Last BOP Test: 17 Jul 2006

DRILLING MORNING REPORT # 10

19 Jul 2006

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

Longtom 3

Well Data

Country	Australia	MDBRT	1440.0m	Cur. Hole Size	9.500in	AFE Cost	$40,292,054
Field	Gippsland Basin	TVDBRT	1428.8m	Last Casing OD	16.000in	AFE No.	LSDED01/0
Drill Co.	DOGC	Progress	432.0m	Shoe TVDBRT	995.3m	Daily Cost	$0
Rig	OCEAN PATRIOT	Days from spud	8.37	Shoe MDBRT	995.3m	Cum Cost	$0
Wtr Dpth (LAT)	56.7m	Days on well	9.60	FIT/LOT:	/ 13.50ppg	Days Since Last LTI	1158
RT-ASL (LAT)	21.5m	Planned TD MD	5834.0m				
RT-ML	78.2m	Planned TD TVDRT	2458.0m				

Current Op @ 0600	Picking up 5"drill pipe while waiting on BHA cross overs to arrive by Helicopter.
Planned Op	Assemble downhole motor BHA. Run in hole and drill from 1440m MDRT building angle as required. Pull out of hole once on well path and pick up Power Drive Xceed.

Summary of Period 0000 to 2400 Hrs

Pulled out of hole failed PD Xceed. Picked up new assembly. Ran in hole to 1022m MDRT. Drilled from 1022m MDRT to 1440m MDRT taking surveys on connections. At KOP 1040m MDRT set PD Xceed and commence kick off, tool unable to build angle at required build ratio, attempt to build angle with Xceed in 100% build setting, not successful. Circulate hole clean and pulled out of hole from 1440m MDRT to 1319m MDRT, excess over pull observed, work pipe and commence back reaming from 1328m MDRT to 1185m MDRT. Pulled out of hole to she wet, flow checked and pumped slug. Pulled out of hole from 995m MDRT.

FORMATION

Name	Top
300 Sand	
200 Sand	
100 Sand	
Emperor Volcanics	
TD	

Operations For Period 0000 Hrs to 2400 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.
IH	P	DA	0600	1900	13.00	1440.0m	Drill 9 1/2" hole with PD Xceed from 1040m MDRT to 1440m MDRT. 750gpm/ 3600psi/ 155rpm/ 5-10klbs torque/ 10-22klbs WOB. Average ROP 30.76m/hr. On bottom 7.59hrs, off bottom 5.41hrs. String wt: Rotating 195klbs/ up 195klbs/ down 195klbs. Unable to build angle due with PD Xceed in 100% setting, stop drilling as unable to obtain build ratios and control well path. @1420m MDRT/ 1410.13m TVD/ 20.0deg incl/ 193.92deg azi/ 61.42m vertical sect. Maximum gas 1% connection, 0.25% background. No hole problems observed during drilling and connections.
IH	TP (VE)	CHC	1900	2030	1.50	1440.0m	Circulate hole clean for trip out to change BHA.
IH	TP (VE)	TOT	2030	2130	1.00	1440.0m	Flow checked well, static. Pumped slug and commenced pulling out of hole from 1440m MDRT. 1440m MDRT to 1319m MDRT hole is good condition and no excess drag observed. 1319m MDRT to 1305m MDRT 30-40klbs drag observed, slack off taking 20-25klbs to break over after overpull. Work through x 2 to remove drag. 1300m MDRT to1280m MDRT 50klbs drag observed, slack off again taking weight to break over, run stand back in hole.

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Phse	Cls (RC)	Op	From	To	Hrs	Depth	Activity Description
IH	TP (VE)	CHC	2130	2230	1.00	1440.0m	Circulate bottoms up while rotating and reciprocating pipe. No out of character or non-uniform cuttings observed at shakers.
IH	TP (VE)	RW	2230	2330	1.00	1440.0m	Commenced pulling out of hole, 30-50klbs drag observed @1271m MDRT. Back reamed out of hole from 1300m MDRT to 1185m MDRT. No signs of packing off during reaming, torque fluctuations from 3-10klbs indicating hole conditions are not premium. Once reamed hole showing no signs of drag.
IH	TP (VE)	TO	2330	2400	0.50	1440.0m	Pulled out of hole from 1185m MDRT to 995m MDRT (16" shoe). No hole problems observed over this section of open hole.

Operations For Period 0000 Hrs to 0600 Hrs on 20 Jul 2006

Phse	Cls (RC)	Op	From	To	Hrs	Depth	Activity Description
IH	TP (VE)	TO	0000	0200	2.00	1440.0m	Continued to pull out of the hole from 995m MDRT to 182m MDRT. Complete flow checks @shoe & BOP's.
IH	TP (VE)	HBHA	0200	0430	2.50	1440.0m	Pulled out of hole BHA, laid out Ecoscope and PD Xceed. Bit graded: 5-4-BT-A-X-In-WT-BHA
IH	P	RS	0430	0530	1.00	1440.0m	Service TDS and travelling blocks while cleaning rig floor of SBM residue from backreaming and tripping.
IH	P	PUP	0530	0600	0.50	1440.0m	Pick up 5"dp while waiting on 2 subs required for Anadril Downhole motor BHA. Subs due on 1st helicopter @approx 0700hrs.

Phase Data to 2400hrs, 19 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	111.8m
CONDUCTOR CASING(CC)	32	11 Jul 2006	13 Jul 2006	66.00	2.750	111.8m
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)	86.5	16 Jul 2006	19 Jul 2006	230.50	9.604	1440.0m

WBM Data

Cost Today $ 31685

Mud Type:	Petrofree	API FL:		Cl:		Solids(%vol):	21%
Sample-From:	Active pit	Filter-Cake:		K+C*1000:		H2O:	20%
Time:	2230hrs	HTHP-FL:	3.0cc/30min	Hard/Ca:		Oil(%):	59%
Weight:	12.10ppg	HTHP-cake:	2/32nd"	MBT:		Sand:	0.25
Temp:	60C°			PM:	0.7	pH:	
				PF:		PHPA:	

Viscosity	103sec/qt
PV	43cp
YP	43lb/100ft²
Gels 10s	25
Gels 10m	46
Fann 003	21
Fann 006	32
Fann 100	70
Fann 200	
Fann 300	86
Fann 600	129

Comment: Total product costs to date $ 574,431.78
Cummulative total $ 596,531.78 (including engineer)

Bit # 4

Wear	I	O1	D	L	B	G	O2	R
	[0]NO WEAR	[0]NO WEAR CHA	[NO]NO MAJOR/OTHER DULL CHARACTERISTICS	[A]A - ALL AREAS / RCSWS	[X]FIXED CUTTER BITS	[I]IN GAUGE	[NO]NO MAJOR/OTHER DULL CHARACTERISTICS	[DF]DOWNHOLE TOOL FAILURE

Bitwear Comments:

Size ("):		IADC#	M322	**Nozzles**		**Drilled over last 24 hrs**		**Calculated over Bit Run**	
Mfr:	REED HYCALOG	WOB(avg)	7.50klb	No.	Size	Progress	14.0m	Cum. Progress	28.0m
Type:	PDC	RPM(avg)	83	6	18/32nd"	On Bottom Hrs	1.0h	Cum. On Btm Hrs	2.0h
Serial No.:	212935	F.Rate	17.80bpm			IADC Drill Hrs	1.0h	Cum IADC Drill Hrs	2.0h
Bit Model	9 1/2" RSX616M-A4	SPP	2624psi			Total Revs	93000	Cum Total Revs	186000
Depth In	1008.0m	HSI				ROP(avg)	14.00 m/hr	ROP(avg)	14.00 m/hr
Depth Out	1022.0m	TFA	1.49						

Bit Comment: Anadril Power Drive Xceed tool failure. No communication from surface.

Last BOP Test: 17 Jul 2006

Bit # 4rr1

Wear	I	O1	D	L	B	G	O2	R
							[NO]NO MAJOR/OTHER DULL CHARACTERISTICS	

Bitwear Comments:

Size ("):		IADC#	M322	**Nozzles**		**Drilled over last 24 hrs**		**Calculated over Bit Run**	
Mfr:	REED HYCALOG	WOB(avg)	16.00klb	No.	Size	Progress	418.0m	Cum. Progress	418.0m
Type:	PDC	RPM(avg)	156	6	18/32nd"	On Bottom Hrs	8.1h	Cum. On Btm Hrs	8.1h
Serial No.:	212935	F.Rate	17.80bpm			IADC Drill Hrs	13.5h	Cum IADC Drill Hrs	13.5h
Bit Model	9 1/2" RSX616M-A4	SPP	3350psi			Total Revs	121000	Cum Total Revs	121000
Depth In	1022.0m	HSI				ROP(avg)	51.60 m/hr	ROP(avg)	51.60 m/hr
Depth Out	1440.0m	TFA	1.49						

Bit Comment: Pull out of hole due to Xceed's inability to build angle during kick off and build.

BHA # 4

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	615fpm
Drilling Jar Hours	1	Pick-Up	180.00klb	Torque(On.Btm)	5ft-lbs	H.W.D.P. Ann Velocity	281fpm
		Slack-Off	180.00klb			D.P. Ann Velocity	281fpm

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		

BHA # 5

Weight(Wet)	40.00klb	Length	182.6m	Torque(max)	11ft-lbs	D.C. (1) Ann Velocity	
Wt Below Jar(Wet)	16.00klb	String	195.00klb	Torque(Off.Btm)	3ft-lbs	D.C. (2) Ann Velocity	615fpm
Drilling Jar Hours	1	Pick-Up	195.00klb	Torque(On.Btm)	7ft-lbs	H.W.D.P. Ann Velocity	281fpm
		Slack-Off	195.00klb			D.P. Ann Velocity	281fpm

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 Re-run 1
Power drive Xceed	7.66m	9.188in		119	
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		

Survey

MD (m)	Incl (deg)	Azim (deg)	TVD (m)	Vsec (deg)	N/-S (m)	E/-W (m)	DLS (deg/30m)	Tool Type
1134.21	8.4	183.6	1133.43	-6.9	8.2	-6.3	1.4	MWD

Survey

MD (m)	Incl (deg)	Azim (deg)	TVD (m)	Vsec (deg)	N/-S (m)	E/-W (m)	DLS (deg/30m)	Tool Type
1162.67	7.8	184.3	1161.61	-2.9	4.2	-6.6	0.7	MWD
1192.07	8.8	184.3	1190.70	1.3	-0.1	-6.9	1.0	MWD
1220.41	9.5	189.5	1218.68	5.8	-4.5	-7.5	1.1	MWD
1249.66	11.0	194.4	1247.47	10.9	-9.6	-8.6	1.8	MWD
1278.46	14.3	197.4	1275.57	17.2	-15.6	-10.3	3.5	MWD
1307.30	16.7	194.0	1303.35	24.9	-23.1	-12.4	2.7	MWD
1336.21	18.5	192.1	1330.91	33.6	-31.6	-14.3	1.9	MWD
1364.03	19.2	191.6	1357.23	42.6	-40.4	-16.2	0.8	MWD
1420.18	20.0	193.9	1410.13	61.4	-58.8	-20.4	0.6	MWD

Bulk Stocks

Name	Unit	In	Used	Adjust	Balance
Barite Bulk	MT	0	91.96	0	171.3
Bentonite Bulk	MT	0	0	0	21.8
Diesel	m3	0	14.1	0	477.3
Fresh Water	m3	34	27.6	0	395.1
Drill Water	m3	0	15.7	0	445.3
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

No.	Type	Liner (in)	MW (ppg)	Eff (%)	SPM (SPM)	SPP (psi)	Flow (bpm)
1	A1700PT	5.500	12.00	97			
2	12P 160	6.000	12.00	97	88	3600	8.95
3	12P 160	6.000	12.00	97	88	3600	8.95

Slow Pump Data

Depth (m)	SPM1 (SPM)	SPP1 (psi)	Flow1 (bpm)	SPM2 (SPM)	SPP2 (psi)	Flow2 (bpm)	SPM3 (SPM)	SPP3 (psi)	Flow3 (bpm)
	30		3.00	40		4.00	50		5.00
	30		3.00	40		4.00	50		5.00

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	
Total	91	

HSE Summary

Events	Date of last	Days Since	Descr.	Remarks
Last BOP Test	17 Jul 2006			
Abandon Drill	15 Jul 2006	4 Days	Weekly abandon rig drill	

HSE Summary

Events	Date of last	Days Since	Descr.	Remarks
Last BOP Test	17 Jul 2006			
Fire Drill	15 Jul 2006	4 Days	Weekly fire drill	
JSA	19 Jul 2006	0 Days	Drillcrew 7, deckcrew 11, mechanic 4, subsea 7, Painters 0, welder 0, catering 0.	
Man Overboard Drill	20 Jun 2006	29 Days	Monthly man overboard drill	
Safety Meeting	16 Jul 2006	3 Days	Weekly crew safety meetings	0100/1300/1900hrs
STOP Card	19 Jul 2006	0 Days	Safe 2 un-safe 2	

Shakers, Volumes and Losses Data

Available	**2,841.4bbl**	**Losses**	**48bbl**
Active	547.3bbl	ROC	48bbl
Hole	849.2bbl		
Reserve	972.7bbl		
Slug	38.2bbl		
Petrofree ester	434bbl		

Equip.	Descr.	Mesh Size
Shaker1	VSM100	10/145/145/145/145
Shaker2	VSM100	10/145/145/145/145
Shaker3	VSM100	10/84/84/84/84
Shaker4	VSM100	10/84/84/84/84

Marine

Weather on 19 Jul 2006

Visibility	Wind Speed	Wind Dir.	Pressure	Air Temp.	Wave Height	Wave Dir.	Wave Period
8.0nm	14kn	135.0deg	1033.0mbar	11C°	0.5m	135.0deg	

Rig Dir.	Ris. Tension	VDL	Swell Height	Swell Dir.	Swell Period	Weather Comments
270.0deg	420.00klb	4760.00klb	1.5m	135.0deg		

Comments

Rig Support

Anchors	Tension (klb)
1	172.0
2	157.0
3	207.0
4	231.0
5	302.0
6	247.0
7	212.0
8	179.0

Vessel Name	Arrived (Date/Time)	Departed (Date/Time)	Status
Far Grip		0815hrs 18th July	En-route to Melbourne.

Bulks

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

Vessel Name	Arrived (Date/Time)	Departed (Date/Time)	Status
Pacific Wrangler	1020hr 17 July		Running standby

Bulks

Item	Unit	Used	Trf. to Rig	Qty. Remaining
Diesel	m3	10.7	0	555.2
Fresh Water	m3	5	0	241
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	434	0

Transfer base oil to rig.