

16 Aug 2006

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

Well Data				Town Side QC Done	
Drill Co.:	Ensign	Midnight Depth (MD):	1881.0m	Current Hole Size:	8.500in
Rig:	Ensign 32	Midnight Depth (TVD):	966.0m	Casing O.D.:	9.625in
Prognosed TD:	2350.0m	Progress:	34.0m	Shoe TVD:	803.0m
RT-GL:	5.90m	Days From Spud:	18.81	F.I.T. / L.O.T.	/ 16.70ppg
GL Elev.:	2.71m	Days On Well:	35.75	Rig Move Distance	1800+/- k's
Current Op's @ 0600 17 Aug 2006 : Repairing Tesco actuator valve (mud saver).					
Planned Operations for 17 Aug 2006 : Repair mud saver valve. Wash and ream to bottom. Drill 8 1/2" hole.					

Summary of Period 0000 to 2400 Hrs
Drill to 1881m ROP reduced from 20m/hr to 3-4m/hr w/ corresponding increase in pump pressure. Pump barcarb sweeps to clear suspected balled bit, no change. POOH to check bit, 2 jets blocked & 2 flutes on extended gauge blocked. RIH w/- 8 1/2 mill tooth 117 bit . Cut drill line. Washing and reaming to bottom, 1617m.

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 16 Aug 2006

Phse	Cls	Op	From	To	Hrs	Depth	Activity Description
PH	P	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. Pump several barcarb/KCL sweeps.No change in pressure or ROP.
PH	TP	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.
PH	TP	RW	0600	0830	2.50	1881.0m	Back ream F/-1881m to 1601m. Overpull and pump increase coming into the 9 5/8 shoe
PH	TP	CMD	0830	1030	2.00	1881.0m	Pump 20bbls barcarb 600 and attempt to clear bit. No change in pump pressure. Excessive cutting over shaker circulate clean.
PH	TP	TO	1030	1400	3.50	1881.0m	Flow check Pump slug. POOH to 32m
PH	TP	HT	1400	1500	1.00	1881.0m	Down load MWD and unload radioactive source.
PH	TP	HBHA	1500	1600	1.00	1881.0m	Continue to POOH w/- BHA # 11. Layout bit #9rr
PH	TP	HBHA	1600	1630	0.50	1881.0m	M/up bit# 10 and sleeve. RIH to 32m
PH	TP	HT	1630	1730	1.00	1881.0m	Load radioactive sources.
PH	TP	TI	1730	1800	0.50	1881.0m	RIH w/- BHA # 12 to 118m.
PH	TP	HT	1800	1830	0.50	1881.0m	Surface test MWD.
PH	TP	TI	1830	2230	4.00	1881.0m	RIH from 118m to 1600m.
PH	TP	SC	2230	2300	0.50	1881.0m	Slip 33' of drill line.
PH	TP	TI	2300	2330	0.50	1881.0m	No. 4 pump failed. Bring No.3 pump on line.
PH	TP	RW	2330	2400	0.50	1881.0m	Wash and ream from 1600m to 1617m.

Operations For Period 0000 Hrs to 0600 Hrs on 17 Aug 2006

Phse	Cls	Op	From	To	Hrs	Depth	Activity Description
PH		RW	0000	0330	3.50	1881.0m	Wash and ream from 1617m to 1833m. Having to work bit through micro ledges. Observe mud saver valve leaking oil. Unable to continue in the hole.
PH		TO	0330	0430	1.00	1881.0m	Pull back to shoe to repair mud saver valve.

Phse	Cls	Op	From	To	Hrs	Depth	Activity Description
PH		RO	0430	0600	1.50	1881.0m	Repair mud saver valve.

WBM Data		Cost Today \$ 3361				Cumulative Cost \$ 135430			
Mud Type:	KCl/PHPA/Glycol	Viscosity:	49sec/qt	API FL Loss:	4.9cc	CI	36000	Solids:	8.7
Depth:	1871.0m	PV:	18cp	Filter Cake:	1/32nd"	K+:	6%	H2O:	88%
Time:	03:30	YP:	27lb/100ft²	HTHP FL:	9.5cc	Hard/Ca:	220	Oil:	
Weight:	10.50ppg	Gels 10s/10m:	6 / 10	HTHP Cake:	2/32nd"	MBT:	5	Sand:	0.2
Temp:		Fann (3/6/100):				PM:		pH:	9
			7 / 10 / 27			PF:	0.1	PHPA:	0.50ppb
Comment									

WBM Data		Cost Today				Cumulative Cost \$ 135430			
Mud Type:	KCl/PHPA/Glycol	Viscosity:	55sec/qt	API FL Loss:	5.7cc	CI	38000	Solids:	8.6
Depth:	1881.0m	PV:	21cp	Filter Cake:	1/32nd"	K+:	6%	H2O:	88%
Time:	22:00	YP:	26lb/100ft²	HTHP FL:		Hard/Ca:	180	Oil:	
Weight:	10.50ppg	Gels 10s/10m:	8 / 12	HTHP Cake:		MBT:	5	Sand:	0.2
Temp:		Fann (3/6/100):				PM:		pH:	9
			7 / 10 / 29			PF:	0.04	PHPA:	0.50ppb
Comment									

Shakers, Volumes and Losses Data				Engineer: Manfred Olejniczak / J.V.Babu			
Equipment	Description	Mesh Size	Available	Losses	Comment		
Centrifuge	DE 1000		Active	Downhole			
Centrifuge	DE 1000		Mixing	Surf. + Equip.	35.0bbl		
Shaker 1	Derrick	Pyramid-210/210	Hole	Dumped			
Shaker 1	Derrick	Pyramid-210/210	Slud	De-Sander			
Shaker 2	Derrick	Pyramid-175/175	Reserve	De-Silter			
Shaker 2	Derrick	Pyramid-175/175	Kill	Centrifuge tripping	19.0bbl		

Bit # 10			Wear	I	O1	D	L	B	G	O2	R	
Size:	8.500in	IADC#:	Nozzles		Drilled over last 24 hrs			Calculated over Bit Run				
Mfr:	HYCALOG	WOB (avg):	No.	Size	Progress:			Cum. Progress: 0.0m				
Type:		RPM (avg):	3	20/32nd"	On Bottom Time:			Cum. On Btm Time: 0.00h				
Serial #:	EM2429	F.Rate:				IADC Time:			Cum. IADC Time: 0.00h			
Depth In:	1881.0m	SPP:				Total Revs:			Cum. Total Revs: 0			
Depth Out:		HSI:				ROP (avg):			N/A Overall ROP (avg): 0.00 m/hr			
Bit Model:	TC11P	TFA:	0.920									

Bit # 9rr			Wear	I	O1	D	L	B	G	O2	R	
Size:	8.500in	IADC#:	Nozzles		Drilled over last 24 hrs			Calculated over Bit Run				
Mfr:	HYCALOG	WOB (avg):	No.	Size	Progress:			Cum. Progress: 201.0m				
Type:	p	RPM (avg):	6	18/32nd"	On Bottom Time:			Cum. On Btm Time: 14.87h				
Serial #:	210621	F.Rate:				IADC Time:			Cum. IADC Time: 19.50h			
Depth In:	1680.0m	SPP:				Total Revs:			Cum. Total Revs: 0			
Depth Out:	1881.0m	HSI:				ROP (avg):			7.13 m/hr Overall ROP (avg): 13.52 m/hr			
Bit Model:	RSX616	TFA:	1.491									

BHA # 12							
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.:	0fpm
		Slack-Off Weight:	65000.0klb			DP Ann. Vel.:	0fpm

#	Equipment	Tool Description	Length	O.D.	I.D.	Serial #	Hours
1	Bit		0.41m	8.50in		EM2429	0.00h
2	Near Bit Stab		0.40m	8.50in	2.75in	10625874	
3	9600 Geo-Pilot		7.08m	8.50in	1.92in	GP850085	17.60h
4	Geo-Pilot NM Flex Joint w/-DM		2.81m	6.75in	1.92in	CP1004338	17.60h
5	6-3/4		8.49m	6.75in	1.92in	DM90108295	17.60h
6	MWD		9.18m	6.75in	1.92in	DM90107112	17.60h
7	Non Mag Hang Off Sub		3.05m	6.75in	1.92in	10635033	13.60h
8	Float Sub		0.63m	6.44in	2.75in	A225	17.60h
9	X/O		0.35m	6.25in	3.00in	M1623	57.10h
10	HWDP		86.05m	6.25in	2.81in		55.60h
11	Drilling Jars		9.95m	6.50in	2.75in	176020301	112.60h
12	HWDP		57.17m	6.25in	2.81in		57.60h

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	0	230	0	60.0
KCl	sx	0	94	0	-450.0
Salt	sx	0	0	0	0.0
Gel	sx	0	0	0	240.0
Potable Water	ltr	0	8000	0	38,000.0
Rig Fuel	ltr	0	9700	0	25,200.0
Camp Fuel	ltr	0	350	0	4,750.0

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
Pre-Tour Meetings	16 Aug 2006	0 Days	Incident free days 401/TRI 17Days	Held 2 x pre tour safety meeting .Topics discussed .Housekeeping,Mixing chemicals.Tripping