

31 Jul 2006

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

**DRILLING MORNING REPORT # 22**  
**Longtom 3**

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	0.0m	Shoe TVDBRT	995.3m	Daily Cost	\$0
Rig	OCEAN PATRIOT	Days from spud	20.29	Shoe MDBRT	995.3m	Cum Cost	\$0
Wtr Dpth (LAT)	56.7m	Days on well	21.56	FIT/LOT:	/ 13.50ppg	Days Since Last LTI	1170
RT-ASL (LAT)	21.5m	Planned TD MD	5834.0m				
RT-ML	78.2m	Planned TD TVDRT	2458.0m				
Current Op @ 0600		Refer Longtom 3 STH					
Planned Op		Refer Longtom 3 STH					

**Summary of Period 0000 to 2400 Hrs**

Ran in hole sacrificial cement stinger, mixed and pumped isolation plug, mixed and pumped kick off plug. Pulled out of hole and layed out 16 joints of 3 1/2" EUE tubing. Commenced repairs to rig equipment/ slip joint packer.

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

**Operations For Period 0000 Hrs to 2400 Hrs on 31 Jul 2006**

Phse	Cls (RC)	Op	From	To	Hrs	Depth	Activity Description
IH	P	RTB	0000	0630	6.50	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 2397m MDRT. BHKA placed in string @2232m MDRT.
IH	P	RTB	0630	0830	2.00	3485.0m	Ran tubing on 5" dp from 2397m MDRT to 3485m MDRT
IH	P	CMP	0830	1030	2.00	3485.0m	Circulated bottoms up @3485m MDRT, 10bpm/ 4100psi.
IH	P	CMP	1030	1100	0.50	3485.0m	Held JSA and rigged up cement lines on dart launch/cement stand.
IH	P	CMP	1100	1400	3.00	3485.0m	Pump 10bbbls of base oil. Test lines to 3500psi/5mins. Pump 50bbbls of chemical wash. Mix and pump 300bbbls of 15.8ppg lead "G" cement slurry. Mix and pump 251bbbls of 15.8ppg tail "HT" blend cement slurry. Pump 10bbbls of drill water. Rig release dart and pump 68bbbls of 12ppg SBM. Dart bumped BHKA @2bpm/1000psi, sheared @3200psi. Observed 70klbs reduction in pick-up weight.
IH	P	CMP	1400	1430	0.50	3485.0m	Pulled out of hole from 1232m MDRT to 1180m MDRT.
IH	P	CMP	1430	1530	1.00	3485.0m	Circulate bottoms up from 1180m MDRT, 870gpm/3800psi. No spacer observed at shakers, on subsequent mud checks minor traces of spacer in mud.
IH	P	CMP	1530	1630	1.00	3485.0m	Rigged up cement hose and broke circulation. Tested lines 3500psi. Pumped 10bbbls base oil, pumped 40bbbls spacer. Mix and pump 41bbbls of 16.5ppg "G" cement slurry. Pumped 8bbbls of drill water. Displaced with 51bbbls of 12ppg SBM.
IH	P	CMP	1630	1700	0.50	3485.0m	Pulled out of hole from 1180m MDRT to 1022m MDRT
IH	P	CMP	1700	1800	1.00	3485.0m	Circulated bottoms up from 1025m MDRT @856gpm/ 2300psi. Minor traces of spacer in mud.
IH	P	CMP	1800	2000	2.00	3485.0m	Pulled out of the hole from 1025m MDRT to 154m MDRT.
IH	P	CMP	2000	2200	2.00	3485.0m	Rig up tubing tongs and lay out 16 joints of 3 1/2" EUE. Rig down tubing equipment.

**Operations For Period 0000 Hrs to 0600 Hrs on 01 Aug 2006**

Phse	Cls (RC)	Op	From	To	Hrs	Depth	Activity Description
IH	P (RE)	RR	0000	0600	6.00	3485.0m	Carry out repairs to slip joint packers.

**Phase Data to 2400hrs, 31 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)	373.5	16 Jul 2006	31 Jul 2006	517.50	21.562	3485.0m

**WBM Data Cost Today \$ 3697**

Mud Type: Petrofree	API FL:	Cl:	Solids(%vol): 19%	Viscosity 102sec/qt
Sample-From: Active pit	Filter-Cake:	K+C*1000:	H2O: 21%	PV 49cp
Time: 22:00	HTHP-FL: 3.4cc/30min	Hard/Ca:	Oil(%): 60%	YP 21lb/100ft²
Weight: 12.00ppg	HTHP-cake: 2/32nd"	MBT:	Sand: 0.25	Gels 10s 39
Temp:		PM: 0.65	pH:	Gels 10m 54
		PF:	PHPA:	Fann 003 14
				Fann 006 15
				Fann 100 34
				Fann 200
Comment	Total product costs to date \$ 849,170.38			Fann 300 70
	Cumulative total \$ 891,670.38 (including engineer)			Fann 600 119

**Bulk Stocks**

Name	Unit	In	Used	Adjust	Balance
Barite Bulk	MT	0	0	0	281.6
Bentonite Bulk	MT	0	0	0	21.8
Diesel	m3	0	0	0	441.7
Fresh Water	m3	38	44.4	0	366.3
Drill Water	m3	0	109.5	0	577.8
Cement G	MT	0	51.87	0	126.8
Cement HT (Silica)	MT	0	51.47	0	-0.1
Brine	m3	0	0	0	0.0

**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 3x DOGC extra ( , 1 x crane op, 1 x dogman, 1 x welder) 5 x DOGC other (2 x painter, 3 x union hydraulic.)
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	

Personnel On Board		
CAMERON AUSTRALIA PTY LTD	1	
Total	91	

HSE Summary				
Events	Date of last	Days Since	Descr.	Remarks
Last BOP Test	17 Jul 2006			
Abandon Drill	30 Jul 2006	1 Day	Weekly abandon rig drill	
Fire Drill	30 Jul 2006	1 Day	Weekly fire drill	
JSA	31 Jul 2006	0 Days	Drillcrew11 , deckcrew 10, mechanic 5, subsea 0 , Painters 0 , welder 3, marine 0, catering 2 , 3rd party .	
Man Overboard Drill	21 Jul 2006	10 Days	Monthly man overboard drill	
Safety Meeting	30 Jul 2006	1 Day	Weekly crew safety meetings	0100/1300/1900hrs
STOP Card	31 Jul 2006	0 Days	Safe 2 un-safe 7	
Trip / Kick Drill	30 Jul 2006	1 Day	Trip drill	Held trip drill at shoe on trip in hole

Shakers, Volumes and Losses Data						
Available	2,629.3bbl	Losses	102.2bbl	Equip.	Descr.	Mesh Size
Active	511.5bbl	Down-hole	71bbl	Shaker1	VSM100	10/200/200/200/200
Hole	767.8bbl	Remaining between plugs	31.2bbl	Shaker2	VSM100	10/200/200/200/200
Reserve	779bbl			Shaker3	VSM100	10/200/200/200/200
Petrofree ester	571bbl			Shaker4	VSM100	10/200/200/200/200

Marine									
Weather on 31 Jul 2006							Rig Support		
Visibility	Wind Speed	Wind Dir.	Pressure	Air Temp.	Wave Height	Wave Dir.	Wave Period	Anchors	Tension (klb)
10.0nm	33kn	270.0deg	1016.0mbar	10C°	3.0m	270.0deg		1	231.0
								2	187.0
Rig Dir.	Ris. Tension	VDL	Swell Height	Swell Dir.	Swell Period	Weather Comments		3	229.0
270.0deg	300.00klb	5154.00klb	4.0m	270.0deg	-1s			4	223.0
Comments								5	311.0
								6	320.0
								7	227.0
								8	227.0

Vessel Name	Arrived (Date/Time)	Departed (Date/Time)	Status	Bulks								
Item	Unit	Used	Trf. to Rig	Qty. Remaining								
Far Grip	1400hrs 30th July		Close Stand by	Diesel	m3	7		509				
				Fresh Water	m3	8	0	444				
				Drill Water	m3	0	0	744				
				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		1130hrs 31st July	En-route to Melbourne.	Diesel	m3	4.03	0	430.5				
				Fresh Water	m3	5		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				

<b>Helicopter Movement</b>				
Flight #	Company	Arr/Dep. Time	Pax In/Out	Comment
1	BRISTOW HELICOPTERS AUSTRALIA PTY LTD	1156 / 1209	13 / 8	Fuel remaining on board 4260 liters
2	BRISTOW HELICOPTERS AUSTRALIA PTY LTD	1500 / 1414	0 / 14	Fuel remaining on board 4260 liters