

**DRILLING MORNING REPORT # 21**  
**Longtom 3**

30 Jul 2006

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

Well Data							
Country	Australia	MDBRT	3485.0m	Cur. Hole Size	9.500in	AFE Cost	\$40,292,054
Field	Gippsland Basin	TVDBRT	2607.0m	Last Casing OD	16.000in	AFE No.	LSDED01/0
Drill Co.	DOGC	Progress	3.0m	Shoe TVDBRT	995.3m	Daily Cost	\$0
Rig	OCEAN PATRIOT	Days from spud	19.37	Shoe MDBRT	995.3m	Cum Cost	\$0
Wtr Dpth (LAT)	56.7m	Days on well	20.65	FIT/LOT:	/ 13.50ppg	Days Since Last LTI	1167
RT-ASL (LAT)	21.5m	Planned TD MD	5834.0m				
RT-ML	78.2m	Planned TD TVDRT	2458.0m				
Current Op @ 0600		@2300m MDRT running 3 1/2" tbg cementing string.					
Planned Op		Mix and pump isolation plug @ 3485m MDRT, pull out of hole to 1180m MDRT, mix and pump kick off plug. Pull out of hole and lay out 16joints of tbg stinger. Pick up 13 1/2" BHA.					

Summary of Period 0000 to 2400 Hrs
Pulled out of hole. Rigged up and ran wire line logs. Pulled out of hole and rigged down. Rigged up and commenced running in hole 3 1/2" EUE sacrificial cement string.

FORMATION	
Name	Top
300 Sand	
200 Sand	
100 Sand	
Emperor Volcanics	3412.00m
TD	

**Operations For Period 0000 Hrs to 2400 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	0830	6.00	3485.0m	Flow checked well, static. Pulled out of hole from 3485m MDRT to 223m MDRT. No hole problems observed on trip out of hole.
IH	P	HBHA	0830	1000	1.50	3485.0m	Pulled out of hole and racked HWDP and collars in derrick. Removed radioactive source, laid down Ecoscope/ Telescope/ NMDC. Bit #8 Graded 3-6-BT-G-E-2-WT-TD.
IH	P	LOG	1000	1130	1.50	3485.0m	Clear rig floor and clean up tripping SBM residue, rigged up for schlumberger wire line operations.
IH	P	LOG	1130	1200	0.50	3485.0m	Picked up tools string #1 AIT-DSI-GR
IH	P	LOG	1200	1730	5.50	3485.0m	Ran in hole and logged required intervals.
IH	P	LOG	1730	1800	0.50	3485.0m	Pulled out of hole tool string #1 and laid down tools.
IH	P	LOG	1800	1830	0.50	3485.0m	Rig down wire line equipment.
IH	P	RTB	1830	1930	1.00	3485.0m	Rigged up 3 1/2" tubing handling equipment and held JSA.
IH	P	RTB	1930	2400	4.50	3485.0m	Picked up diverting shoe and 1st joint of 3 1/2" 9.3ppf EUE tubing. Checked flow through shoe, ok. Ran in hole to 995m MDRT, 23jnts/hr average.

**Operations For Period 0000 Hrs to 0600 Hrs on 31 Jul 2006**

Phse	Cls (RC)	Op	From	To	Hrs	Depth	Activity Description
IH	P	RTB	0000	0600	6.00	3485.0m	Ran 3 1/2" 9.3ppf EUE tubing from 995m MDRT to 1748m MDRT. @1748m MDRT, established circulation, 4bpm @500psi. Ran in hole from 1748m MDRT to 2300m MDRT.

Phase Data to 2400hrs, 30 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)	351.5	16 Jul 2006	30 Jul 2006	495.50	20.646	3485.0m

WBM Data		Cost Today \$ 6800	
Mud Type: Petrofree	API FL:	Cl:	Solids(%vol): 20%
Sample-From: Active pit	Filter-Cake:	K+C*1000:	H2O: 15%
Time: 18:00	HTHP-FL: 3.0cc/30min	Hard/Ca:	Oil(%): 65%
Weight: 12.05ppg	HTHP-cake: 2/32nd"	MBT:	Sand: 0.25
Temp:		PM: 0.65	pH:
		PF:	PHPA:
Comment	Total product costs to date \$ 845,472.94 Cumulative total \$ 886,272.94 (including engineer)		Viscosity 96sec/qt PV 45cp YP 17lb/100ft <sup>2</sup> Gels 10s 30 Gels 10m 50 Fann 003 12 Fann 006 13 Fann 100 33 Fann 200 Fann 300 62 Fann 600 107

Bit # 8		Wear	I	O1	D	L	B	G	O2	R
			3	6	BT	G	E	2	WT	TD
Bitwear Comments:										
Size ("):	IADC# 517X	Nozzles		Drilled over last 24 hrs			Calculated over Bit Run			
Mfr: SMITH	WOB(avg) 35.00klb	No.	Size	Progress	3.0m	Cum. Progress	48.0m			
Type: Rock	RPM(avg) 130	3	28/32nd"	On Bottom Hrs	1.2h	Cum. On Btm Hrs	14.8h			
Serial No.: MY 3657	F.Rate 15.40bpm			IADC Drill Hrs	1.0h	Cum IADC Drill Hrs	15.5h			
Bit Model GF21OD 9 1/2"	SPP 4050psi			Total Revs	120000	Cum Total Revs	120111			
Depth In 3437.0m	HSI			ROP(avg)	2.50 m/hr	ROP(avg)	3.24 m/hr			
Depth Out 3485.0m	TFA 1.804									

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	9 1/2" OD
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	8.250in			779	8 1/4 sleeve
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		DAH03584	
5in HWDP		5.000in	3.000in			
	111.86m					

Bulk Stocks						
Name	Unit	In	Used	Adjust	Balance	
Barite Bulk	MT	169.25	19.83	0	281.6	
Bentonite Bulk	MT	0	0	0	21.8	
Diesel	m3	0	16.2	0	441.7	
Fresh Water	m3	20	30.5	0	372.7	
Drill Water	m3	0	8.4	0	687.3	
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	520	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	30 Jul 2006	0 Days	Weekly abandon rig drill	
Fire Drill	30 Jul 2006	0 Days	Weekly fire drill	
JSA	30 Jul 2006	0 Days	Drillcrew7 , deckcrew 12, mechanic 2, subsea , Painters , welder 3, marine 3, catering , 3rd party .	
Man Overboard Drill	21 Jul 2006	9 Days	Monthly man overboard drill	
Safety Meeting	30 Jul 2006	0 Days	Weekly crew safety meetings	0100/1300/1900hrs
STOP Card	30 Jul 2006	0 Days	Safe 2 un-safe 9	
Trip / Kick Drill	30 Jul 2006	0 Days	Trip drill	Held trip drill at shoe on trip in hole

Shakers, Volumes and Losses Data						
Available	2,126.3bbl	Losses	12bbl	Equip.	Descr.	Mesh Size
Active	439.9bbl	Down-hole	10bbl	Shaker1	VSM100	10/200/200/200/200
Hole	1,462bbl	ROC	2bbl	Shaker2	VSM100	10/200/200/200/200
Reserve	201.3bbl			Shaker3	VSM100	10/200/200/200/200
Slug	23.1bbl			Shaker4	VSM100	10/200/200/200/200

Marine									
Weather on 30 Jul 2006							Rig Support		
Visibility	Wind Speed	Wind Dir.	Pressure	Air Temp.	Wave Height	Wave Dir.	Wave Period	Anchors	Tension (klb)
10.0nm	20kn	350.0deg	1015.0mbar	13C°	1.0m	350.0deg		1	218.0
Rig Dir.	Ris. Tension	VDL	Swell Height	Swell Dir.	Swell Period	Weather Comments		2	183.0
270.0deg	300.00klb	5148.00klb	1.5m	0.0deg	-1s			3	258.0
Comments								4	245.0
								5	326.0
								6	324.0
								7	207.0
								8	207.0

Vessel Name	Arrived (Date/Time)	Departed (Date/Time)	Status	Bulks								
Item	Unit	Used	Trf. to Rig	Qty. Remaining								
Far Grip	1400hrs 30th July		Stand by	Diesel	m3	12		516				
				Fresh Water	m3	8	0	452				
				Drill Water	m3	0	0	744				
				Cement G	mt	0	0	0				
				Cement HT (Silica)	mt	0	0	0				
				Barite Bulk	mt	0	169.25	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	4.03	0	430.5				
				Fresh Water	m3	5	0	238				
				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	210				
					m3	0	0	0				
Transferred 210bbls of SBM for storage.												