

DRILLING MORNING REPORT # 42
Longtom-3 H

20 Aug 2006

From: John Wrenn/Webby
To: John Ah-Cann

Well Data							
Country	Australia	MDBRT	4080.0m	Cur. Hole Size	9.500in	AFE Cost	\$40,292,054
Field	Gippsland Basin	TVDBRT	2518.8m	Last Casing OD	10.750in	AFE No.	LSDED01/0
Drill Co.	DOGC	Progress	134.0m	Shoe TVDBRT	2184.3m	Daily Cost	\$0
Rig	OCEAN PATRIOT	Days from spud	40.37	Shoe MDBRT	2374.3m	Cum Cost	\$34,163,420
Wtr Dpth (LAT)	56.7m	Days on well	42.00	FIT/LOT:	15.00ppg /	Days Since Last LTI	75
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 at 2020m MDRT					
Planned Op		Pull out of hole, change out BHA components. Run in hole and service Top drive and blocks at shoe. Continue to run in hole to TD 4080m MDRT. Drill ahead 9 1/2" hole as per directional plan rev 6.					

Summary of Period 0000 to 2400 Hrs
Drill 9 1/2" hole from 3946m MDRT to 4080m MDRT. Anadril Xceed power drive failure. Circulate hole clean. Commenced pulling out of hole, overpull observed at 3908m MDRT, back ream to 3452m MDRT(85deg inclination). Circulate bottoms up.

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

Operations For Period 0000 Hrs to 2400 Hrs on 20 Aug 2006

Phse	Cls (RC)	Op	From	To	Hrs	Depth	Activity Description
PH	P	DA	0000	0130	1.50	3966.0m	Drilled 9 1/2" hole from 3946m MDRT to 3966m MDRT as per directional plan rev 6. 665gpm/ 4350psi/ 140-160rpm/ 9-11klbs tq/ 20-26klbs WOB/ String wt: 250klbs rotating/ 265klbs up wt/ 225klbs down wt pumps on. String wt: 250klbs rotating/ 285klbs up wt/ 230klbs down wt pumps off. @3944.73m MDRT/ 2527.8m TVD/ 93.01 deg incl/ 190.03 deg azim/ No hole problems observed during drilling.
PH	TP (HC)	DA	0130	0230	1.00	3966.0m	At 3966m MDRT observed increase in drag and overpull while taking K & M readings prior to connection. Up wt 305-310klbs, down wt 200klbs. Reamed again and worked without rotation or pumps. Drag and overpull still present and not mobile, after checking. Ream again and observe a no drag or overpull.
PH	P	DA	0230	1630	14.00	4080.0m	Drilled 9 1/2" hole from 3966m MDRT to 4080m MDRT as per directional plan rev 6. 660gpm/ 4400psi/ 140-160rpm/ 9-11klbs tq/ 20-28klbs WOB. Anadril downhole tool failure. Power drive Xceed failing to take commands and build as required. String wt: 250klbs rotating/ 280klbs up wt/ 220klbs down wt pumps off. @4080m MDRT/ 2518.75m TVD/ 94.00 deg incl/ 190.00 deg azim/ No hole problems observed during drilling.
PH	TP (DTF)	CHC	1630	1900	2.50	4080.0m	Circulate hole clean for trip out from 4080m MDRT to 3963m MDRT. Rack stand back per 30mins circulating time.
PH	TP (DTF)	TO	1900	2000	1.00	4080.0m	Flow check well, static. Pulled out of hole from 3963m MDRT to 3908m MDRT, maximum overpull 50klbs required to wipe filter cake.
PH	TP (DTF)	REA	2000	2300	3.00	4080.0m	Backream from 3908m MDRT to 3482m MDRT (85deg inclination) 120rpm/ 550gpm/ 2900psi/ 9-10klbs torque.
PH	TP (DTF)	TO	2300	2330	0.50	4080.0m	Flow checked, static. Pulled 3482m MDRT to 3452m MDRT, no overpull observed.
PH	TP (DTF)	CHC	2330	2400	0.50	4080.0m	Circulated bottoms up at 3452m MDRT prior to continuing trip out on elevators.

Operations For Period 0000 Hrs to 0600 Hrs on 21 Aug 2006

Phse	Cls (RC)	Op	From	To	Hrs	Depth	Activity Description
PH	TP (DTF)	CHC	0000	0030	0.50	4080.0m	Continued to circulate bottoms up at 3452m MDRT.
PH	TP (DTF)	TO	0030	0600	5.50	4080.0m	Pulled out of hole from 3452m MDRT to 2020m MDRT. Flow checked and slugged pipe at 3165m MDRT

Phase Data to 2400hrs, 20 Aug 2006						
Phase	Phase Hrs	Start On	Finish On	Cum Hrs	Cum Days	Max Depth
PRODUCTION HOLE (1)(PH)	216	12 Aug 2006	20 Aug 2006	216.00	9.000	4080.0m

WBM Data		Cost Today \$ 940					
Mud Type:	Petrofree	API FL:	Cl:	Solids(%vol):	20%	Viscosity	62sec/qt
Sample-From:	Active pit	Filter-Cake:	K+C*1000:	H2O:	12%	PV	46cp
Time:	2000	HTHP-FL:	3.0cc/30min	Hard/Ca:		YP	18lb/100ft²
Weight:	12.00ppg	HTHP-cake:	2/32nd"	MBT:		Gels 10s	51
Temp:	84C°			PM:		Gels 10m	59
				PF:		Fann 003	8
						Fann 006	10
						Fann 100	30
						Fann 200	
Comment	Total product costs to date \$ 1,686,336.24 Cumulative total \$ 1,762,836.24 (including engineer)					Fann 300	64
						Fann 600	110

Bit # 11				Wear	I	O1	D	L	B	G	O2	R
Bitwear Comments:												
Size ("):	9.500in	IADC#	M323	Nozzles		Drilled over last 24 hrs		Calculated over Bit Run				
Mfr:	SMITH BITS	WOB(avg)	23.00klb	No.	Size	Progress	134.0m	Cum. Progress		1696.0m		
Type:	PDC	RPM(avg)	140	7	20/32nd"	On Bottom Hrs	11.1h	Cum. On Btm Hrs		138.1h		
Serial No.:	JW8581	F.Rate	15.60bpm			IADC Drill Hrs	15.5h	Cum IADC Drill Hrs		167.7h		
Bit Model	M716PXC	SPP	4400psi			Total Revs	1309000	Cum Total Revs		5890000		
Depth In	2384.0m	HSI	0.56HSI			ROP(avg)	12.07 m/hr	ROP(avg)		12.28 m/hr		
Depth Out	4080.0m	TFA	2.149									

BHA # 13						
Weight(Wet)	30.00klb	Length	210.7m	Torque(max)	13500ft-lbs	D.C. (1) Ann Velocity
Wt Below Jar(Wet)	10.00klb	String	250.00klb	Torque(Off.Btm)	10000ft-lbs	D.C. (2) Ann Velocity
Drilling Jar Hours	107.5	Pick-Up	280.00klb	Torque(On.Btm)	11800ft-lbs	H.W.D.P. Ann Velocity
		Slack-Off	220.00klb			D.P. Ann Velocity

BHA Run Description PD Exceed Rotary Steerable System

BHA Run Comment

Equipment	Length	OD	ID	Top Conn	Serial #	Comment
Bit	0.30m	9.500in		4 1/2 Reg pin	JW8581	
Power drive Xceed	7.66m	6.375in		5 1/2 FH box	CAS 111	
Ecoscope	8.05m	9.375in		5 1/2 FH box	779	
Telescope x/o	8.51m	6.687in		NC50 box	FA 28	
5" Non-mag HWDP	9.09m	6.375in	2.750in	NC50 box	4449	
5in HWDP	55.71m	6.250in	3.000in	NC50 box		
Drilling Jars	9.40m	6.375in	2.750in	NC50 box	DAH02247	
5in HWDP		6.500in	3.000in	NC50 box		
	112.02m					

Survey								
MD (m)	Incl (deg)	Azim (deg)	TVD (m)	Vsec (deg)	N/S (m)	E/W (m)	DLS (deg/30m)	Tool Type
3944.73	93.0	190.0	2527.80	2051.0	-2020.6	-351.6	0.2	MWD
3973.63	93.2	190.0	2526.22	2079.8	-2049.0	-356.7	0.2	MWD
4001.50	93.8	189.8	2524.52	2107.6	-2076.6	-361.5	0.6	MWD
4029.49	94.3	190.4	2522.56	2135.5	-2103.9	-366.4	0.8	MWD
4059.30	94.5	189.7	2520.28	2165.3	-2133.2	-371.5	0.7	MWD
4080.00	94.0	190.0	2518.75	2185.9	-2153.5	-375.0	0.9	MWD

Bulk Stocks					
Name	Unit	In	Used	Adjust	Balance
Barite Bulk	MT	157.7	0	0	229.2
Bentonite Bulk	MT	0	0	0	21.8
Diesel	m3	0	24.9	0	403.6
Fresh Water	m3	19	21.2	0	319.7
Drill Water	m3	0	63.8	0	759.3
Cement G	MT	0	0	0	33.5
Cement HT (Silica)	MT	0	0	0	0.0
Brine	m3	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	5.500	12.00	97					30			40			50		
2	12P 160	6.000	12.00	97	79	4400	7.90	3937.0	20	525	2.00	30	615	3.00	40	680	4.00
3	12P 160	6.000	12.00	97	75	4400	7.62	3937.0	20	530	2.00	30	610	3.00	40	700	4.00

Casing					
OD (in)	Csg Shoe MD (m)	Csg Shoe TVD (m)	Csg Landing Depth MD (m)	Csg Landing Depth TVD (m)	LOT/FIT (ppg)
10 3/4"	2374.30	2184.30	75.30	75.30	15.00

Personnel On Board		
Company	Pax	Comment
NEXUS	6	
DOGC	52	45 x DOGC 3x DOGC extra(, 1 x crane op, 1 x dogman, 1 x welder) 5 x DOGC other (2 x painter, 3 x union hydraulic,)
DOWELL SCHLUMBERGER	2	
FUGRO SURVEY LTD (ROV)	3	
SCHLUMBERGER ANADRIL	6	3 x MWD, 3 x DD.
BAROID	2	
ESS	8	
GEOSERVICES OVERSEAS S.A.	6	
Q-Tech	1	
K & M	2	
Brandt	1	
Total	89	

HSE Summary				
Events	Date of last	Days Since	Descr.	Remarks
Last BOP Test	04 Aug 2006			
Abandon Drill	20 Aug 2006	0 Days	Weekly abandon rig drill	
Environmental Issue	15 Aug 2006	5 Days	Spill containment drill	Held drill with both crews
Fire Drill	20 Aug 2006	0 Days	Weekly fire drill	
JSA	20 Aug 2006	0 Days	Drillcrew 6, deckcrew 6, Mechanic , Marine	

HSE Summary				
Events	Date of last	Days Since	Descr.	Remarks
Last BOP Test	04 Aug 2006			
Man Overboard Drill	21 Jul 2006	30 Days	Monthly man overboard drill	0100/1300/1900hrs
Safety Meeting	20 Aug 2006	0 Days	Weekly crew safety meetings	
STOP Card	20 Aug 2006	0 Days	Safe 4, Unsafe 7	
Trip / Kick Drill	13 Aug 2006	7 Days	Trip drill	Held trip drill at shoe on trip in hole

Shakers, Volumes and Losses Data						
Available	3,281.7bbl	Losses	65.1bbl	Equip.	Descr.	Mesh Size
Active	469.8bbl	Surface	23.1bbl	Shaker1	VSM 100	10/260/260/230/230
Hole	1,189.2bbl	Centrifuge	17bbl	Centrifuge1	Brandt HS 3400	10/260/260/230/230
Reserve	1,260.7bbl	Retained on cuttings	25bbl	Shaker1	VSM 100	
Petrofree ester	362bbl			Centrifuge1	Brandt HS 3400	
				Centrifuge2	Brandt HS 3400	
				Shaker2	VSM 100	10/260/260/230/230
				Shaker2	VSM 100	10/260/260/230/230
				Centrifuge2	Brandt HS 3400	
				Shaker3	VSM 100	10/260/260/200/230
				Shaker3	VSM 100	10/260/260/200/230
				Shaker4	VSM 100	10/260/260/200/200
Shaker4	VSM 100			10/260/260/200/200		

Marine									
Weather on 20 Aug 2006							Rig Support		
Visibility	Wind Speed	Wind Dir.	Pressure	Air Temp.	Wave Height	Wave Dir.	Wave Period	Anchors	Tension (klb)
10.0nm	15kn	45.0deg	1026.0mbar	12C°	1.0m	45.0deg	4s	1	243.0
Rig Dir.	Ris. Tension	VDL	Swell Height	Swell Dir.	Swell Period	Weather Comments		2	157.0
270.0deg	300.00klb	4962.00klb	1.0m	225.0deg	7s			3	251.0
Comments							4	287.0	
							5	366.0	
							6	271.0	
							7	209.0	
							8	227.0	

Vessel Name	Arrived (Date/Time)	Departed (Date/Time)	Status	Bulks								
Item	Unit	Used	Trf. to Rig	Qty. Remaining								
Far Grip	09:00hrs 20th Aug		At running stand by	Diesel	m3	19	19	600				
				Fresh Water	m3	5		120				
				Drill Water	m3			0				
				Cement G	mt			84				
				Cement HT (Silica)	mt			0				
				Barite Bulk	mt		157.7	86				
				Bentonite Bulk	mt			0				
					bbls			0				
				Base Oil	bbls			0				
				Brine	bbls			3314				

Off load 7" liner, baryte										
Vessel Name	Arrived (Date/Time)	Departed (Date/Time)	Status	Bulks						
Item	Unit	Used	Trf. to Rig	Qty. Remaining						
Pacific Wrangler		09:05hrs 20th Aug	En-route to port	Diesel	m3	1.1		360		
				Fresh Water	m3	1		223		
				Drill Water	m3		360	0		
				Cement G	mt			79.5		
				Cement HT (Silica)	mt			0		
				Barite Bulk	mt			0		
				Bentonite Bulk	mt			0		
					bbls		628	93		
					bbls			318		
				Brine	bbls			0		