

**DRILLING MORNING REPORT # 44**  
**Longtom-3 H**

22 Aug 2006

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

Well Data							
Country	Australia	MDBRT	4090.0m	Cur. Hole Size	9.500in	AFE Cost	\$40,292,054
Field	Gippsland Basin	TVDBRT	2517.8m	Last Casing OD	10.750in	AFE No.	LSDED01/0
Drill Co.	DOGC	Progress	10.0m	Shoe TVDBRT	2184.3m	Daily Cost	\$0
Rig	OCEAN PATRIOT	Days from spud	42.37	Shoe MDBRT	2374.3m	Cum Cost	\$35,344,696
Wtr Dpth (LAT)	56.7m	Days on well	44.00	FIT/LOT:	15.00ppg /	Days Since Last LTI	77
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 1928m MDRT.					
Planned Op		Complete trip out of hole. Perform diagnostic check on tools, change out failed components. Shallow test, run in hole to 4090m MDRT and drill ahead 9 1/2" hole to section TD as per directional plane rev 7					

**Summary of Period 0000 to 2400 Hrs**

Pull out of hole with BOP test assembly. Pressure test surface equipment. Load LWD source, RIH to 4048m MDRT. Wash to bottom @4080m MDRT. Anadrill down hole tools failing to communicate with each other. Attempt several parameter changes and condition mud prior to commencing trip out of hole, pull to 4017m MDRT. Instructions form town to run to bottom and drill 10m of new hole in an attempt to shock tool into operating correctly. Drill 4080m MDRT to 4090m MDRT, tools still un-serviceable. Commence trip out of hole.

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

**Operations For Period 0000 Hrs to 2400 Hrs on 22 Aug 2006**

Phse	Cls (RC)	Op	From	To	Hrs	Depth	Activity Description
PH	P	BOP	0000	0200	2.00	4080.0m	Pulled out of hole with BOP test plug and excess BHA required for weight set test tool. Rack in derrick.
PH	P	BOP	0200	0500	3.00	4080.0m	Rigged up and tested 1 x TIW stab in valve, 1 x IBOP, 1 x TDS hose against standpipe isolation valve. 250/5000psi, 5/5mins. Dowell had problems pumping thick mud (20mins), change out cold mud in tanks for fresh SBM.
PH	TP (DTF)	HBHA	0500	0530	0.50	4080.0m	Loaded radio active source in Ecoscope.
PH	TP (DTF)	HBHA	0530	0600	0.50	4080.0m	Changed out 2 x HWDP due to excessively worn tool joints and wear band.
PH	TP (DTF)	TI	0600	1800	12.00	4080.0m	Ran in hole BHA #14, shallow test LWD, ok. Filled drill pipe every 15 stands. Break circulation at shoe 2374m MDRT, at 3100m MDRT. All anadrill down hole tools working during these circulation periods. No hole problems observed on trip in hole. Note: main engine shut down from 1511hrs to 1523hrs.
PH	TP (DTF)	WIN	1800	1830	0.50	4080.0m	Washed from 4048m MDRT to 4080m MDRT. No fill observed.
PH	TP (DTF)	OA	1830	2130	3.00	4080.0m	Established drilling parameters while attempting to gain data from LWD/MWD down hole tools. Circulated for an extended period of time to condition mud further. Signal became better as mud warmed up but communication between Telescope/Ecoscope and Xceed was never obtained. Tried several different parameters while attempting to gain comms. Liase with shore base Schlumberger on diagnostic procedures and ideas.
PH	TP (DTF)	TO	2130	2200	0.50	4080.0m	Flow checked well and tripped from 4080m MDRT to 4017m MDRT. Recieved instructions from town to run to bottom and drill 10m of new hole to try and shock tools into functional mode. Ran in hole from 4017m MDRT to 4080m MDRT.
PH	P	DA	2200	2230	0.50	4090.0m	Drilled 9 1/2" hole from 4080m MDRT to 4090m MDRT. 640gpm/ 4250psi/ 14-22klbs WOB/ 165rpm/ 10-14,000ftlbs torque.
PH	TP	CHC	2230	2300	0.50	4090.0m	Circulated 15mins, flow checked well, static.

Phse	Cls (RC)	Op	From	To	Hrs	Depth	Activity Description
PH	(DTF) TP (DTF)	TO	2300	2400	1.00	4090.0m	Pulled out of hole from 4090m MDRT to 3905m MDRT due to Anadril down hole tool failure.

**Operations For Period 0000 Hrs to 0600 Hrs on 23 Aug 2006**

Phse	Cls (RC)	Op	From	To	Hrs	Depth	Activity Description
PH	TP (DTF)	TO	0000	0230	2.50	4090.0m	Continue to pull out of the hole from 3905m MDRT to 3100m MDRT. No hole problems observed.
PH	TP (DTF)	TO	0230	0600	3.50	4090.0m	Break circulation and test down hole tools. No communication observed between tools (10mins). Pull out of hole from 3100m MDRT to 1928m MDRT.

**Phase Data to 2400hrs, 22 Aug 2006**

Phase	Phase Hrs	Start On	Finish On	Cum Hrs	Cum Days	Max Depth
PRODUCTION HOLE (1)(PH)	264	12 Aug 2006	22 Aug 2006	264.00	11.000	4090.0m

**WBM Data**

**Cost Today \$ 3202**

Mud Type:	Petrofree	API FL:	Cl:	Solids(%vol):	21%	Viscosity	91sec/qt	
Sample-From:	Active pit	Filter-Cake:	K+C*1000:	H2O:	13%	PV	52cp	
Time:	21:15	HTHP-FL:	3.2cc/30min	Hard/Ca:		YP	18lb/100ft²	
Weight:	12.00ppg	HTHP-cake:	2/32nd"	MBT:		Gels 10s	54	
Temp:	71C°			PM:		Gels 10m	57	
				PF:		Fann 003	12	
						Fann 006	13	
						Fann 100	33	
						Fann 200		
Comment	Total product costs to date \$ 1,689,261.61 Cumulative total \$ 1,769,161.61 (including engineer)						Fann 300	70
						Fann 600	122	

**Bit # 12**

Wear	I	O1	D	L	B	G	O2	R	
Bitwear Comments:									
Size ("):	9.500in	IADC#	M323	<b>Nozzles</b>		<b>Drilled over last 24 hrs</b>		<b>Calculated over Bit Run</b>	
Mfr:	SMITH	WOB(avg)	18.00klb	No.	Size	Progress	10.0m	Cum. Progress	10.0m
Type:	PDC	RPM(avg)	165	7	20/32nd"	On Bottom Hrs	0.5h	Cum. On Btm Hrs	0.5h
Serial No.:	JW8664	F.Rate	15.20bpm			IADC Drill Hrs	0.5h	Cum IADC Drill Hrs	0.5h
Bit Model	M716PXC	SPP	4260psi			Total Revs	6	Cum Total Revs	6
Depth In	4080.0m	HSI				ROP(avg)	20.00 m/hr	ROP(avg)	20.00 m/hr
Depth Out	4090.0m	TFA	2.149						

Bit Comment

**BHA # 14**

Weight(Wet)	10.00klb	Length	61.6m	Torque(max)	14500ft-lbs	D.C. (1) Ann Velocity
Wt Below Jar(Wet)	8.00klb	String	250.00klb	Torque(Off.Btm)	13300ft-lbs	D.C. (2) Ann Velocity
Drilling Jar Hours	0	Pick-Up		Torque(On.Btm)	11100ft-lbs	H.W.D.P. Ann Velocity
		Slack-Off				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	JW8664	Smith M716PXC
Power drive Xceed	7.65m	6.375in		5 1/2 FH box	CRSC-116	
Ecoscope	8.05m	9.375in		5 1/2 FH box	779	
Telescope x/o	8.48m	6.687in		NC50 box	MDC33514	
5" Non-mag HWDP	9.09m	6.375in	2.750in	NC50 box	4449	

Equipment	Length	OD	ID	Top Conn	Serial #	Comment
5in HWDP	9.10m	6.250in	3.000in	NC50 box	DAH01904	
Drilling Jars	9.65m	6.375in	2.750in	NC50 box		
5in HWDP	9.30m	6.500in	3.000in	NC50 box		

Bulk Stocks						
Name	Unit	In	Used	Adjust	Balance	
Barite Bulk	MT	0	0	0	229.2	
Bentonite Bulk	MT	0	0	0	21.8	
Diesel	m3	0	15.2	0	374.3	
Fresh Water	m3	33	35.5	0	317.8	
Drill Water	m3	0	24.1	0	729.2	
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	75	4250	7.60		20		2.00	30		3.00	40		4.00
3	12P 160	6.000	12.00	97	75	4250	7.60		20		2.00	30		3.00	40		4.00

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	
WEATHERFORD AUSTRALIA PTY LTD	2	
TRANSPEC	4	
Total	95	

HSE Summary				
Events	Date of last	Days Since	Descr.	Remarks
Last BOP Test	21 Aug 2006			
Abandon Drill	20 Aug 2006	2 Days	Weekly abandon rig drill	Held drill with both crews.
Environmental Issue	22 Aug 2006	0 Days	Spill containment drill	
Fire Drill	20 Aug 2006	2 Days	Weekly fire drill	
JSA	22 Aug 2006	0 Days	Drillcrew 7, deckcrew 6, Mechanic 2, Sub Sea 1	0100/1300/1900hrs
Man Overboard Drill	21 Jul 2006	32 Days	Monthly man overboard drill	
Safety Meeting	20 Aug 2006	2 Days	Weekly crew safety meetings	
STOP Card	22 Aug 2006	0 Days	Safe 7, Unsafe 8	

HSE Summary				
Events	Date of last	Days Since	Descr.	Remarks
Last BOP Test	21 Aug 2006			
Trip / Kick Drill	13 Aug 2006	9 Days	Trip drill	Held trip drill at shoe on trip in hole

Shakers, Volumes and Losses Data							
Available	3,202.2bbl	Losses	30bbl	Equip.	Descr.	Mesh Size	
Active	510.6bbl	Centrifuge	30bbl	Shaker1	VSM 100	10/260/260/230/230	
Hole	1,185.1bbl			Centrifuge1	Brandt HS 3400		
Reserve	1,144.5bbl			Shaker1	VSM 100	10/260/260/230/230	
Petrofree ester	362bbl			Centrifuge1	Brandt HS 3400		
				Shaker2	VSM 100	10/260/260/230/230	
				Centrifuge2	Brandt HS 3400		
				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	
				Shaker4	VSM 100	10/260/260/200/200	

Marine									
Weather on 22 Aug 2006							Rig Support		
Visibility	Wind Speed	Wind Dir.	Pressure	Air Temp.	Wave Height	Wave Dir.	Wave Period	Anchors	Tension (klb)
10.0nm	28kn	180.0deg	1017.0mbar	10C°	1.0m	180.0deg	4s	1	249.0
Rig Dir.	Ris. Tension	VDL	Swell Height	Swell Dir.	Swell Period	Weather Comments		2	157.0
270.0deg	300.00klb	4748.00klb	1.0m	180.0deg	7s			3	247.0
Comments							4	282.0	
							5	370.0	
							6	273.0	
							7	216.0	
							8	236.0	

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 anchor	Diesel	m3	3		592
				Fresh Water	m3	18		110
				Drill Water	m3			0
				Cement G	mt			84
				Cement HT (Silica)	mt			0
				Barite Bulk	mt			86
				Bentonite Bulk	mt			0
					bbls			0
				Base Oil	bbls			0
				Brine	bbls			3314

Pacific Wrangler		09:05hrs 20th Aug	Port	Diesel	m3			360
				Fresh Water	m3			223
				Drill Water	m3			0
				Cement G	mt			79.5
				Cement HT (Silica)	mt			0
				Barite Bulk	mt			0
				Bentonite Bulk	mt			0
					bbls			93
					bbls			318
				Brine	bbls			0

Helicopter Movement				
Flight #	Company	Arr/Dep. Time	Pax In/Out	Comment
1	BRISTOW HELICOPTERS AUSTRALIA PTY LTD	1026 / 1044	9 / 3	No re-fuel. Fuel remaining on board 5586 litres