

**DRILLING MORNING REPORT # 20**  
**Longtom 3**

29 Jul 2006

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

Well Data							
Country	Australia	MDBRT	3482.0m	Cur. Hole Size	9.500in	AFE Cost	\$40,292,054
Field	Gippsland Basin	TVDBRT	2606.0m	Last Casing OD	16.000in	AFE No.	LSDED01/0
Drill Co.	DOGC	Progress	45.0m	Shoe TVDBRT	995.3m	Daily Cost	\$0
Rig	OCEAN PATRIOT	Days from spud	18.37	Shoe MDBRT	995.3m	Cum Cost	\$0
Wtr Dpth (LAT)	56.7m	Days on well	19.65	FIT/LOT:	/ 13.50ppg	Days Since Last LTI	1166
RT-ASL (LAT)	21.5m	Planned TD MD	5834.0m				
RT-ML	78.2m	Planned TD TVDRT	2458.0m				
Current Op @ 0600		Pulling out of hole @1800m MDRT.					
Planned Op		Complete trip out of hole. Rig up for wire line logging. make up tool string #1 DSI-AIT. Run in hole and log required intervals.					

Summary of Period 0000 to 2400 Hrs
Log in hole with LWD Ecoscope from 2627m MDRT to 2698m MDRT. Ran in hole to 3025m MDRT. Log with LWD Ecoscope from 3025m MDRT at selected intervals to 3400m MDRT. Wash to btm @3437m MDRT. Drill from 3437m MDRT to 3446m MDRT. Re-log 3446m - 3411m MDRT. Drill 3446m MDRT to 3482m MDRT.

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

**Operations For Period 0000 Hrs to 2400 Hrs on 29 Jul 2006**

Phse	Cls (RC)	Op	From	To	Hrs	Depth	Activity Description
IH	P	LOG	0000	0200	2.00	3437.0m	Continue to log with LWD Ecoscope from 2627m MDRT to 2680m MDRT.
IH	P	TI	0200	0230	0.50	3437.0m	Ran in hole fom 2680m MDRT to 3025m MDRT
IH	P	LOG	0230	0830	6.00	3437.0m	Log with LWD Ecoscope from: 3025m MDRT to 3120m MDRT. 3195m MDRT to 3230m MDRT. 3280m MDRT to 3315m MDRT. 3355m MDRT to 3400m MDRT.
IH	P	DA	0830	1030	2.00	3446.0m	Drilled 9 1/2" hole from 3437m MDRT to 3446m MDRT. 650gpm/ 4050gpm/ 130rpm/ 9-11klbs tq/ 30-35klbs WOB/ String wt: 270klbs rotating/ 330klbs up wt/ 240klbs down wt.
IH	P	LOG	1030	1130	1.00	3446.0m	Log and ream from 3446m MDRT to 3411m MDRT with LWD Ecoscope.
IH	P	DA	1130	2400	12.50	3482.0m	Drilled 9 1/2" hole from 3446m MDRT to 3482m MDRT. 650gpm/ 4050gpm/ 130rpm/ 9-11klbs tq/ 30-35klbs WOB/ String wt: 270klbs rotating/ 330klbs up wt/ 235klbs down wt.

**Operations For Period 0000 Hrs to 0600 Hrs on 30 Jul 2006**

Phse	Cls (RC)	Op	From	To	Hrs	Depth	Activity Description
IH	P	DA	0000	0100	1.00	3485.0m	Drilled 9 1/2" hole from 3482m MDRT to 3485m MDRT. 650gpm/ 4050gpm/ 130rpm/ 9-11klbs tq/ 30-35klbs WOB/ String wt: 270klbs rotating/ 330klbs up wt/ 235klbs down wt. @3485m MDRT/ 2606m TVD/ 58.6 deg incl/ 186.88 deg azim/ No hole problems observed during drilling or connections.
IH	P	CHC	0100	0230	1.50	3485.0m	Circulate bottoms up for trip out of hole.
IH	P	TO	0230	0600	3.50	3485.0m	Flow checked well, static. Pulled out of hole from 3485m MDRT to 1800m MDRT.

Phase Data to 2400hrs, 29 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	

Phase Data to 2400hrs, 29 Jul 2006						
Phase	Phase Hrs	Start On	Finish On	Cum Hrs	Cum Days	Max Depth
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)	327.5	16 Jul 2006	29 Jul 2006	471.50	19.646	3482.0m

WBM Data		Cost Today \$ 4748	
Mud Type: Petrofree	API FL:	Cl:	Solids(%vol): 20%
Sample-From: Active pit	Filter-Cake:	K+C*1000:	H2O: 15%
Time: 21:20hrs	HHP-FL: 3.0cc/30min	Hard/Ca:	Oil(%): 65%
Weight: 12.00ppg	HHP-cake: 2/32nd"	MBT:	Sand: 0.25
Temp:		PM: 0.6	pH:
		PF:	PHPA:
Comment	Total product costs to date \$ 838,673.22 Cumulative total \$ 877,773.22 (including engineer)		Viscosity 72sec/qt PV 43cp YP 21lb/100ft <sup>2</sup> Gels 10s 29 Gels 10m 49 Fann 003 12 Fann 006 13 Fann 100 32 Fann 200 Fann 300 64 Fann 600 107

Bit # 8		Wear	I	O1	D	L	B	G	O2	R
Bitwear Comments:										
Size ("):	IADC# 517X	Nozzles		Drilled over last 24 hrs			Calculated over Bit Run			
Mfr: SMITH	WOB(avg) 35.00klb	No.	Size	Progress	45.0m	Cum. Progress	45.0m			
Type: Rock	RPM(avg) 130	3	28/32nd"	On Bottom Hrs	13.6h	Cum. On Btm Hrs	13.6h			
Serial No.: MY 3657	F.Rate 15.40bpm				IADC Drill Hrs	14.5h	Cum IADC Drill Hrs	14.5h		
Bit Model GF21OD	SPP 4050psi				Total Revs	111	Cum Total Revs	111		
Depth In 3437.0m	HSI				ROP(avg)	3.31 m/hr	ROP(avg)	3.31 m/hr		
Depth Out	TFA 1.804									
Bit Comment										

BHA # 9			
Weight(Wet) 36.00klb	Length 223.5m	Torque(max) 11ft-lbs	D.C. (1) Ann Velocity
Wt Below Jar(Wet) 16.00klb	String 270.00klb	Torque(Off.Btm) 5ft-lbs	D.C. (2) Ann Velocity
Drilling Jar Hours 121	Pick-Up 330.00klb	Torque(On.Btm) 9ft-lbs	H.W.D.P. Ann Velocity
	Slack-Off 235.00klb		D.P. Ann Velocity

BHA Run Description

BHA Run Comment

Equipment	Length	OD	ID	Top Conn	Serial #	Comment
Bit	0.26m	9.500in			MY3657	
Near Bit Stab	1.58m	9.375in	2.870in		207A22	
NMDC	9.29m	6.750in	2.870in		SBD2265	
X/O	0.48m	6.875in				
Ecoscope	8.05m	8.375in			779	
Telescope x/o	8.53m	6.875in	2.875in		FA28	
6 3/4	46.34m	6.500in	3.000in			
5in HWDP	27.47m	5.000in	3.000in			
Drilling Jars	9.68m	6.375in	2.750in			
5in HWDP		5.000in	3.000in		DAH03584	
	111.86m					

Survey								
MD (m)	Incl (deg)	Azim (deg)	TVD (m)	Vsec (deg)	N/S (m)	E/W (m)	DLS (deg/30m)	Tool Type
3458.77	56.9	187.5	2592.74	1700.6	-1672.8	-306.6	2.0	MWD
3485.00	58.6	186.9	2606.73	1722.8	-1694.8	-309.4	2.0	MWD

Bulk Stocks					
Name	Unit	In	Used	Adjust	Balance
Barite Bulk	MT	0	11.29	0	132.2
Bentonite Bulk	MT	0	0	0	21.8
Diesel	m3	0	16.2	0	457.9
Fresh Water	m3	19	26.2	0	383.2
Drill Water	m3	0	15.7	0	695.7
Cement G	MT	0	0	0	178.6
Cement HT (Silica)	MT	0	0	0	51.4
Brine	m3	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	12.15	97					30		3.00	40		4.00	50		5.00
2	12P 160	6.000	12.00	97	76	4050	7.73	3485.0	20	320	2.00	30	610	3.00	40	710	4.00
3	12P 160	6.000	12.00	97	76	4050	7.73		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	54	45 x DOGC 3x DOGC extra ( , 1 x crane op, 1 x dogman, 1 x welder) 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	4	2 x MWD, 2 x DD.
BAROID	2	
ESS	8	
GEOSERVICES OVERSEAS S.A.	6	
Q-Tech	1	
K & M	2	
Brandt	1	
WEATHERFORD AUSTRALIA PTY LTD	2	
SCHLUMBERGER OILFIELD AUSTRALIA PTY LTD	6	
Total	97	

HSE Summary				
Events	Date of last	Days Since	Descr.	Remarks
Last BOP Test	17 Jul 2006			
Abandon Drill	23 Jul 2006	6 Days	Weekly abandon rig drill	
Fire Drill	23 Jul 2006	6 Days	Weekly fire drill	
JSA	29 Jul 2006	0 Days	Drillcrew 5, deckcrew 12, mechanic 13, subsea 0, Painters 0, welder 3, marine 0, catering 0, 3rd party 1.	
Man Overboard Drill	21 Jul 2006	8 Days	Monthly man overboard drill	

HSE Summary				
Events	Date of last	Days Since	Descr.	Remarks
Last BOP Test	17 Jul 2006			
Safety Meeting	23 Jul 2006	6 Days	Weekly crew safety meetings	0100/1300/1900hrs
STOP Card	29 Jul 2006	0 Days	Safe 11 un-safe 15	
Trip / Kick Drill	28 Jul 2006	1 Day	Trip drill	Held trip drill at shoe on trip in hole

Shakers, Volumes and Losses Data						
Available	2,915.5bbl	Losses	127.4bbl	Equip.	Descr.	Mesh Size
Active	465.8bbl	Down-hole	52.4bbl	Shaker1	VSM100	10/200/200/200/200
Hole	1,375.2bbl	Centrifuge	68bbl	Shaker2	VSM100	10/200/200/200/200
Reserve	450.7bbl	ROC	7bbl	Shaker3	VSM100	10/200/200/200/200
Slug	40.8bbl			Shaker4	VSM100	10/200/200/200/200
Petrofree ester	583bbl					

Marine									
Weather on 29 Jul 2006							Rig Support		
Visibility	Wind Speed	Wind Dir.	Pressure	Air Temp.	Wave Height	Wave Dir.	Wave Period	Anchors	Tension (klb)
10.0nm	4kn	247.0deg	1013.0mbar	10C°	0.3m	247.0deg		1	218.0
Rig Dir.	Ris. Tension	VDL	Swell Height	Swell Dir.	Swell Period	Weather Comments		2	181.0
270.0deg	300.00klb	4952.00klb	1.0m	0.0deg	0s			3	256.0
Comments								4	243.0
								5	328.0
								6	328.0
								7	207.0
								8	205.0

Vessel Name	Arrived (Date/Time)	Departed (Date/Time)	Status	Bulks								
Item	Unit	Used	Trf. to Rig	Qty. Remaining								
Far Grip		0710hrs 28th July	En-route to RIG	Diesel	m3	2		388				
				Fresh Water	m3	2	0	422				
				Drill Water	m3	0	0	174				
				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				
					bbls	0	0	1005				
Pacific Wrangler	1940hrs 27th July		Stand by.	Diesel	m3	2.8	0	434.8				
				Fresh Water	m3	5	8	343				
				Drill Water	m3	0	0	308				
				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	0				
					m3	0	428	0				