

**DRILLING MORNING REPORT # 9**  
**Longtom 3**

18 Jul 2006

From: Simon Rodda/ Bryan Webb  
To: John Ah-Cann

Well Data							
Country	Australia	MDBRT	1022.0m	Cur. Hole Size	9.500in	AFE Cost	\$40,292,054
Field	Gippsland Basin	TVDBRT	1021.8m	Last Casing OD	16.000in	AFE No.	LSDED01/0
Drill Co.	DOGC	Progress	14.0m	Shoe TVDBRT	995.3m	Daily Cost	\$868,883
Rig	OCEAN PATRIOT	Days from spud	7.37	Shoe MDBRT	995.3m	Cum Cost	\$5,996,306
Wtr Dpth (LAT)	56.7m	Days on well	8.60	FIT/LOT:	/ 13.50ppg	Days Since Last LTI	1156
RT-ASL (LAT)	21.5m	Planned TD MD	5834.0m				
RT-ML	78.2m	Planned TD TVDRT	2458.0m				
Current Op @ 0600		Drilling 9 1/2" pilot hole @1040m MDRT.					
Planned Op		Drill 9 1/2" pilot hole from 1040m MDRT.					

**Summary of Period 0000 to 2400 Hrs**

Performed LOT of 13.5ppg EMW. Pulled out of hole from 1008m MDRT to surface, racked 14 3/4" BHA in derrick. picked up 9 1/2" PD Xceed/ Ecoscope BHA, ran in hole picking up 5"dp on trip in. Displaced well to 10.5ppg SBM. Drill from 1008m MDRT to 1022m MDRT. Anadril Power drive tool failure, fault find on bottom, no response, pumped slug and pulled out of hole from 1020m MDRT.

FORMATION	
Name	Top
300 Sand	
200 Sand	
100 Sand	
Emperor Volcanics	
TD	

**Operations For Period 0000 Hrs to 2400 Hrs on 18 Jul 2006**

Phse	Cls (RC)	Op	From	To	Hrs	Depth	Activity Description
IH	P	LOT	0000	0100	1.00	1008.0m	Commenced LOT pumping both down the drill string and down the kill line against the middle pipe rams. LOT pressure 833psi/ 13.5ppg EMW/ 2.8bbbls pumped/ shoe TVD 995m (3264'). Held test pressure for 3 minutes with zero loss. Bled off pressure.
IH	P	LOT	0100	0200	1.00	1008.0m	Racked back 1 stand of drill pipe and made up side entry sub to string to remove the top drive and all manifold valves from equation. Commenced LOT pumping both down the drill string against the middle pipe rams and first choke valves. LOT pressure 835psi/ 13.5ppg EMW/ 3bbbls pumped/ shoe TVD 995m (3264'). Held test pressure for 8 minutes with zero loss. Volume returned 2.75bbbls. Confer with shore base management on results.
IH	P	TO	0200	0430	2.50	1008.0m	Pulled out of hole with 14 3/4" drilling assembly. Rack BHA in derrick, break off drill bit.
IH	P	HBHA	0430	0800	3.50	1008.0m	Commence making up 9 1/2" pilot hole BHA. Shallow test MWD/Xceed, ok. Load radioactive source. Ran in hole on BHA from derrick to 182m MDRT.
IH	P	PUP	0800	1130	3.50	1008.0m	Run 9 1/2" BHA in hole picking up 5"dp off deck from 182m MDRT to 897m MDRT. Total drill pipe picked up 715m. Average 204m/hr, 21jnts/hr.
IH	P	PUP	1130	1200	0.50	1008.0m	Pulled back racking stands in derrick from 897m MDRT to 325m MDRT.
IH	P	PUP	1200	1430	2.50	1008.0m	Run 9 1/2" BHA in hole picking up 5"dp off deck from 325m MDRT to 900m MDRT. Total drill pipe picked up 575m. Average 230m/hr, 24jnts/hr.
IH	P	TI	1430	1530	1.00	1008.0m	Change over to short 350t drilling bails.
IH	P	TI	1530	1600	0.50	1008.0m	Ran in hole from 900m MDRT to 1008m MDRT.
IH	P	SM	1600	1630	0.50	1008.0m	Conduct JSA prior to displacing well to SBM. Displace choke/ kill and boost lines to 10.5ppg SBM.
IH	P	DIS	1630	1730	1.00	1008.0m	Displace well to 10.5ppg SBM. Hole volume 764.5bbbls/ 137bbbls sand traps.

Phse	Cls (RC)	Op	From	To	Hrs	Depth	Activity Description
IH	P	DIS	1730	1800	0.50	1008.0m	Stop displacing once SBM at surface, seal sand trap and all shaker house drains.
IH	P	DA	1800	1900	1.00	1022.0m	Drill 9 1/2" hole with PD Xceed from 1008m MDRT to 1022m MDRT. 780gpm/ 2900psi/ 80rpm/ 5klbs torque/ 10klbs WOB.
IH	TP (DTF)	DA	1900	2030	1.50	1022.0m	Anadril unable to down link to Xceed, vary parameters and try numerous attempts. Unable to take a command.
IH	TP (DTF)	TO	2030	2200	1.50	1022.0m	Pumped weighted slug and pulled dry string from 1022m MDRT to surface and Anadrils Radioactive source.
IH	TP (DTF)	HBHA	2200	2330	1.50	1022.0m	Remove radioactive source and down load LWD.
IH	TP (DTF)	HBHA	2330	2400	0.50	1022.0m	Continue to pull out of hole racking Ecoscope in derrick.

**Operations For Period 0000 Hrs to 0600 Hrs on 19 Jul 2006**

Phse	Cls (RC)	Op	From	To	Hrs	Depth	Activity Description
IH	TP (DTF)	HBHA	0000	0100	1.00	1022.0m	Broke off bit and laid out failed Xceed. Bit grading 0/0/No/A/X/In/No/DTF
IH	TP (DTF)	HBHA	0100	0230	1.50	1022.0m	Picked up new Power drive Xceed. Run in hole with Bit #3rr1 RSX616. Shallow test, load radio active source and run in hole BHA from derrick to 182m MDRT.
IH	TP (DTF)	TI	0230	0400	1.50	1022.0m	Run in hole on 5" drill pipe from 182m MDRT to 1022m MDRT.
IH	P	DA	0400	0430	0.50	1040.0m	Drill 9 1/2" hole with PD Xceed from 1022m MDRT to 1040m MDRT. 750gpm/ 2700psi/ 80rpm/ 5klbs torque/ 10klbs WOB. ROP 40m/hr. String wt: Rotating 180klbs/ up 180klbs/ down 180klbs.
IH	P	OA	0430	0600	1.50	1040.0m	Set PD Exceed @KOP 1040m MDRT. Set SR @80% / TF @180deg.

**Phase Data to 2400hrs, 18 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)	51.5	13 Jul 2006	15 Jul 2006	117.50	4.896	1005.0m
SURFACE CASING(SC)	26.5	15 Jul 2006	16 Jul 2006	144.00	6.000	1005.0m
INTERMEDIATE HOLE(IH)	62.5	16 Jul 2006	18 Jul 2006	206.50	8.604	1022.0m

**WBM Data Cost Today \$ 164583**

Mud Type: Petrofree	API FL:	Cl:	Solids(%vol): 12%	Viscosity 110sec/qt
Sample-From: Active pit	Filter-Cake: 1/32nd"	K+C*1000:	H2O: 20%	PV 34cp
Time: 2200hrs	HTHP-FL: 4.0cc/30min	Hard/Ca:	Oil(%): 66%	YP 28lb/100ft²
Weight: 10.50ppg	HTHP-cake:	MBT:	Sand: 0.03	Gels 10s 18
Temp: 20C°		PM:	pH:	Gels 10m 36
		PF:	PHPA:	Fann 003 13
				Fann 006 14
				Fann 100 49
				Fann 200
				Fann 300 62
				Fann 600 96
Comment	Total product costs to date \$ 164,582.69 Cummulative total \$ 563,147.06 (including engineer)			

Bit # 3	Wear	I	O1	D	L	B	G	O2	R
		0	0	NO	A	E	I	NO	BHA
Bitwear Comments:									
Size ("):	14.750in	IADC#	115	Nozzles		Drilled over last 24 hrs		Calculated over Bit Run	
Mfr:	REED HYCALOG	WOB(avg)	10.00klb	No.	Size	Progress	0.0m	Cum. Progress	3.0m
Type:	Rock	RPM(avg)	70	3	20/32nd"	On Bottom Hrs	0.0h	Cum. On Btm Hrs	0.5h
Serial No.:	JSO758	F.Rate	28.00bpm			IADC Drill Hrs	0.0h	Cum IADC Drill Hrs	0.5h
Bit Model	T11	SPP	2900psi			Total Revs		Cum Total Revs	0
Depth In	1005.0m	HSI				ROP(avg)	N/A	ROP(avg)	6.00 m/hr
Depth Out	1008.0m	TFA	0.92						
Bit Comment									

<b>Bit # 4</b>		Wear	I	O1	D	L	B	G	O2	R
Bitwear Comments:										
Size ("):	IADC#	M322	<b>Nozzles</b>		<b>Drilled over last 24 hrs</b>		<b>Calculated over Bit Run</b>			
Mfr:	REED HYCALOG	WOB(avg)	7.50klb	No.	Size	Progress	14.0m	Cum. Progress		14.0m
Type:	PDC	RPM(avg)	83	6	18/32nd"	On Bottom Hrs	1.0h	Cum. On Btm Hrs		1.0h
Serial No.:	212935	F.Rate	17.80bpm			IADC Drill Hrs	1.0h	Cum IADC Drill Hrs		1.0h
Bit Model	9 1/2" RSX616M-A4	SPP	2624psi			Total Revs	93000	Cum Total Revs		93000
Depth In	1008.0m	HSI				ROP(avg)	14.00 m/hr	ROP(avg)		14.00 m/hr
Depth Out		TFA	1.49							
Bit Comment		Anadril Power Drive Xceed tool failure. No communication from surface.								

<b>BHA # 3</b>						
Weight(Wet)	60.00klb	Length	215.7m	Torque(max)	7ft-lbs	D.C. (1) Ann Velocity
Wt Below Jar(Wet)	40.00klb	String	205.00klb	Torque(Off.Btm)	3ft-lbs	D.C. (2) Ann Velocity
Drilling Jar Hours	36	Pick-Up	205.00klb	Torque(On.Btm)	7ft-lbs	H.W.D.P. Ann Velocity
		Slack-Off	200.00klb			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.	
9.5in DC	9.17m	9.500in	3.000in	00005-9		
9.5in DC	8.99m	9.500in	3.000in	00002-9		
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			
Drilling Jars	10.21m	8.000in	3.000in	35205E	Houston engineering drilling jars.	
8in DC	17.53m	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			

<b>BHA # 4</b>						
Weight(Wet)	40.00klb	Length	182.6m	Torque(max)	6ft-lbs	D.C. (1) Ann Velocity
Wt Below Jar(Wet)	16.00klb	String	180.00klb	Torque(Off.Btm)	2ft-lbs	D.C. (2) Ann Velocity
Drilling Jar Hours	1	Pick-Up	180.00klb	Torque(On.Btm)	5ft-lbs	H.W.D.P. Ann Velocity
		Slack-Off	180.00klb			D.P. Ann Velocity

BHA Run Description						
Power drive Xceed steerable drilling assembly, Ecoscope.						
BHA Run Comment						
Equipment	Length	OD	ID	Serial #	Comment	
Bit	0.22m	9.500in		212935	RSX616M-A2	
Power drive Xceed	7.66m	9.188in		111		
Ecoscope	8.05m	9.375in		779		
Telescope x/o	8.52m	6.875in		FA27		
5" Non-mag HWDP	9.09m	6.625in	2.875in	4449		
5in HWDP	27.47m	5.000in	3.000in			
Drilling Jars	9.68m	6.375in	2.750in	DAH03584		
5in HWDP	111.86m	5.000in	3.000in			

<b>Bulk Stocks</b>						
Name	Unit	In	Used	Adjust	Balance	
Barite Bulk	MT	118.58	63.51	0	263.3	

Bulk Stocks						
Name	Unit	In	Used	Adjust	Balance	
Bentonite Bulk	MT	0	0	0	21.8	
Diesel	m3	0	16.4	0	491.4	
Fresh Water	m3	30.7	32	0	388.7	
Drill Water	m3	0	12	0	461.0	
Cement G	MT	0	0	0	64.3	
Cement HT (Silica)	MT	0	0	0	51.4	
Brine	BBLS	0	0	0	0.0	

Pumps																	
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	5.500	8.60	97	93	2900	7.95										
2	12P 160	6.000	8.60	97	93	2900	9.45										
3	12P 160	6.000	8.60	97	93	2900	9.45										

Casing						
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
NEXUS	6	
DOGC	56	49 x DOGC 2 x DOGC extra( 1 x welders, 1 x crane op) 5 x DOGC other (2 x painter, 3 x union hydraulic)
DOWELL SCHLUMBERGER	2	
FUGRO SURVEY LTD (ROV)	3	
SCHLUMBERGER ANADRIL	5	2 x MWD, 2 x DD, 1 x tainee MWD.
BAROID	2	
ESS	8	
GEOSERVICES OVERSEAS S.A.	5	
Q-Tech	1	
K & M	2	
Brandt	1	
<b>Total</b>	<b>91</b>	

HSE Summary				
Events	Date of last	Days Since	Descr.	Remarks
Last BOP Test	17 Jul 2006			
Abandon Drill	15 Jul 2006	3 Days	Weekly abandon rig drill	
Fire Drill	15 Jul 2006	3 Days	Weekly fire drill	
JSA	18 Jul 2006	0 Days	Drillcrew 5, deckcrew 15, mechanic 1, subsea 0, Painters 0, welder 0, catering 0.	
Man Overboard Drill	20 Jun 2006	28 Days	Monthly man overboard drill	
Safety Meeting	16 Jul 2006	2 Days	Weekly crew safety meetings	0100/1300/1900hrs
STOP Card	18 Jul 2006	0 Days	Safe 9 un-safe 3	

Shakers, Volumes and Losses Data						
Available	2,316.6bbl	Losses	6bbl	Equip.	Descr.	Mesh Size
Active	480.1bbl	ROC	6bbl	Shaker1	VSM100	10/84/84/84/84
Hole	764.9bbl			Shaker2	VSM100	10/84/84/84/84
				Shaker3	VSM100	10/84/84/84/84

Shakers, Volumes and Losses Data					
Reserve	1,050.6bbl		Equip.	Descr.	Mesh Size
Slug	21bbl		Shaker4	VSM100	10/84/84/84/84

Marine									
Weather on 18 Jul 2006							Rig Support		
Visibility	Wind Speed	Wind Dir.	Pressure	Air Temp.	Wave Height	Wave Dir.	Wave Period	Anchors	Tension (klb)
10.0nm	10kn	169.0deg	1035.0mbar	11C°	1.0m	169.0deg		1	170.0
								2	157.0
Rig Dir.	Ris. Tension	VDL	Swell Height	Swell Dir.	Swell Period	Weather Comments			
270.0deg		4748.00klb	2.5m	169.0deg					
Comments							5	302.0	
							6	243.0	
							7	212.0	
							8	176.0	

Vessel Name	Arrived (Date/Time)	Departed (Date/Time)	Status	Bulks				
Far Grip		0815hrs 18th July	En-route to Melbourne.	Item	Unit	Used	Trf. to Rig	Qty. Remaining
				Diesel	m3	6	0	295
Fresh Water	m3	5	0	485				
Drill Water	m3	0	0	0				
Cement G	mt	0	0	0				
Cement HT (Silica)	mt	0	0	0				
Barite Bulk	mt	0	0	0				
Bentonite Bulk	mt	0	0	0				
Brine	m3	0	0	0				

Pacific Wrangler	1020hr 17 July		Running standby	Item	Unit	Used	Trf. to Rig	Qty. Remaining
				Diesel	m3	13.1	0	565.9
Fresh Water	m3	5	0	246				
Drill Water	m3	0	0	512				
Cement G	mt	0	0	44				
Cement HT (Silica)	mt	0	0	0				
Barite Bulk	mt	0	129	0				
Bentonite Bulk	mt	0	0	0				
Brine	m3	0	0	0				
	m3		650	0				
	m3	0	0	434				

Transferred barite and SBM to rig. Figures for SBM not matching. Rig has recieved 2212bbbls of SBM, Boat reported arriving with 2132bbbls.

Helicopter Movement				
Flight #	Company	Arr/Dep. Time	Pax In/Out	Comment
1	BRISTOW HELICOPTERS AUSTRALIA PTY LTD	1113 / 1135	18 / 16	Refuel 625 litres. Fuel remaining on board 961 litres.