

16 Jul 2006

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

DRILLING MORNING REPORT # 7
Longtom 3

Well Data							
Country	Australia	MDBRT	1005.0m	Cur. Hole Size		AFE Cost	\$40,292,054
Field	Gippsland Basin	TVDBRT	1005.0m	Last Casing OD	16.000in	AFE No.	LSDED01/0
Drill Co.	DOGC	Progress	0.0m	Shoe TVDBRT	995.3m	Daily Cost	\$581,531
Rig	OCEAN PATRIOT	Days from spud	5.37	Shoe MDBRT	995.3m	Cum Cost	\$14,701,992
Wtr Dpth (LAT)	56.7m	Days on well	6.60	FIT/LOT:	/	Days Since Last LTI	1156
RT-ASL (LAT)	21.5m	Planned TD MD	5834.0m				
RT-ML	78.2m	Planned TD TVDRT	2458.0m				
Current Op @ 0600		Complete pressure testing VX/ well head and casing.					
Planned Op		Stroke open slip joint, install divertor. make up emergency hang-off tool and rack in derrick. Lay out 22" BHA. Pick up 14 3/4" drill out BHA. Run in hole picking up 5" drill pipe off deck and drill out 16" shoe/ rat hole/ 3m of new formation. Perform LOT. Pull out of hole and pick up 9 1/2" pilot hole BHA, run in hole picking up 5" drill pipe.					

Summary of Period 0000 to 2400 Hrs

Run inner cement stinger, run 18 3/4" well head.
Run casing string on 5" dp landing string. Perform overpull and circulate and condition hole for cement job. Mix and pump 828bbls of 12.5ppg lead cement slurry and 225bbls of 15.8ppg tail cement slurry. Displace with sea water, check float equipment is holding, ok. back out running tool and pulled out of hole racking back inner string.
Rigged up and ran BOPs on marine riser. Skid rig over location, land, lock and overpull BOP's on 18 3/4" wellhead.

FORMATION

Name	Top
300 Sand	
200 Sand	
100 Sand	
Emperor Volcanics	
TD	

Operations For Period 0000 Hrs to 2400 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	0700	3.50	1005.0m	Pump 10bbls of sea water with Dowell, test lines to 4000psi/ ok. Pump 50bbls of sea water with Dowell, last 20 containing fluorescence dye. Commence mixing and pumping cement slurry: Lead 828bbls @ 12.5ppg. Tail 225bbls @ 15.8ppg. Displace with 74bbls of sea water. ROV monitor returns through out cement job, ok.
SC	P	CMC	0700	0730	0.50	1005.0m	Check float equipment holding, ok. Removed cement hose, backed out cameron running tool with 6 right hand turns. Pick up with zero over pull.
SC	P	CMC	0730	0930	2.00	1005.0m	Pulled out of hole with well head running tool and cement inner string. Laid out R/T and racked stinger.
IH	P	BOP	0930	1200	2.50	1005.0m	Rig up rig floor for handling riser. Skid rig 15m FWD to safe area during this operation.

Phse	Cls (RC)	Op	From	To	Hrs	Depth	Activity Description
IH	P	BOP	1200	1500	3.00	1005.0m	Made up 2 x 50' bouyed joint of marine riser and termination spool.
IH	P	BOP	1500	1600	1.00	1005.0m	Position BOP below well center and nipple up marine riser.
IH	P	BOP	1600	1700	1.00	1005.0m	Install guide lines and pod lines.
IH	P	BOP	1700	1730	0.50	1005.0m	Move BOP normar carrier and deploy nautronic beacon. BOP bulls eye reading zero. LMRP bulls eye reading 1 3/4 deg stbd fwd.
IH	P	BOP	1730	1900	1.50	1005.0m	Run BOPs on double of riser. Made up test cap and pressure tested choke and kill lines 500/5000psi 5/5mins, ok.
IH	P	BOP	1900	2100	2.00	1005.0m	Picked up and ran slip joint.
IH	P	BOP	2100	2130	0.50	1005.0m	Made up 5" drillpipe landing string. Drill pipe used to land BOP's as remaining riser joints cannot be reached due to starboard crane out of service.
IH	P	BOP	2130	2400	2.50	1005.0m	Nipple up choke, kill and boost lines to slip joint.

Operations For Period 0000 Hrs to 0600 Hrs on 17 Jul 2006

Phse	Cls (RC)	Op	From	To	Hrs	Depth	Activity Description
IH	P	BOP	0000	0100	1.00	1005.0m	Complete nipling up of choke/ kill/ boost lines to slip joint.
IH	P	BOP	0100	0130	0.50	1005.0m	Pressure tested choke and kill lines 500/5000psi 5/5mins.
IH	P	BOP	0130	0300	1.50	1005.0m	Pick up SDL ring while skidding ring over location. Take tension on guide lines and fine tune position.
IH	P	BOP	0300	0500	2.00	1005.0m	Take pre-landing bulls eye readings on BOP's and Riser. BOP lower 1/4-1/2 deg stbd. BOP upper 3/4-1 deg stbd. LMRP 1/2-1 deg stbd. LMRP 1/2 1 1/4 deg aft. Land BOP's, lock and perform overpull 50klbs on Blue pod, ok. Change to Yellow pod and perform overpull 50klbs, ok. Prior to MRTs 550klbs above posts 270klbs 1/2 posts 230klbs Prior to land 210klbs Install storm saddles and make up RBQ plates. Landed bullseye reading: BOP lower 1 deg port aft. BOP upper 1/2 deg aft. LMRP 1/2 deg port. LMRP 1/2 deg port aft.
IH	P	BOP	0500	0600	1.00	1005.0m	Perform 500psi/ 5min pressure test on VX/ casing on Yellow pod against shear rams. Perform 500psi/2500psi pressure tes on VX/ casing on Blue pod against shear rams.

Phase Data to 2400hrs, 16 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)	26.5	15 Jul 2006	16 Jul 2006	144.00	6.000	1005.0m
INTERMEDIATE HOLE(IH)	14.5	16 Jul 2006	16 Jul 2006	158.50	6.604	1005.0m

WBM Data
Cost Today \$ 0

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:			PM:	pH:	Gels 10m	
			PF:	PHPA:	Fann 003	
					Fann 006	
					Fann 100	
					Fann 200	
					Fann 300	
					Fann 600	
Comment	No product costs today. Total product costs to date \$ 38,617.42 Cummulative total \$ 55,617.42					

Bulk Stocks					
Name	Unit	In	Used	Adjust	Balance
Barite Bulk	MT	0	0	0	208.2
Bentonite Bulk	MT	0	0	0	21.8
Diesel	m3	0	18.3	0	527.0
Fresh Water	m3	30	25.3	0	398.6
Drill Water	m3	320	31.5	0	461.0
Cement G	MT	0	88.81	0	64.3
Cement HT (Silica)	MT	0	37.06	0	51.4
Brine	BBLs	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
UPSTREAM PETROLEUM	3	47 x DOGC 2 x DOGC extra(1 x welders, 1 x crane op) 3 x DOGC other (3 x painter)
NEXUS	1	
DOGC	52	
DOWELL SCHLUMBERGER	2	2 x MWD, 2 x DD, 1 x tainee MWD.
WEATHERFORD AUSTRALIA PTY LTD	3	
CAMERON AUSTRALIA PTY LTD	1	
FUGRO SURVEY LTD (ROV)	6	
SCHLUMBERGER ANADRIL	5	
BAROID	2	
ESS	8	
GEOSERVICES OVERSEAS S.A.	5	
Total	88	

HSE Summary				
Events	Date of last	Days Since	Descr.	Remarks
Abandon Drill	09 Jul 2006	7 Days	Weekly abandon rig drill	0100/1300/1900hrs
Fire Drill	09 Jul 2006	7 Days	Weekly fire drill	
JSA	16 Jul 2006	0 Days	Drillcrew 9, deckcrew 4, mechanic 2, subsea 0, Painters 0, welder 0.	
Man Overboard Drill	20 Jun 2006	26 Days	Monthly man overboard drill	
Safety Meeting	16 Jul 2006	0 Days	Weekly crew safety meetings	
STOP Card	16 Jul 2006	0 Days	Safe 2 un-safe 4	

Shakers, Volumes and Losses Data			
Available	202bbl	Losses	0bbl
Reserve	202bbl		
Comment 202bbbs of PHG remaining for drilling out 16" shoe.			

Marine

Weather on 16 Jul 2006								Rig Support	
Visibility	Wind Speed	Wind Dir.	Pressure	Air Temp.	Wave Height	Wave Dir.	Wave Period	Anchors	Tension (klb)
10.0nm	25kn	125.0deg	1016.0mbar	11C°	1.0m	125.0deg		1	146.0
Rig Dir.	Ris. Tension	VDL	Swell Height	Swell Dir.	Swell Period	Weather Comments			
270.0deg		4285.00klb	2.0m	140.0deg					
Comments									
								2	108.0
								3	234.0
								4	198.0
								5	276.0
								6	251.0
								7	150.0
								8	168.0
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	12	0	313
				Fresh Water		m3	5	0	490
				Drill Water		m3	0	320	0
				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
				Pacific Wrangler		0630hrs 14 July	En-route to rig	Item	
Diesel		m3							
Fresh Water		m3							
Drill Water		m3							
Cement G		mt							
Cement HT (Silica)		mt							
Barite Bulk		mt							
Bentonite Bulk		mt							
Brine		m3							
Helicopter Movement									
Flight #		Company		Arr/Dep. Time		Pax In/Out		Comment	
1		BRISTOW HELICOPTERS AUSTRALIA PTY LTD		1237 / 1255		10 / 7		Refuel 480litres remaining on board 1193 litres.	