

15 Jul 2006

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

DRILLING MORNING REPORT # 6
Longtom 3

Well Data							
Country	Australia	MDBRT	1005.0m	Cur. Hole Size	22.000in	AFE Cost	\$40,292,054
Field	Gippsland Basin	TVDBRT	1005.0m	Last Casing OD	30.000in	AFE No.	LSDED01/0
Drill Co.	DOGC	Progress	0.0m	Shoe TVDBRT	110.8m	Daily Cost	\$583,181
Rig	OCEAN PATRIOT	Days from spud	4.37	Shoe MDBRT	110.8m	Cum Cost	\$14,120,462
Wtr Dpth (LAT)	56.7m	Days on well	5.60	FIT/LOT:	/	Days Since Last LTI	1152
RT-ASL (LAT)	21.5m	Planned TD MD	5834.0m				
RT-ML	78.2m	Planned TD TVDRT	2458.0m				
Current Op @ 0600		Displacing cement.					
Planned Op		Pull out of hole running tool/ cement stinger. Rig up and run BOP's and marine riser.					

Summary of Period 0000 to 2400 Hrs

Pulled out of hole from 22" section TD. Jetted well head with bit/ racked all BHA in derrick.
Made up 18 3/4" running tool and laid out. Rigged up and run 16" casing, ran 5" DP inner cement stinger.

FORMATION

Name	Top
300 Sand	
200 Sand	
100 Sand	
Emperor Volcanics	
TD	

Operations For Period 0000 Hrs to 2400 Hrs on 15 Jul 2006

Phse	Cls (RC)	Op	From	To	Hrs	Depth	Activity Description
SH	P	DIS	0000	0030	0.50	1005.0m	Complete displacing well with PHG 1700bbls.
SH	P	TO	0030	0700	6.50	1005.0m	Pulled out of hole from 1005m MDRT. 1005m MDRT to 907m MDRT hole in good condition with occasional 5-10klbs o/pull. 907m MDRT to 888m MDRT 40-60klbs o/pull, no weight taken to RIH, wipe x 2, OK. 878m MDRT 40-60klbs o/pull, no weight to RIH, wipe x 2, OK. 845m MDRT to 840m MDRT 60-70klbs o/pull, no weight to RIH, wipe x 2, OK. 816m MDRT to 809m MDRT 70klbs o/pull, wipe x 3, OK. 798m MDRT to 793m MDRT 60-90klbs o/pull, work and wipe hard to get through this section, no problems seen at all slacking off after 90klbs up, work until clear, run through ok. 768m MDRT 50-60klbs o/pull, work x 1, ok. 759m MDRT to 757m MDRT 75-80klbs o/pull, no weight to RIH, work and wipe until clear, run through ok. 730m MDRT 40klbs o/pull, work x 1, ok. 710m MDRT 40klbs o/pull, work x 1, ok. Pulled from 710m MDRT to 577m MDRT ok. 577m MDRT 60-90klbs o/pull, work and wipe hard to get through this section, no problems seen at all slacking off after 90klbs up, work until clear, run through ok. 515m MDRT 60-70klbs o/pull, work x 1, ok. 515m to 24" shoe, ok. Jet 30" housing at 1200gpm on way through with bit.
SC	P	CRN	0700	0730	0.50	1005.0m	Make up 18 3/4" well head running tool and lay out to be made up on deck. 15' pup/ r-tool/ single.
SC	P	RRC	0730	0830	1.00	1005.0m	Rigged up to run 16" casing.
SC	P	CRN	0830	2000	11.50	1005.0m	Held jsa, commenced running 16" casing. Check float equipment, attach guide ropes, run 1st 7 joints with crane to assist with stabbing while in open water. Filled string with PHG as run. Total joints run 73/ 6.3jnts/hr average. No hole problems observed. String wt 300klbs up, 285klbs down.
SC	P	CRN	2000	2100	1.00	1005.0m	Lay out Tam packer. Made up 16" x 20" cross over, remove 16" false totary and slips and support string in

Phse	Cls (RC)	Op	From	To	Hrs	Depth	Activity Description
SC	P	CMC	2100	2400	3.00	1005.0m	master bushings with 16" elevators. 16" casing last moved @20:41hrs. Ran 888m of 5" drill pipe inner string. Made up each connection with top drive and RBS due to stick up being to high for tong use. The accumulative height of: elevators/ xo/ "C" plate/ bowls/ slips/ dog collar/ dp elevator gap/ 5" box just added up to too much to complete the job with rig tongs regardless of whether a work platform was used.

Operations For Period 0000 Hrs to 0600 Hrs on 16 Jul 2006

Phse	Cls (RC)	Op	From	To	Hrs	Depth	Activity Description
SC	P	CMC	0000	0100	1.00	1005.0m	Complete running 5" drill pipe inner string. Total run 888m.
SC	P	CRN	0100	0130	0.50	1005.0m	Pick up 18 3/4" well head and make up inner string to 5" dp tail on Running tool. Make up 20" connection.
SC	P	CRN	0130	0200	0.50	1005.0m	Run 16" casing and well head on 5" drill pipe. make up cement stand. No hole problems or drag observed.
SC	P	CRN	0200	0230	0.50	1005.0m	Land 18 3/4" housing in 30" casing profile with 50klbs down. Take overpull, string not latched and well head lifted from profile. Lower and set 100klbs on latch, verify with 40klbs overpull, ok.
SC	P	CIC	0230	0330	1.00	1005.0m	Install cement hoses and break circulation with rig pumps. Hold JSA for cement job while circulating sea water 12bpm/ 500psi. Visual returns at PGB.
SC	P	CMC	0330	0600	2.50	1005.0m	(IN PROGRESS) Pump 10bbbls of sea water with Dowell, test lines to 4000psi/ ok. Pump 50bbbls of sea water with Dowell, last 20 containing flourescene dye. Commence mixing and pumping cement slurry: Lead 828bbbls @12.5ppg. Tail 225bbbls @15.8ppg. Displace with 74bbbls of sea water. ROV monitor returns through out cement job, ok.

Phase Data to 2400hrs, 15 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	112.0m
CONDUCTOR CASING(CC)	32	11 Jul 2006	13 Jul 2006	66.00	2.750	112.0m
SURFACE HOLE(SH)	51.5	13 Jul 2006	15 Jul 2006	117.50	4.896	1005.0m
SURFACE CASING(SC)	17	15 Jul 2006	15 Jul 2006	134.50	5.604	1005.0m

WBM Data
Cost Today \$ 3011

Mud Type:	PHG spud mud	API FL:	Cl:	Solids(%vol):	Viscosity	103sec/qt
Sample-From:		Filter-Cake:	K+C*1000:	H2O:	PV	
Time:		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 \$ 38617. Cumulative total \$ 53917.42				Fann 006	
					Fann 100	
					Fann 200	
					Fann 300	
					Fann 600	

Bit # 2

Wear	I	O1	D	L	B	G	O2	R
	1	1	WT	A	E	I	NO	TD
Bitwear Comments:								
Size ("):	IADC#	115	Nozzles	Drilled over last 24 hrs	Calculated over Bit Run			

Mfr:	SMITH	WOB(avg)	25.00klb	No.		Size		Progress	0.0m	Cum. Progress	892.0m
Type:	Rock	RPM(avg)	170	1	18/32nd"		On Bottom Hrs		0.0h	Cum. On Btm Hrs	27.0h
Serial No.:	MX 9485	F.Rate	25.20bpm	3	22/32nd"		IADC Drill Hrs		0.0h	Cum IADC Drill Hrs	35.5h
Bit Model	22" XR + C	SPP	1900psi					Total Revs	116000	Cum Total Revs	573000
Depth In	111.8m	HSI						ROP(avg)	N/A	ROP(avg)	33.04 m/hr
Depth Out	1005.0m	TFA	1.362								
Bit Comment											

BHA # 2

Weight(Wet)	60.00klb	Length	238.5m	Torque(max)	7ft-lbs	D.C. (1) Ann Velocity
Wt Below Jar(Wet)	40.00klb	String	205.00klb	Torque(Off.Btm)	3ft-lbs	D.C. (2) Ann Velocity
Drilling Jar Hours	35.5	Pick-Up	205.00klb	Torque(On.Btm)	7ft-lbs	H.W.D.P. Ann Velocity
		Slack-Off	200.00klb			D.P. Ann Velocity

BHA Run Description
BHA Run Comment

Equipment	Length	OD	ID	Top Conn	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			

Bulk Stocks

Name	Unit	In	Used	Adjust	Balance
Barite Bulk	MT	83.01	0	0	208.2
Bentonite Bulk	MT	0	9.01	0	21.8
Diesel	m3	350.1	19.1	0	545.3
Fresh Water	m3	25	23.63	0	393.9
Drill Water	m3	0	212.7	0	172.5
Cement G	MT	0	0	0	153.1
Cement HT (Silica)	MT	0	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

OD (in)	Csg Shoe MD (m)	Csg Shoe TVD (m)	Csg Landing Depth MD (m)	Csg Landing Depth TVD (m)	LOT/FIT (ppg)
16 "	995.32	995.32	995.32	995.32	

Company	Pax	Comment
UPSTREAM PETROLEUM	3	
NEXUS	1	
DOGC	52	47 x DOGC 2 x DOGC extra(1 x welders, 1 x crane op) 3 x DOGC other (3 x painter)
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	
ESS	8	
GEOSERVICES OVERSEAS S.A.	2	
Total	85	

Events	Date of last	Days Since	Descr.	Remarks
Abandon Drill	15 Jul 2006	0 Days	Weekly abandon rig drill	0100/1300/1900hrs
Fire Drill	15 Jul 2006	0 Days	Weekly fire drill	
JSA	15 Jul 2006	0 Days	Drillcrew 5, deckcrew 9, mechanic 5, subsea 0, Painters 0, welder 3.	
Man Overboard Drill	20 Jun 2006	25 Days	Monthly man overboard drill	
Safety Meeting	09 Jul 2006	6 Days	Weekly crew safety meetings	
STOP Card	15 Jul 2006	0 Days	Safe 12 un-safe 10	

Available	317bbl	Losses	690bbl	
Reserve	317bbl	Displacent and filling casing.	690bbl	

Weather on 15 Jul 2006								Rig Support	
Visibility	Wind Speed	Wind Dir.	Pressure	Air Temp.	Wave Height	Wave Dir.	Wave Period	1	2
10.0nm	18kn	80.0deg	1018.0mbar	11C°	1.5m	80.0deg		161.0	181.0
Rig Dir.	Ris. Tension	VDL	Swell Height	Swell Dir.	Swell Period	Weather Comments		3	4
270.0deg		5194.00klb	1.5m	80.0deg				216.0	236.0
Comments								5	355.0
								6	333.0
								7	205.0
								8	194.0

Vessel Name	Arrived (Date/Time)	Departed (Date/Time)	Status	Bulks				
Far Grip	0630hrs 14 July		Off loading cargo	Item	Unit	Used	Trf. to Rig	Qty. Remaining
				Diesel	m3	15	350	325
				Fresh Water	m3	5		495
				Drill Water	m3	0		320
				Cement G	mt	0		0
				Cement HT (Silica)	mt	0		0
				Barite Bulk	mt	0	85	0
				Bentonite Bulk	mt	0		0
				Brine	m3	0		

Last BOP Test:

Pacific Wrangler		0630hrs 14 July	In Melbourne	Item	Unit	Used	Trf. to Rig	Qty. Remaining