

24 Jul 2006

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

**DRILLING MORNING REPORT # 15**  
**Longtom 3**

Well Data							
Country	Australia	MDBRT	2675.0m	Cur. Hole Size	9.500in	AFE Cost	\$40,292,054
Field	Gippsland Basin	TVDBRT	2146.8m	Last Casing OD	16.000in	AFE No.	LSDED01/0
Drill Co.	DOGC	Progress	659.0m	Shoe TVDBRT	995.3m	Daily Cost	\$631,319
Rig	OCEAN PATRIOT	Days from spud	13.37	Shoe MDBRT	995.3m	Cum Cost	\$20,075,560
Wtr Dpth (LAT)	56.7m	Days on well	14.69	FIT/LOT:	/ 13.50ppg	Days Since Last LTI	1162
RT-ASL (LAT)	21.5m	Planned TD MD	5834.0m				
RT-ML	78.2m	Planned TD TVDRT	2458.0m				
Current Op @ 0600 Drilling 9 1/2" pilot hole with RST assembly @2800m MDRT							
Planned Op Drill ahead to section TD of 3470m MDRT approx.							

**Summary of Period 0000 to 2400 Hrs**

Drill 9 1/2" pilot hole with RST assembly as per directional plan from 2016m MDRT to 2675m MDRT. 0.5hrs NPT establishing communication with PD Xceed, full functions regained ok.

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

**Operations For Period 0000 Hrs to 2400 Hrs on 24 Jul 2006**

Phse	Cls (RC)	Op	From	To	Hrs	Depth	Activity Description
IH	P	DA	0000	0730	7.50	2195.0m	Drill 9 1/2" pilot hole with RST from 2016m MDRT to 2195m MDRT. 750gpm/ 3700psi/ 180rpm/ 10-15klbs WOB/ 5-6klbs tq. String wt: 210klbs rotating/ 220klbs up/ 200klbs down. @2136.29m MDRT/ 1850.90m TVD/ 61.08 deg inclination/ 197.34 azimuth. Set power drive @20% to counteract slow right and build. No hole problems observed during drilling and connections, back ream every stand, take survey after connection.
IH	TP (DTF)	DA	0730	0800	0.50	2195.0m	PD Xceed not responding to surface commands. Circulate and work string while performing diagnostic checks. Tool responded and returned to full communication status.
IH	P	DA	0800	2400	16.00	2675.0m	Drill 9 1/2" pilot hole with RST from 2195m MDRT to 2675m MDRT. 708gpm/ 4000psi/ 180rpm/ 15-18klbs WOB/ 9-11klbs tq. String wt: 230klbs rotating/ 255klbs up/ 230klbs down. @2650.38m MDRT/ 2134.78m TVD/ 56.50 deg inclination/ 189.65 azimuth. No hole problems observed during drilling and connections, back ream every stand, take survey after connection.

**Operations For Period 0000 Hrs to 0600 Hrs on 25 Jul 2006**

Phse	Cls (RC)	Op	From	To	Hrs	Depth	Activity Description
IH	P	DA	0000	0600	6.00	3214.0m	(IN PROGRESS) Drill 9 1/2" pilot hole with RST from 2675m MDRT to 3214m MDRT. 670gpm/ 4000psi/ 180rpm/ 18-25klbs WOB/ 9-12klbs tq. @ 2800m String wt: 236klbs rotating/ 265klbs up/ 222klbs down. @ 2978m String wt: 240klbs rotating/ 285klbs up/ 205klbs down. @ 3095m String wt: 245klbs rotating/ 280klbs up/ 230klbs down. @ 3214m String wt: 245klbs rotating/ 295klbs up/ 230klbs down. Survey: @3194.38m MDRT/ 2441.01m TVD/ 55.36 deg inclination/ 188.87 azimuth. Observed during connection @3211m MDRT a 30klbs drag while back reaming stand. Drag no longer observed following back reaming of stand. Extended back reaming time on following stand to 10minutes, no drag observed. Back ream every stand, take survey after connection. .

Phase Data to 2400hrs, 24 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)	208.5	16 Jul 2006	24 Jul 2006	352.50	14.688	2675.0m

WBM Data		Cost Today \$ 46739					
Mud Type:	Petrofree	API FL:	Cl:	Solids(%vol):	20%	Viscosity	79sec/qt
Sample-From:	Active pit	Filter-Cake:	K+C*1000:	H2O:	17%	PV	43cp
Time:	20:25hrs	HTHP-FL:	3.0cc/30min	Oil(%):	63%	YP	21lb/100ft²
Weight:	12.00ppg	HTHP-cake:	2/32nd"	Sand:	0.25	Gels 10s	27
Temp:	67C°			pH:		Gels 10m	48
				PF:		Fann 003	12
						Fann 006	13
						Fann 100	32
						Fann 200	
Comment	Total product costs to date \$ 46,739.44					Fann 300	64
	Cumulative total \$ 710,594.65 (including engineer)					Fann 600	107

Bit # 7				Wear	I	O1	D	L	B	G	O2	R
				Bitwear Comments:								
Size ("):	IADC#	M323	Nozzles			Drilled over last 24 hrs			Calculated over Bit Run			
Mfr:	SMITH	WOB(avg)	15.00klb	No.      Size		Progress		659.0m	Cum. Progress		805.0m	
Type:	PDC	RPM(avg)	175	2	16/32nd"	On Bottom Hrs		15.3h	Cum. On Btm Hrs		19.2h	
Serial No.:	JW7648	F.Rate	17.20bpm	5	18/32nd"	IADC Drill Hrs		23.5h	Cum IADC Drill Hrs		26.5h	
Bit Model	M716PXC	SPP	3800psi				Total Revs		177000	Cum Total Revs		177044
Depth In	1930.0m	HSI					ROP(avg)		43.07 m/hr	ROP(avg)		41.93 m/hr
Depth Out		TFA	1.63									
Bit Comment												

BHA # 8					
Weight(Wet)	38.00klb	Length	174.6m	Torque(max)	11ft-lbs
Wt Below Jar(Wet)	14.00klb	String	230.00klb	Torque(Off.Btm)	3ft-lbs
Drilling Jar Hours	43	Pick-Up	255.00klb	Torque(On.Btm)	9ft-lbs
		Slack-Off	225.00klb		

BHA Run Description Power drive Xceed steerable drilling assembly.

BHA Run Comment

Equipment	Length	OD	ID	Top Conn	Serial #	Comment
Bit	0.31m	9.500in		4 1/2" reg	JW7648	M716 PXC. PDC
Power drive Xceed	7.66m	9.188in			119	
Telescope x/o	8.52m	6.875in			FA27	
5" Non-mag HWDP	9.09m	6.625in	2.875in		4449	
5in HWDP	27.47m	5.000in	3.000in			
Drilling Jars	9.68m	6.375in	2.750in			
5in HWDP		5.000in	3.000in		DAH03584	
	111.86m					

Survey								
MD	Incl	Azim	TVD	Vsec	N-S	E-W	DLS	Tool Type
(m)	(deg)	(deg)	(m)	(deg)	(m)	(m)	(deg/30m)	
2392.13	54.7	190.4	1987.18	822.9	-808.0	-155.9	0.7	MWD
2420.59	54.1	190.3	2003.75	846.1	-830.8	-160.1	0.6	MWD

Survey								
MD (m)	Incl (deg)	Azim (deg)	TVD (m)	Vsec (deg)	N-S (m)	E-W (m)	DLS (deg/30m)	Tool Type
2450.15	55.9	190.8	2020.70	870.3	-854.6	-164.5	1.9	MWD
2478.72	55.9	190.7	2036.71	893.9	-877.8	-168.9	0.1	MWD
2507.91	55.7	190.4	2053.12	918.1	-901.6	-173.3	0.4	MWD
2536.55	55.1	190.7	2069.40	941.7	-924.6	-177.7	0.7	MWD
2564.10	54.3	191.1	2085.30	964.1	-946.8	-181.9	0.9	MWD
2593.11	53.6	191.1	2102.39	987.5	-969.8	-186.8	0.8	MWD
2621.99	56.1	189.9	2119.02	1011.1	-993.0	-190.7	2.8	MWD
2650.38	56.5	189.7	2134.78	1034.7	-1016.3	-194.7	0.5	MWD

Bulk Stocks					
Name	Unit	In	Used	Adjust	Balance
Barite Bulk	MT	0	59.1	0	51.4
Bentonite Bulk	MT	0	0	0	21.8
Diesel	m3	0	23.8	0	389.6
Fresh Water	m3	30	23.4	0	441.7
Drill Water	m3	0	8.4	0	755.9
Cement G	MT	0	0	0	143.8
Cement HT (Silica)	MT	0	0	0	51.4
Brine	m3	0	0	0	0.0

Pumps							
Pump Data - Last 24 Hrs							
No.	Type	Liner (in)	MW (ppg)	Eff (%)	SPM (SPM)	SPP (psi)	Flow (bpm)
1	A1700PT	5.500	12.00	97	62	4000	5.30
2	12P 160	6.000	12.00	97	61	4000	6.20
3	12P 160	6.000	12.00	97	53	4000	5.39

Slow Pump Data							
Depth (m)	SPM1 (SPM)	SPP1 (psi)	Flow1 (bpm)	SPM2 (SPM)	SPP2 (psi)	Flow2 (bpm)	SPM3 (SPM)
2462.0	30	500	3.00	40	600	4.00	50
	30	0	3.00	40	0	4.00	50

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 2x DOGC extra( , 1 x crane op, 1 x dogman) 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	5	2 x MWD, 2 x DD, 1 x tainee MWD.
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	2	
Total	93	

HSE Summary				
Events	Date of last	Days Since	Descr.	Remarks
Last BOP Test	17 Jul 2006			
Abandon Drill	23 Jul 2006	1 Day	Weekly abandon rig drill	
Fire Drill	23 Jul 2006	1 Day	Weekly fire drill	
JSA	24 Jul 2006	0 Days	Drillcrew 5, deckcrew 12, mechanic 3, subsea 0, Painters 0, welder 0, marine 2, catering 2, 3rd party 0.	
Man Overboard Drill	21 Jul 2006	3 Days	Monthly man overboard drill	
Safety Meeting	23 Jul 2006	1 Day	Weekly crew safety meetings	0100/1300/1900hrs
STOP Card	24 Jul 2006	0 Days	Safe2 un-safe	
Trip / Kick Drill	22 Jul 2006	2 Days	Trip and pit drill	Held trip drills and pit drills.Trip drills 1 x 28secs

Shakers, Volumes and Losses Data						
Available	2,833.2bbl	Losses	290.4bbl	Equip.	Descr.	Mesh Size
Active	458.7bbl	Down-hole	40.4bbl	Shaker1	VSM100	10/200/200/200/200
Hole	1,167.6bbl	Centrifuge	172bbl	Shaker1	VSM100	10/200/200/200/200
Reserve	916.1bbl	ROC	78bbl	Shaker2	VSM100	10/200/200/200/200
Slug	17.8bbl			Shaker2	VSM100	10/200/200/200/200
Petrofree ester	273bbl			Shaker3	VSM100	10/200/200/200/200
				Shaker3	VSM100	10/200/200/200/200
				Shaker4	VSM100	10/200/200/200/200
				Shaker4	VSM100	10/200/200/200/200

Marine									
Weather on 24 Jul 2006							Rig Support		
Visibility	Wind Speed	Wind Dir.	Pressure	Air Temp.	Wave Height	Wave Dir.	Wave Period	Anchors	Tension (klb)
10.0nm	5kn	135.0deg	1030.0mbar	12C°	0.1m	135.0deg		1	187.0
Rig Dir.	Ris. Tension	VDL	Swell Height	Swell Dir.	Swell Period	Weather Comments		2	185.0
270.0deg	292.00klb	4548.00klb	0.5m	0.0deg	-1s			3	249.0
Comments					4			240.0	
					5			317.0	
							6	320.0	
							7	216.0	
							8	179.0	

**Helicopter Movement**

1	BRISTOW HELICOPTERS AUSTRALIA PTY LTD	1110 / 1202	3 / 1	Fuel remainign on board 418 litres
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