

**DRILLING MORNING REPORT # 4**  
**Longtom 3**

13 Jul 2006

From: John Wrenn/ Bryan Webb  
To: John Ah-Cann

Well Data							
Country	Australia	MDBRT	524.0m	Cur. Hole Size	22.000in	AFE Cost	\$NaN
Field	Gippsland Basin	TVDBRT	524.0m	Last Casing OD	30.000in	AFE No.	LSDED01/0
Drill Co.	DOGC	Progress	411.0m	Shoe TVDBRT	110.8m	Daily Cost	\$0
Rig	OCEAN PATRIOT	Days from spud	2.37	Shoe MDBRT	110.8m	Cum Cost	\$0
Wtr Dpth (LAT)	56.7m	Days on well	3.60	FIT/LOT:	/	Days Since Last LTI	1150
RT-ASL (LAT)	21.5m	Planned TD MD	5834.0m				
RT-ML	78.2m	Planned TD TVDRT	2458.0m				
Current Op @ 0600		Drilling ahead 22" hole @650m MDRT. No hole problems observed.					
Planned Op		Drill ahead to 22" section TD 1010m MDRT.					

**Summary of Period 0000 to 2400 Hrs**

Backed out 30" running tool and pulled out of hole. Laid down 26"-36" hole BHA. Picked up 22" BHA and ran in hole to top of cement at 107m MDRT. Drilled cement/ shoe/ shoe track from 107m MDRT to 111.8m MDRT. Drill ahead 22" hole from 111.8m MDRT to 524m MDRT. Drill with sea water and hi-vis sweeps. No hole problems observed.  
Starboard crane is not operable at present due to engine failure during back loading operations. Suspended load had to be lowered to supply boat by manually releasing the hoist brake and lowering onto her deck. No damage to equipment resulted during this operation.

**Operations For Period 0000 Hrs to 2400 Hrs on 13 Jul 2006**

Phse	Cls (RC)	Op	From	To	Hrs	Depth	Activity Description
CC	P	WOC	0000	0100	1.00	111.8m	Waiting on surface samples to harden from 30" casing cement job.
CC	P	SKR	0100	0130	0.50	111.8m	Re-position rig over well center. Note: Rig was moved to obtain 1deg bullseye on PGB.
CC	P	TO	0130	0230	1.00	111.8m	Back out 30" casing running tool with 5 right hand turns. No torque observed and tool pulled from housing with no overpull. Pulled out of hole and laid out running tool.  Surveyors took fix rig position fix readings.
CH	P	HBHA	0230	0330	1.00	111.8m	laid out 26" x 36" BHA components from derrick.
SH	P	HBHA	0330	0800	4.50	111.8m	Make up 22" BHA: Bit/ Float sub/ MWD/ 9.5"dc/ stab/ 9.5"dc/ stab/ 9.5"dc/ xo/ 2 x 8"dc/ jars/ 3 x 8"dc/ xo/ 15 x 5"hwdp. Check service breaks on MWD and shallow test on 1st stand of HDWP, ok. Stab into 30" housing while running BHA, skid rig port to align pipe in hole. Top cement tagged @107m MDRT.
SH	P	DFS	0800	1030	2.50	111.8m	Drill out cement/ shoe/ rat hole from 107m MDRT to 111.8m. 800gpm/ 5-10klbs WOB/ 60 rpm. Sweep shoe and cement with 100bbls PHG.
SH	P	DA	1030	2400	13.50	524.0m	Drill ahead 22" hole from 111.8m MDRT to 524m MDRT. 1100gpm/ 2200psi/ 185rpm/ 4-6000ftlbs tq/ 20-30klbs WOB. Rotating wt 180klbs/ up wt 180klbs/ down wt 180klbs. Average ROP: 30.53m/hr Drill with sea water pumping Hi-vis sweeps as follows: 50bbls PHG/ 50bbls Guar/ 75bbls PHG. No hole problems observed during drilling or connections.

**Operations For Period 0000 Hrs to 0600 Hrs on 14 Jul 2006**

Phse	Cls (RC)	Op	From	To	Hrs	Depth	Activity Description
SH	P	DA	0000	0600	6.00	650.0m	Drill ahead 22" hole from 524m MDRT to 650m MDRT. 1130gpm/ 2400psi/ 185rpm/ 4-6000ftlbs tq/ 25-32klbs WOB. Rotating wt 190klbs/ up wt 190klbs/ down wt 190klbs. Average ROP: 21m/hr Drill with sea water pumping Hi-vis sweeps as follows: 50bbls PHG/ 50bbls Guar/ 75bbls PHG. No hole problems observed during drilling or connections.

Phase Data to 2400hrs, 13 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)	20.5	13 Jul 2006	13 Jul 2006	86.50	3.604	524.0m

WBM Data		Cost Today \$ 11068				
Mud Type:	PHG spud mud	API FL:	Cl:	Solids(%vol):	Viscosity	103sec/qt
Sample-From:		Filter-Cake:	K+C*1000:	H2O:	PV	
Time:	20:00hrs	HThP-FL:	Hard/Ca:	Oil(%):	YP	
Weight:	8.70ppg	HThP-cake:	MBT:	Sand:	Gels 10s	
Temp:	17C°		PM:	pH:	Gels 10m	
			PF:	PHPA:	Fann 003	
Comment	No engineer costs, product only. Total product cost to date \$ 23316.42. Total cumulative cost \$ 35216.41.					Fann 006 Fann 100 Fann 200 Fann 300 Fann 600

Bit # 2		Wear	I	O1	D	L	B	G	O2	R
Bitwear Comments:										
Size ("):	IADC#	115	Nozzles		Drilled over last 24 hrs		Calculated over Bit Run			
Mfr:	SECURITY DBS	WOB(avg)	25.00klb	No.	Size	Progress	411.0m	Cum. Progress		411.0m
Type:	Rock	RPM(avg)	170	1	18/32nd"	On Bottom Hrs	8.7h	Cum. On Btm Hrs		8.7h
Serial No.:	MX 9485	F.Rate	25.20bpm	3	22/32nd"	IADC Drill Hrs	13.5h	Cum IADC Drill Hrs		13.5h
Bit Model	22" XR + C	SPP	1900psi			Total Revs	116000	Cum Total Revs		116000
Depth In	111.8m	HSI				ROP(avg)	47.24 m/hr	ROP(avg)		47.24 m/hr
Depth Out		TFA	1.362							

Bit Comment

BHA # 2						
Weight(Wet)	60.00klb	Length	238.5m	Torque(max)	6ft-lbs	D.C. (1) Ann Velocity
Wt Below Jar(Wet)	40.00klb	String	180.00klb	Torque(Off.Btm)	2ft-lbs	D.C. (2) Ann Velocity
Drilling Jar Hours		Pick-Up	180.00klb	Torque(On.Btm)	3ft-lbs	H.W.D.P. Ann Velocity
		Slack-Off	180.00klb			D.P. Ann Velocity

BHA Run Description

BHA Run Comment

Equipment	Length	OD	ID	Serial #	Comment
Bit	0.58m	22.000in		MX 9485	22" Milled tooth. 3 x 22, 1 x 18.
Bit Sub	0.92m	9.438in	3.000in	186-0029	Float bored, non-ported float installed.
MWD	8.79m	9.500in	4.000in	W696	
9.5in DC	9.17m	9.500in	3.000in	00005-9	
Stab	2.22m	22.000in	3.063in	207A3	22" full gauge string stab.
9.5in DC	8.99m	9.500in	3.000in	00002-9	
Stab	2.38m	22.000in	4.000in	207A2	22" full gauge string stab.
9.5in DC	9.05m	9.500in	3.000in	00004-9	
X/O	1.45m	8.188in	3.000in	A318	7 5/8 reg to 6 5/8 reg x/o.
8in DC	17.77m	8.000in	3.000in		
Drilling Jars	10.21m	8.000in	3.000in	35205E	Houston engineering drilling jars.
8in DC	26.73m	8.000in	3.000in		
X/O	1.17m	7.875in	3.000in	mso 1940-02	6 5/8 reg to 4 1/2" IF.
5in HWDP	139.33m	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	
144.20	1.1	319.9	144.19	1.1	1.1	-0.9	0.2	MWD	
199.11	1.0	317.8	199.09	1.9	1.9	-1.6	0.1	MWD	
256.89	1.0	314.1	256.86	2.6	2.6	-2.3	0.0	MWD	
285.54	0.8	322.6	285.54	2.9	2.9	-2.6	0.3	MWD	
373.34	0.4	298.4	373.30	3.5	3.5	-3.2	0.2	MWD	
457.63	0.6	340.7	457.59	4.1	1.1	-3.6	0.2	MWD	
514.66	0.3	238.8	514.62	4.3	4.3	-3.8	0.4	MWD	

Bulk Stocks						
Name	Unit	In	Used	Adjust	Balance	
Barite Bulk	MT	0	0	0	125.2	
Bentonite Bulk	MT	29.6	24.94	0	34.2	
Diesel	m3	0	11.9	0	233.8	
Fresh Water	m3	29	29	0	385.6	
Drill Water	m3	0	186	0	788.4	
Cement G	MT	69.78	0	0	153.1	
Cement HT (Silica)	MT	56.14	0	0	88.4	
Brine	BBLS	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	6.500	8.65	97	73	2300	8.71										
2	12P 160	6.500	8.65	97	73	2300	8.71										
3	12P 160	6.500	8.65	97	73	2300	8.71										

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	

Personnel On Board		
Company	Pax	Comment
UPSTREAM PETROLEUM	3	
NEXUS	1	
DOGC	54	45 x DOGC 5 x DOGC extra( 2 x welders, 1 x crane op) 4 x DOGC other (3 x painter, 1 x tyco engineer)
DOWELL SCHLUMBERGER	2	
WEATHERFORD AUSTRALIA PTY LTD	3	
CAMERON AUSTRALIA PTY LTD	1	
FUGRO SURVEY LTD (ROV)	6	
SCHLUMBERGER ANADRIL	5	3 x MWD, 2 x electricians
BAROID	2	
Q-Tech	1	
ESS	8	
GEOSERVICES OVERSEAS S.A.	2	
<b>Total</b>	<b>88</b>	

HSE Summary					
Events	Date of last	Days Since	Descr.	Remarks	
Abandon Drill	09 Jul 2006	4 Days	Weekly abandon rig drill		
Fire Drill	09 Jul 2006	4 Days	Weekly fire drill		
JSA	13 Jul 2006	0 Days	Drillcrew 12, deckcrew 4, mechanic 0, subsea 0, Painters 1, welder 3.		

HSE Summary				
Events	Date of last	Days Since	Descr.	Remarks
Man Overboard Drill	20 Jun 2006	23 Days	Monthly man overboard drill	0100/1300/1900hrs
Safety Meeting	09 Jul 2006	4 Days	Weekly crew safety meetings	
STOP Card	13 Jul 2006	0 Days	Safe 4 un-safe 8	

Shakers, Volumes and Losses Data			
Available	1,790bbl	Losses	2,217.9bbl
Active	340bbl	Sweeps	2,217.9bbl
Reserve	1,450bbl		

Marine									
Weather on 13 Jul 2006							Rig Support		
Visibility	Wind Speed	Wind Dir.	Pressure	Air Temp.	Wave Height	Wave Dir.	Wave Period	Anchors	Tension (klb)
10.0nm	10kn	191.0deg	1028.0mbar	12C°	1.5m	191.0deg		1	185.0
Rig Dir.	Ris. Tension	VDL	Swell Height	Swell Dir.	Swell Period	Weather Comments		2	223.0
270.0deg		4825.00klb	1.5m	191.0deg				3	229.0
Comments								4	247.0
								5	386.0
								6	333.0
								7	240.0
								8	214.0

Vessel Name	Arrived (Date/Time)	Departed (Date/Time)	Status	Bulks				
Far Grip			En-route to rig	Item	Unit	Used	Trf. to Rig	Qty. Remaining
				Diesel	m3	18		712
				Fresh Water	m3	7		505
				Drill Water	m3			320
				Cement G	mt			0
				Cement HT (Silica)	mt			0
				Barite Bulk	mt			85
				Bentonite Bulk	mt			0

Bentonite figure is yet to be confirmed.

Pacific Wrangler			Taking back load.	Item	Unit	Used	Trf. to Rig	Qty. Remaining
				Diesel	m3	11.9		642.7
				Fresh Water	m3	5		205
				Drill Water	m3			80
				Cement G	mt		74	0
				Cement HT (Silica)	mt		69.2	0
				Bentonite Bulk	mt		29.6	0
				Barite Bulk	mt			0
Brine	m3			0				

Off loading of bulks suspended due to bad weather. Taking back load.

Helicopter Movement				
Flight #	Company	Arr/Dep. Time	Pax In/Out	Comment
1	BRISTOW HELICOPTERS AUSTRALIA PTY LTD	0724 / 0733	2 / 6	Fuel remaining on board 1697 litres.