	4.00	1646.0m	Drill 8 1/2 hole f/-1619m to 1659m. Drill with 575gpm, 50rpm, WOB 10klbs. Drill with these parameters until Geo pilot tools are in open hole. ROP 12-15m/hr
PH	TP	RO	0700	0730	0.50	1646.0m	TDU hydraulic pump over heated. Trouble shoot.
PH	TP	RO	0730	0930	2.00	1646.0m	Pooh back to 9 5/8 casing shoe. Repair seals on TDU hydraulic pump.
PH	TP	RO	0930	1030	1.00	1646.0m	RIH and attempt to drill f/-1659m TDU Hydraulic pump overheated 220 deg.
PH	TP	RO	1030	1330	3.00	1646.0m	POOH back inside 9 5/8 casing shoe and circulate while change out Tesco hydraulic pump.
PH	TP	DM	1330	1400	0.50	1660.0m	RIH and continue to drill 8 1/2 hole with rotary steerable assy f/-1659m to 1660m. Tesco hydraulic pump overheated - 220deg
PH	TP	RO	1400	1830	4.50	1660.0m	Pooh back inside 9 5/8 casing shoe. Source replacement pump for Tesco Hydraulic system.
PH	TP	TO	1830	2330	5.00	1660.0m	Pooh to surface.
PH	TP	HBHA	2330	2400	0.50	1660.0m	Hold JHA for removing Radio active sources. Remove radio active sources.

Operations For Period 0000 Hrs to 0600 Hrs on 13 Aug 2006

Phse	Cls	Op	From	To	Hrs	Depth	Activity Description
PH		HBHA	0000	0100	1.00	1660.0m	Down load geo pilot data.
PH		HBHA	0100	0200	1.00	1660.0m	Rack Geo pilot in derrick.
PH		TI	0200	0600	4.00	1660.0m	M/up BHA # 9 and RIH to 1590m

General Comments

Comments	Rig Requirements
Tesco hydaulic pump failed and spare was also no good.Unable to continue drilling until new part is flown in.	

WBM Data				**Cost Today $ 9800**				**Cumulative Cost $ 114161**
Mud Type:	KCl PHPA/Glycol	Viscosity:	46sec/qt	API FL Loss:	5.4cc	Cl	29000	Solids: 4.6
Depth:	1658.0m	PV:	11cp	Filter Cake:	1/32nd"	K+:	5%	H2O: 93%
Time:	06:30	YP:	17lb/100ft²	HTHP FL:	13.5cc	Hard/Ca:	270	Oil:
Weight:	9.30ppg	Gels 10s/10m:	5 / 8	HTHP Cake:	2/32nd"	MBT:	5	Sand: 0.1
Temp:		Fann (3/6/100):				PM:		pH: 9.5
			5 / 6 / 13			PF:	0.15	PHPA: 0.50ppb
Comment	Raising mud weight towards 10.5 ppg for Lakes Entrance Formation.							

WBM Data				**Cost Today**				**Cumulative Cost $ 114161**
Mud Type:	KCl/PHPA/Polymer	Viscosity:	49sec/qt	API FL Loss:	5.5cc	Cl	29000	Solids: 5.2
Depth:	1658.0m	PV:	12cp	Filter Cake:	1/32nd"	K+:	6%	H2O: 92%
Time:	10:30	YP:	21lb/100ft²	HTHP FL:		Hard/Ca:	270	Oil:
Weight:	9.40ppg	Gels 10s/10m:	7 / 12	HTHP Cake:		MBT:	5	Sand: 0.1
Temp:		Fann (3/6/100):				PM:		pH: 9.5
			7 / 9 / 21			PF:	0.15	PHPA: 0.50ppb
Comment								

WBM Data				**Cost Today**				**Cumulative Cost $ 114161**
Mud Type:	KCl/PHPA/Glycol	Viscosity:	51sec/qt	API FL Loss:	6.0cc	Cl	31000	Solids: 6.5
Depth:	1660.0m	PV:	14cp	Filter Cake:	1/32nd"	K+:	6%	H2O: 91%
Time:	19:00	YP:	26lb/100ft²	HTHP FL:		Hard/Ca:	280	Oil:
Weight:	9.90ppg	Gels 10s/10m:	7 / 10	HTHP Cake:		MBT:	5	Sand: 0.1
Temp:		Fann (3/6/100):				PM:	0.4	pH: 9.5
			6 / 9 / 24			PF:	0.15	PHPA: 0.50ppb
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-250/250/250
Shaker 2	Derrick	Pyramid-175/175/175/175

Available	**920.0bbl**
Active	355.0bbl
Mixing	
Hole	398.0bbl
Slug	
Reserve	167.0bbl
Kill	

Losses	**91.0bbl**
Downhole	
Surf. + Equip.	71.0bbl
Dumped	
De-Sander	
De-Silter	
Centrifuge	20.0bbl

Comment: Changed no 2 shaker to 175 after losses over shaker and beginning to weight up.

Bit # 8	Wear	I	O1	D	L	B	G	O2	R
		2	3	CT	A	X	I	BT	RIG

				Nozzles		Drilled over last 24 hrs		Calculated over Bit Run	
Size:	8.500in	IADC#:	M422	No.	Size	Progress:	41.0m	Cum. Progress:	41.0m
Mfr:	HYCALOG	WOB (avg):	5.0klb			On Bottom Time:	3.26h	Cum. On Btm Time:	3.26h
Type:	p	RPM (avg):	100			IADC Time:	4.00h	Cum. IADC Time:	4.00h
Serial #:	213186	F.Rate:	600gpm			Total Revs:		Cum. Total Revs:	0
Depth In:	1619.0m	SPP:	1600psi			ROP (avg):	12.58 m/hr	Overall ROP (avg):	12.58 m/hr
Depth Out:	1660.0m	HSI:							
Bit Model:	RSX616M-B19	TFA:	0.000						

BHA # 8

Wt. Below Jars Dry:	35860.0klb	Length:	184.6m	Torque (max):		DC (1) Ann Vel.:	0fpm
Weight Dry:	54529.0klb	String Weight:		Torque On Btm:		DC (2) Ann Vel.:	0fpm
Type:	Rotary Steerable	Pick-Up Weight:		Torque Off Btm:		HWDP Ann. Vel.:	283fpm
		Slack-Off Weight:				DP Ann. Vel.:	283fpm

#	Equipment	Tool Description	Length	O.D.	I.D.	Serial #	Hours
1	Bit		0.40m	8.50in		213186	4.00h
2	9600 Geo-Pilot		7.08m	8.50in	1.92in	GP850085	4.00h
3	Geo-Pilot NM Flex Joint w/-DM		2.81m	6.75in	1.92in	CP1004338	4.00h
4	6-3/4		8.49m	6.75in	1.92in	DM90108295	4.00h
6	Float Sub		0.63m	6.44in	2.75in	A225	4.00h
7	X/O		0.35m	6.25in	3.00in	M1623	43.50h
8	HWDP		86.05m	6.25in	2.81in		52.50h
9	Drilling Jars		9.95m	6.50in	2.75in	176020301	99.00h
10	HWDP		57.17m	6.25in	2.81in		43.50h

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
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
1620.00	71.72	117.39	832.4	-575.63	5.18	-575.63	1053.10	1200.15	118.7	MWD
1647.00	69.84	118.53	841.3	-587.58	8.02	-587.58	1075.61	1225.64	118.6	MWD

Bulk Stocks

Name	Unit	In	Used	Adjust	Balance
Barite	sx	0	350	0	490.0
KCl	sx	0	60	0	-236.0
Salt	sx	0	0	0	0.0
Gel	sx	0	0	0	240.0
Potable Water	ltr	0	7000	0	37,000.0
Rig Fuel	ltr	0	3200	0	35,100.0
Camp Fuel	ltr	0	350	0	4,000.0

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	120	97	246	1600			1660.0	9.50
2	National - 8P-80	5.50	120	97	246	1600			1660.0	9.50
3	National - 8P-80	5.50								
4	IDECO - T1000	6.00		97	312					9.50

HSE Summary

Events	Date of Last	Days Since	Description	Remarks
LTI/MTI incident free days	12 Aug 2006	0 Days	Incident free days 13/TRI 13 Days	Held 2 x pre tour safety meeting .Topics discussed .housekeeping.Tripping pipe. unloading casing.