Last BOP Test: 17 Jul 2006

DRILLING MORNING REPORT # 14

23 Jul 2006 **From:** Simon Rodda/ Bryan Webb
To: John Ah-Cann

Longtom 3

Well Data

Country	Australia	MDBRT	2016.0m	Cur. Hole Size	9.500in	AFE Cost	$40,292,054
Field	Gippsland Basin	TVDBRT	1787.2m	Last Casing OD	16.000in	AFE No.	LSDED01/0
Drill Co.	DOGC	Progress	146.0m	Shoe TVDBRT	995.3m	Daily Cost	$0
Rig	OCEAN PATRIOT	Days from spud	12.37	Shoe MDBRT	995.3m	Cum Cost	$0
Wtr Dpth (LAT)	56.7m	Days on well	13.65	FIT/LOT:	/ 13.50ppg	Days Since Last LTI	1160
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" Hole @ 2150m MDRT with RST assembly.
Planned Op	Drill 9 1/2" hole with RST assembly to pilot hole TD.

Summary of Period 0000 to 2400 Hrs

Drilled 9 1/2" pilot hole from 1870m MDRT to 1930m MDRT. Anadril MWD failure, circulate hole clean and commenced pulling out of hole. 1930m MDRT to 1726m MDRT ok with no hole problems observed. @1726m 50klbs excess drag obserevd, circulate to establish if the obstruction was cuttings or mechanical obstruction. No improvement, commenced back reaming from 1726m MDRT to 1154m MDRT, several attempts made to pull on elevators with 40-50klbs drag observed. @1154m MDRT pulled out of hole to surface, laid out MWD/ Ecoscope/ Bit. Made up new PDC bit,samde PD Xceed RST and Telescope, ran in hole on 5" dp.
Ran in hole to 1930m MDRT with no hole problems observed. Commenced drilling 9 1/2" Piolt hole from 1930m MDRT to 2016m MDRT. Note: Ecoscope removed from assembly

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

Operations For Period 0000 Hrs to 2400 Hrs on 23 Jul 2006

Phse	Cls (RC)	Op	From	To	Hrs	Depth	Activity Description
IH	P	DA	0000	0230	2.50	1930.0m	Drill 9 1/2" pilot hole with RST from 1870m MDRT to 1930m MDRT. 750gpm/ 3890psi/ 180rpm/ 28-30klbs WOB/ 5-10klbs tq. String wt: 210klbs rotating/ 215klbs up/ 210klbs down. @1906.0m MDRT/ 1724.0m TVD/ 57.15 deg inclination/ 180.91 azimuth. No hole problems observed during drilling and connections, back ream every stand, take survey after connection.
IH	TP (DTF)	DA	0230	0300	0.50	1930.0m	Anadril MWD tool failure, signal failed 3m after connection. Cycle pumps and perform diagnostic checks. Tool un-serviceable. Continue circulating hole clean during these checks.
IH	TP (DTF)	CHC	0300	0500	2.00	1930.0m	Circulate hole clean from 1930m MDRT, rack back 1 stand per 30minutes of circulating. Take torque and drag readings for K & M well modeling.
IH	TP (DTF)	TO	0500	0600	1.00	1930.0m	Pulled out of hole from 1844m MDRT to 1726m MDRT. No excess drag observed.
IH	TP (DTF)	TOT	0500	1230	7.50	1930.0m	@1726m MDRT excessive drag observed. Work pipe and build overpull to pass obstruction up in 10klb intervals until 50klbs of overpull was achieved. Worked pipe to 1720m MDRT, obstruction not improving but string was free to travel down. Made up top drive and established circulation, no indicatiosn of packing off and string rotating freely with 3klbs of torque at 25rpm. Circulated 10mins to establish if thie obstruction was cuttings or not. Stopped rotary and pumps and commenced working string through 1720m MDRT. Drag of 50klbs at point prior to circulation. Commenced back reaming with parameters of 750gpm & 120rpm. Torque fluctuations of 7-20klbs, pump pressure spikes of 50-150psi noted. Work through slowly. Back ream from 1720m MDRT to 1528m MDRT, hole condition not premium as torque spikes and psi spikes still observed. Pull 1528m MDRT to 1498m MDRT with 20klbs drag observed, drag builts then drops off as pipe pulled. Attempt to pull next stand on elevators, 40klbs drag observed.

Phse	Cls (RC)	Op	From	To	Hrs	Depth	Activity Description
							Continue to back ream to 1154m MDRT, each stand back reamed from 1498m MDRT to 1154m MDRT was first attempted to be pulled with out pumps and rotary, 40-50klbs drag noted.
IH	TP (DTF)	TO	1230	1430	2.00	1930.0m	Pulled out of hole from 1154m MDRT to shoe @995m MDRT. Flow check well, static. Pumped slug and pulled out of the hole to 206m MDRT, BHA below BOP's, flow check well, static.
IH	TP (DTF)	HBHA	1430	1500	0.50	1930.0m	Pulled out of hole from 206m MDRT.
IH	TP (DTF)	HBHA	1500	1530	0.50	1930.0m	Anadril remove radio active source.
IH	TP (DTF)	HBHA	1530	1600	0.50	1930.0m	Continue pulling out of hole BHA, laid out LWD/ MWD & drill bit. Bit graded 2-3-WT-T-X-I-PN-DTF.
IH	P	HBHA	1600	1800	2.00	1930.0m	Made up Smith M 716 PXC pdc bit. Ran in hole BHA #8 consisting of: Bit/ PD Xceed/ Telescope/ 5" NM HWDP/ 5 " HWDP/ Jars/ 5" HWDP. Shallow tested MWD with 500gpm/ 900psi.
IH	P	TI	1800	2100	3.00	1930.0m	Ran in hole from 174m MDRT to 1930m MDRT. Broke circulation and fanned bottom prior to tagging. Staged up pumps and established drilling parameters. No drag observed on trip in hole.
IH	P	DA	2100	2400	3.00	2016.0m	Drill 9 1/2" pilot hole with RST from 1930m MDRT to 2016m MDRT. 750gpm/ 3700psi/ 180rpm/ 10-15klbs WOB/ 5-6klbs tq. String wt: 210klbs rotating/ 220klbs up/ 200klbs down. @1991.12m MDRT/ 1772.23m TVD/ 54.07 deg inclination/ 193.55 azimuth. No hole problems observed during drilling and connections, back ream every stand, take survey after connection.

Operations For Period 0000 Hrs to 0600 Hrs on 24 Jul 2006

Phse	Cls (RC)	Op	From	To	Hrs	Depth	Activity Description
IH	P	DA	0000	0600	6.00	2150.0m	Drill 9 1/2" pilot hole with RST from 2016m MDRT to 2150m MDRT. 750gpm/ 3700psi/ 180rpm/ 10-15klbs WOB/ 5-6klbs tq. String wt: 210klbs rotating/ 220klbs up/ 200klbs down. @2136.29m MDRT/ 1850.90m TVD/ 61.08 deg inclination/ 197.34 azimuth. Set power drive @20% to counteract slow right and build. No hole problems observed during drilling and connections, back ream every stand, take survey after connection.

Phase Data to 2400hrs, 23 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)	183.5	16 Jul 2006	23 Jul 2006	327.50	13.646	2016.0m

WBM Data

Cost Today $ 9212

Mud Type:	Petrofree	API FL:		Cl:		Solids(%vol):	19%
Sample-From:	Active pit	Filter-Cake:		K+C*1000:		H2O:	17%
Time:	2130hrs	HTHP-FL:	2.8cc/30min	Hard/Ca:		Oil(%):	62%
Weight:	12.05ppg	HTHP-cake:	2/32nd"	MBT:		Sand:	0.25
Temp:	54C°			PM:	0.75	pH:	
				PF:		PHPA:	

Viscosity	80sec/qt
PV	38cp
YP	26lb/100ft²
Gels 10s	24
Gels 10m	47
Fann 003	12
Fann 006	13
Fann 100	32
Fann 200	
Fann 300	64
Fann 600	102

Comment: Total product costs to date $ 633,255.21
Cummulative total $ 662,155.21 (including engineer)

Bit # 7

Wear	I	O1	D	L	B	G	O2	R

Bitwear Comments:

Size ("):	IADC# M323	**Nozzles**	**Drilled over last 24 hrs**	**Calculated over Bit Run**

Mfr:	SMITH	WOB(avg)	20.00klb	No.	Size	Progress	146.0m
Type:	PDC	RPM(avg)	180	2	16/32nd"	On Bottom Hrs	3.9h
Serial No.:	JW7648	F.Rate	17.80bpm	5	18/32nd"	IADC Drill Hrs	3.0h
Bit Model	M716PXC	SPP	3800psi			Total Revs	44
Depth In	1930.0m	HSI				ROP(avg)	37.44 m/hr
Depth Out		TFA	1.63				

Cum. Progress	146.0m
Cum. On Btm Hrs	3.9h
Cum IADC Drill Hrs	3.0h
Cum Total Revs	44
ROP(avg)	37.44 m/hr

Bit Comment

Bit # 6

Wear	I	O1	D	L	B	G	O2	R
	2	3	WT	T	X	I	PN	DTF

Bitwear Comments:

Size ("):		IADC#	M322	**Nozzles**		**Drilled over last 24 hrs**	
Mfr:	REED HYCALOG	WOB(avg)	26.00klb	No.	Size	Progress	0.0m
Type:	PDC	RPM(avg)	163	6	18/32nd"	On Bottom Hrs	0.0h
Serial No.:	212936	F.Rate	17.80bpm			IADC Drill Hrs	0.0h
Bit Model	9 1/2" RSX616M-A4	SPP	3600psi			Total Revs	152000
Depth In	1545.0m	HSI				ROP(avg)	N/A
Depth Out	1930.0m	TFA	1.49				

Calculated over Bit Run	
Cum. Progress	325.0m
Cum. On Btm Hrs	10.0h
Cum IADC Drill Hrs	0.0h
Cum Total Revs	281000
ROP(avg)	32.50 m/hr

Bit Comment

BHA # 8

Weight(Wet)	38.00klb	Length	174.6m	Torque(max)	10ft-lbs	D.C. (1) Ann Velocity	
Wt Below Jar(Wet)	14.00klb	String	210.00klb	Torque(Off.Btm)	3ft-lbs	D.C. (2) Ann Velocity	615fpm
Drilling Jar Hours	43	Pick-Up	215.00klb	Torque(On.Btm)	8ft-lbs	H.W.D.P. Ann Velocity	281fpm
		Slack-Off	210.00klb			D.P. Ann Velocity	281fpm

BHA Run Description: Power drive Xceed steerable drilling assembly.

BHA Run Comment

Equipment	Length	OD	ID	Top Conn	Serial #	Comment
Bit	0.31m	9.500in		4 1/2" reg	JW7648	M716 PXC. PDC
Power drive Xceed	7.66m	9.188in			119	
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 # 7

Weight(Wet)	40.00klb	Length	182.6m	Torque(max)	10ft-lbs	D.C. (1) Ann Velocity	
Wt Below Jar(Wet)	16.00klb	String	210.00klb	Torque(Off.Btm)	3ft-lbs	D.C. (2) Ann Velocity	615fpm
Drilling Jar Hours		Pick-Up	215.00klb	Torque(On.Btm)	5ft-lbs	H.W.D.P. Ann Velocity	281fpm
		Slack-Off	210.00klb			D.P. Ann Velocity	281fpm

BHA Run Description: Power drive Xceed steerable drilling assembly, Ecoscope.

BHA Run Comment

Equipment	Length	OD	ID	Top Conn	Serial #	Comment
Bit	0.22m	9.500in			212936	RSX616M-A2 Re-run 1
Power drive Xceed	7.66m	9.188in			119	
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	

Printed on 23 Jul 2006

Equipment	Length	OD	ID	Top Conn	Serial #	Comment
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
1933.52	56.0	183.8	1739.11	438.8	-433.8	-68.0	3.0	MWD
1962.79	54.8	188.5	1755.75	462.8	-457.7	-70.6	4.2	MWD
1991.12	54.1	193.6	1772.23	485.9	-480.3	-75.0	4.5	MWD
2018.10	54.1	197.6	1788.06	507.6	-501.4	-80.9	3.7	MWD
2049.86	56.0	198.2	1806.26	533.4	-526.1	-88.9	1.9	MWD
2078.07	57.9	198.6	1821.64	556.9	-548.5	-96.3	2.1	MWD
2107.67	60.1	198.2	1836.87	582.0	-572.6	-104.3	2.3	MWD

Bulk Stocks

Name	Unit	In	Used	Adjust	Balance
Barite Bulk	MT	0	26.86	0	110.5
Bentonite Bulk	MT	0	0	0	21.8
Diesel	m3	0	19.5	0	413.4
Fresh Water	m3	33	30.5	11	435.1
Drill Water	m3	0	9.6	0	764.3
Cement G	MT	0	0	0	143.8
Cement HT (Silica)	MT	0	0	0	51.4
Brine	m3	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	12.15	97			
2	12P 160	6.000	12.15	97	64	3800	8.90
3	12P 160	6.000	12.15	97	53	3800	8.90

Slow Pump Data

Depth (m)	SPM1 (SPM)	SPP1 (psi)	Flow1 (bpm)	SPM2 (SPM)	SPP2 (psi)	Flow2 (bpm)	SPM3 (SPM)	SPP3 (psi)	Flow3 (bpm)
	30	390	3.00	40	440	4.00	50	530	5.00
	30	0	3.00	40	0	4.00	50	0	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	53	45 x DOGC 2x DOGC extra(, 1 x crane op, 1 x dogman) 6 x DOGC other (2 x painter, 3 x union hydraulic, 1 x crane cab man)
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.	6	
Q-Tech	1	
K & M	2	
Brandt	1	
WEATHERFORD AUSTRALIA PTY LTD	2	
Total	91	

HSE Summary

Events	Date of last	Days Since	Descr.	Remarks
Last BOP Test	17 Jul 2006			
Abandon Drill	15 Jul 2006	8 Days	Weekly abandon rig drill	
Fire Drill	15 Jul 2006	8 Days	Weekly fire drill	
JSA	22 Jul 2006	1 Day	Drillcrew 6, deckcrew 11, mechanic 4, subsea 0, Painters 0, welder 0, marine 1, 3rd party 4.	
Man Overboard Drill	20 Jun 2006	33 Days	Monthly man overboard drill	
Safety Meeting	16 Jul 2006	7 Days	Weekly crew safety meetings	0100/1300/1900hrs
STOP Card	23 Jul 2006	0 Days	Safe 9 un-safe 10	
Trip / Kick Drill	22 Jul 2006	1 Day	Trip and pit drill	Held trip drills and pit drills.Trip drills 1 x 28secs

Shakers, Volumes and Losses Data

Available	**2,616.8bbl**
Active	464.9bbl
Hole	994.3bbl
Reserve	800.8bbl
Slug	17.8bbl
Petrofree ester	339bbl

Losses	**84bbl**
Down-hole	22bbl
Centrifuge	41bbl
ROC	21bbl

Equip.	Descr.	Mesh Size
Shaker1	VSM100	10/200/200/200/200
Shaker2	VSM100	10/200/200/200/200
Shaker3	VSM100	10/200/200/200/200
Shaker4	VSM100	10/200/200/200/200

Marine

Weather on 23 Jul 2006

Visibility	Wind Speed	Wind Dir.	Pressure	Air Temp.	Wave Height	Wave Dir.	Wave Period
10.0nm	6kn	90.0deg	1028.0mbar	13C°	0.3m	90.0deg	

Rig Dir.	Ris. Tension	VDL	Swell Height	Swell Dir.	Swell Period	Weather Comments
270.0deg	292.00klb	4748.00klb	0.5m	0.0deg	-1s	

Comments

Rig Support

Anchors	Tension (klb)
1	176.0
2	170.0
3	238.0
4	245.0
5	293.0
6	256.0
7	214.0
8	172.0

Vessel Name	Arrived (Date/Time)	Departed (Date/Time)	Status
Far Grip	1815hrs 21 July		Running standby

Bulks

Item	Unit	Used	Trf. to Rig	Qty. Remaining
Diesel	m3	2	0	593
Fresh Water	m3	8	0	456
Drill Water	m3	0	0	174
Cement G	mt	0	0	0
Cement HT (Silica)	mt	0	0	0
Barite Bulk	mt	0	0	129
Bentonite Bulk	mt	0	0	0
Brine	m3	0	0	0
	bbls	0	0	1418

Vessel Name	Arrived (Date/Time)	Departed (Date/Time)	Status
Pacific Wrangler		0615hrs 22 July	En-route to Melbourne

Bulks

Item	Unit	Used	Trf. to Rig	Qty. Remaining
Diesel	m3	2.7	0	532.6
Fresh Water	m3	1	0	230
Drill Water	m3	0	0	78
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
	m3		0	0
	m3	0	0	0