

14 Jul 2006

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

DRILLING MORNING REPORT # 5
Longtom 3

Well Data							
Country	Australia	MDBRT	1005.0m	Cur. Hole Size	22.000in	AFE Cost	\$40,292,054
Field	Gippsland Basin	TVDBRT	1004.7m	Last Casing OD	30.000in	AFE No.	LSDED01/0
Drill Co.	DOGC	Progress	481.0m	Shoe TVDBRT	110.8m	Daily Cost	\$605,972
Rig	OCEAN PATRIOT	Days from spud	3.37	Shoe MDBRT	110.8m	Cum Cost	\$13,537,281
Wtr Dpth (LAT)	56.7m	Days on well	4.60	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 Pulling out of hole with 22" BHA.							
Planned Op Make up 18 3/4 well head R/T, lay out. Rig up and run 16" casing. Run 5" cement stinger, run well head and run in hole. Circulate and cement 16" casing							

Summary of Period 0000 to 2400 Hrs

Drill 22" hole from 524m MDRT to 1005m MDRT.
Sweep and circulate hole clean. Commenced displacing to PHG mud. Starboard crane unserviceable due to engine failure.

FORMATION

Name	Top
300 Sand	
200 Sand	
100 Sand	
Emperor Volcanics	
TD	

Operations For Period 0000 Hrs to 2400 Hrs on 14 Jul 2006

Phse	Cls (RC)	Op	From	To	Hrs	Depth	Activity Description
SH	P	DA	0000	1430	14.50	846.0m	Drill ahead 22" hole from 524m MDRT to 846m MDRT. 1130gpm/ 2400psi/ 185rpm/ 4-6000ftlbs tq/ 28-35klbs WOB. Rotating wt 190klbs/ up wt 190klbs/ down wt 190klbs. Average ROP: 22.1m/hr Drill with sea water pumping Hi-vis sweeps as follows: 50bbbs PHG/ 50bbbs Guar/ 75bbbs PHG. No hole problems observed during drilling or connections.
SH	TP (VE)	DA	1430	1500	0.50	846.0m	Repair anadril geolograph line in derrick. Cable became tangled in dollar track roller frame due to wind.
SH	P	DA	1500	2230	7.50	1005.0m	Drill ahead 22" hole from 846m MDRT to 1005m MDRT. 1130gpm/ 2400psi/ 185rpm/ 7000ftlbs tq/ 30-35klbs WOB. Rotating wt 205klbs/ up wt 205klbs/ down wt 200klbs. Average ROP: 21.2m/hr Drill with sea water pumping Hi-vis sweeps as follows: 50bbbs PHG/ 50bbbs Guar/ 75bbbs PHG. No hole problems observed during drilling or connections.
SH	P	CHC	2230	2400	1.50	1005.0m	@999.93m MDRT, 999.71m TVD, 2.37deg incl, 353.90deg azim, Pump 150bbbs of PHG, spot around BHA. Take survey. Circulate sweep out of hole at 1200gpm/ 125rpm while mixing the last pit of PHG for displacement. Commence displacing well.

Operations For Period 0000 Hrs to 0600 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 1700bbbs.
SH	P	TO	0030	0600	5.50	1005.0m	(IN PROGRESS) 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

Equipment	Length	OD	ID	Top Conn	Serial #	Comment
MWD	8.79m	9.500in	4.000in		W696	installed.
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
573.38	0.4	72.2	573.34	4.3	4.3	-3.7	0.4	MWD
657.48	0.6	5.6	657.44	4.9	4.9	-3.4	0.2	MWD
744.19	1.2	5.2	744.13	6.3	6.3	-3.2	0.2	MWD
801.34	1.7	353.9	801.27	7.7	7.7	-3.3	0.3	MWD
857.40	2.2	356.6	857.29	9.6	9.6	-3.4	0.3	MWD
887.03	2.3	356.6	886.90	10.7	10.7	-3.5	0.1	MWD
999.93	2.4	353.4	999.71	15.3	15.3	-3.9	0.0	MWD

Bulk Stocks

Name	Unit	In	Used	Adjust	Balance
Barite Bulk	MT	0	0	0	125.2
Bentonite Bulk	MT	30.79	34.18	0	30.8
Diesel	m3	0	19.5	0	214.3
Fresh Water	m3	34	27.1	0	392.5
Drill Water	m3	0	403.2	0	385.2
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	2800	8.80										
2	12P 160	6.500	8.65	97	73	2800	8.80										
3	12P 160	6.500	8.65	97	73	2800	8.80										

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	
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	

Personnel On Board		
WEATHERFORD AUSTRALIA PTY LTD	3	3 x MWD, 2 x electricians
CAMERON AUSTRALIA PTY LTD	1	
FUGRO SURVEY LTD (ROV)	6	
SCHLUMBERGER ANADRIL	5	
BAROID	2	
Q-Tech	1	
ESS	8	
GEOSERVICES OVERSEAS S.A.	2	
Total	86	

HSE Summary				
Events	Date of last	Days Since	Descr.	Remarks
Abandon Drill	09 Jul 2006	5 Days	Weekly abandon rig drill	0100/1300/1900hrs
Fire Drill	09 Jul 2006	5 Days	Weekly fire drill	
JSA	14 Jul 2006	0 Days	Drillcrew 3, deckcrew 14, mechanic 2, subsea 5, Painters 1, welder 0.	
Man Overboard Drill	20 Jun 2006	24 Days	Monthly man overboard drill	
Safety Meeting	09 Jul 2006	5 Days	Weekly crew safety meetings	
STOP Card	14 Jul 2006	0 Days	Safe 29 un-safe 19	

Shakers, Volumes and Losses Data			
Available	154bbl	Losses	4,365.9bbl
Active	38bbl	Sweeps/ Displacement.	4,365.9bbl
Reserve	116bbl		

Marine									
Weather on 14 Jul 2006								Rig Support	
Visibility	Wind Speed	Wind Dir.	Pressure	Air Temp.	Wave Height	Wave Dir.	Wave Period	Anchors	Tension (klb)
10.0nm	25kn	60.0deg	1026.0mbar	11C°	1.0m	60.0deg		1	181.0
								2	214.0
Rig Dir.	Ris. Tension	VDL	Swell Height	Swell Dir.	Swell Period	Weather Comments		3	223.0
270.0deg		5220.00klb	1.5m	60.0deg				4	247.0
Comments								5	388.0
								6	344.0
								7	234.0
								8	207.0

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	22		690
				Fresh Water	m3	5		500
				Drill Water	m3			320
				Cement G	mt			0
				Cement HT (Silica)	mt			0
				Barite Bulk	mt			85
				Bentonite Bulk	mt		45	0
Pacific Wrangler		0630hrs 14 July	En-route to melbourne	Item	Unit	Used	Trf. to Rig	Qty. Remaining
				Diesel	m3	5.9		636.8
				Fresh Water	m3	2		203
				Drill Water	m3			80
				Cement G	mt			0
				Cement HT (Silica)	mt			0
				Brine	m3			0
				Barite Bulk	mt			0
				Bentonite Bulk	mt			0

Helicopter Movement				
Flight #	Company	Arr/Dep. Time	Pax In/Out	Comment

Helicopter Movement

1	BRISTOW HELICOPTERS AUSTRALIA PTY LTD	1021 / 1031	5 / 8	Fuel remaining on board 1689 litres.
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