

10 Jul 2006

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

DRILLING MORNING REPORT # 1
Longtom 3

Well Data						
Country	Australia	MDBRT	0.0m	Cur. Hole Size	AFE Cost	\$40,292,054
Field	Gippsland Basin	TVDBRT	0.0m	Last Casing OD	AFE No.	LSDED01/0
Drill Co.	DOGC	Progress	0.0m	Shoe TVDBRT	Daily Cost	\$11,182,842
Rig	OCEAN PATRIOT	Days from spud	0.00	Shoe MDBRT	Cum Cost	\$11,182,842
Wtr Dpth (LAT)	56.7m	Days on well	0.60	FIT/LOT:	Days Since Last LTI	1147
RT-ASL (LAT)	21.5m	Planned TD MD	5834.0m			
RT-ML	78.2m	Planned TD TVDRT	2458.0m			
Current Op @ 0600 Running #3 anchor. 4 anchors down, 4 to go.						
Planned Op Complete anchor handling and pre-tension operations. Mix spud mud and spud Longtom 3. Drill to 36" TD.						

Summary of Period 0000 to 2400 Hrs

Commence rig move @0930hrs to Longtom3 location. 1st anchor on btm @1849hrs, 2nd anchor on btm @2157hrs. Preparing #8 and #4 to run.

FORMATION

Name	Top
300 Sand	
200 Sand	
100 Sand	
Emperor Volcanics	
TD	

Operations For Period 0000 Hrs to 2400 Hrs on 10 Jul 2006

Phse	Cls (RC)	Op	From	To	Hrs	Depth	Activity Description
RM	P	RM	0930	1900	9.50	0.0m	@0930hrs Commence tight tow from Basker Manifold pile locaion to Longtom 3. @0935hrs #5 at 26m below fairlead. Distance travelled = 24.1 nm Average tow speed = 2.8 knots. Statement of facts: Rig: 273.8m3 fuel/ 795.5m3 DW/ 422.6m3 PW/ 131.1mt Barite/ 60.9mt Gel/ 83.3mt G cement/ 60.4mt Blend cement. Far Grip: 226m3 fuel/ 248m3 PW. Wrangler: 696.2m3 fuel/ 760m3 DW/ 225m3 PW/ 48mt Gel/ 74mt G cement/ 69.2m3 Blend cement.
A	P	AH	1900	2400	5.00	0.0m	@1849hrs #5 anchor on bottom. @2157hrs #1 anchor on bottom. PCP back to rig @2238hrs. @2250hrs #4 PCP to Wrangler @2254hrs #4 PCP connected to work wire. From 2300hrs to 2355hrs free jammed collar on anchor #4. Rig recovered PCP from boat and raised to free collar, all ok. @2340hrs connect #8 anchor to chain on Far Grip deck while working on #4. @2355hrs #4 PCP passed back to Wrangler.

Operations For Period 0000 Hrs to 0600 Hrs on 11 Jul 2006

Phse	Cls (RC)	Op	From	To	Hrs	Depth	Activity Description
A	P	AH	0000	0600	6.00	0.0m	(IN PROGRESS) @0135hrs #8 connected to chain. @0208hrs #8 drifts south, haul in and re-run. @0313hrs #8 running out. @0324hrs #8 on bottom. @0425hrs #4 on bottom. Commence mixing PHG for spudding well. @0519hrs #8 PCP back to rig @0530hrs #4 PCP back to rig. @0530hrs #7 PCP to Far Grip. @0543hrs #3 PCP to Wrangler. @0613hrs #3 on bottom, 0741hrs PCP back to rig. @0733hrs #7 on bottom, 0815hrs PCP back to rig. @0750hrs #2 PCP to Wrangler. @0822hrs #2 on bottom, 0856hrs PCP back to rig.

Phse	Cls (RC)	Op	From	To	Hrs	Depth	Activity Description
							@0823hrs #6 PCP to Far Grip. @1053hrs #6 on bottom, 1134hrs PCP back to rig. Commence cross tensioning operations. @1120hrs #1 & #5 cross tensioned to 200t. @1155hrs #2 & #6 cross tensioned to 200t. @1220hrs #4 & #8 cross tensioned to 200t. @1240hrs #7 slipping during #1 & #7 cross tensioning. Slipped at 110t. Decision made to respot after 30" casing run and cemented. Note: Pre-spud meeting carried out during pre-tensioning operations with all crew members.

Phase Data to 2400hrs, 10 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)	5	10 Jul 2006	10 Jul 2006	14.50	0.604	0.0m

Bulk Stocks

Name	Unit	In	Used	Adjust	Balance
Barite Bulk	MT	0	0	0	131.1
Bentonite Bulk	MT	0	0	0	60.9
Diesel	m3	0	5.4	0	268.4
Fresh Water	m3	0	10.7	0	411.9
Drill Water	m3	0	0	4.4	799.9
Cement G	MT	0	0	0	83.3
Cement HT (Silica)	MT	0	0	0	60.3
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	5	
NEXUS	1	
DOGC	55	46 x DOGC 5 x DOGC extra (2 x welders, 1 x crane op, 2 x coretech) 4 x DOGC other (1 x painter, 3 x seamen)
DOWELL SCHLUMBERGER	2	
Trident Offshore Ltd	2	
CAMERON AUSTRALIA PTY LTD	1	
FUGRO SURVEY LTD (RIG POSITIONING)	6	
FUGRO SURVEY LTD (ROV)	3	
THE EXPRO GROUP	3	
SCHLUMBERGER OILFIELD AUSTRALIA PTY LTD	2	
BAROID	2	
Q-Tech	1	
ESS	8	
Total	91	

HSE Summary

Events	Date of last	Days Since	Descr.	Remarks
Abandon Drill	09 Jul 2006	1 Day	Weekly abandon rig drill	
Fire Drill	09 Jul 2006	1 Day	Weekly fire drill	
JSA	10 Jul 2006	0 Days	Drillcrew 4, deckcrew 9, mechanic 2, subsea 2.	
Man Overboard Drill	20 Jun 2006	20 Days	Monthly man overboard drill	
Safety Meeting	09 Jul 2006	1 Day	Weekly crew safety	0100/1300/1900hrs

HSE Summary										
Events		Date of last	Days Since	Descr.				Remarks		
STOP Card		10 Jul 2006	0 Days	meetings		Safe 9 un-safe 7				
Marine										
Weather on 10 Jul 2006								Rig Support		
Visibility	Wind Speed	Wind Dir.	Pressure	Air Temp.	Wave Height	Wave Dir.	Wave Period	Anchors	Tension (klb)	
10.0nm	30kn	300.0deg	1014.0mbar	13C°	1.5m	300.0deg		1	108.0	
Rig Dir.	Ris. Tension	VDL	Swell Height	Swell Dir.	Swell Period	Weather Comments		2	0.0	
270.0deg		4418.00klb	1.0m	270.0deg	6s			3	0.0	
Comments							4			0.0
							5			121.0
							6			0.0
							7			0.0
							8			0.0
Vessel Name	Arrived (Date/Time)		Departed (Date/Time)	Status	Bulks					
Far Grip				Anchor handling operations	Item	Unit	Used	Trf. to Rig	Qty. Remaining	
					Diesel	m3	13		213	
					Fresh Water	m3	3		245	
					Drill Water	m3			0	
					Cement G	mt			0	
					Cement HT (Silica)	mt			0	
					Barite Bulk	mt			0	
					Bentonite Bulk	mt			0	
Pacific Wrangler				Anchor handling operations	Item	Unit	Used	Trf. to Rig	Qty. Remaining	
					Diesel	m3	14		682.2	
					Fresh Water	m3	5		220	
					Drill Water	m3			760	
					Cement G	mt			74	
					Cement HT (Silica)	mt			69.2	
					Barite Bulk	mt			0	
					Bentonite Bulk	mt			48	
	Brine	m3			0					