

DRILLING MORNING REPORT # 35
Longtom-3 H

13 Aug 2006

From: John Wrenn/Chris Roots
To: John Ah-Cann

Well Data							
Country	Australia	MDBRT	2564.0m	Cur. Hole Size	9.500in	AFE Cost	\$40,292,054
Field	Gippsland Basin	TVDBRT	2267.0m	Last Casing OD	10.750in	AFE No.	LSDED01/0
Drill Co.	DOGC	Progress	180.0m	Shoe TVDBRT	2184.3m	Daily Cost	\$374,512
Rig	OCEAN PATRIOT	Days from spud	33.37	Shoe MDBRT	2374.3m	Cum Cost	\$749,024
Wtr Dpth (LAT)	56.7m	Days on well	35.00	FIT/LOT:	15.00ppg /	Days Since Last LTI	69
RT-ASL (LAT)	21.5m	Planned TD MD	5834.0m				
RT-ML	78.2m	Planned TD TVDRT	2458.0m				
Current Op @ 0600		Drilling ahead at 2652m					
Planned Op		Drilling ahead.					

Summary of Period 0000 to 2400 Hrs
Drilled cement from the shoe track. Performed FIT (EMW 15 ppg). Time drilled f/ 2384 to 2415m. Drilled 9 1/2" directional hole f/ 2515 to 2564mrt

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

Operations For Period 0000 Hrs to 2400 Hrs on 13 Aug 2006							
Phse	Cls (RC)	Op	From	To	Hrs	Depth	Activity Description
PH	P	RW	0000	0030	0.50	2384.0m	Continued to wash f/ 2330mrt & tagged top plug @ 2347mrt.
PH	P	DFS	0030	0300	2.50	2384.0m	Drilled cement plugs, float collar, shoe track & shoe (reamed through float & shoe several times). Parameters : 70 RPM, 30klb's WOB & 550 GPM. No cement in the rathole, washed to 2384m with no resistance. Whilst pulling back into the shoe the rotary stalled, standpipe pressure increased ~1000psi (packed off) driller immediately reduced pumps. Worked bit free downwards & free, re-established rotation & circulation. Reamed through the shoe several times with & without rotation with no further problems .
PH	P	CHC	0300	0430	1.50	2384.0m	Pulled back into the casing & circulated the hole clean. Mud weight constantly weighing 12.0 ppg.
PH	P	LOT	0430	0500	0.50	2384.0m	Racked back 1 stand & rig up to perform Formation Integrity Test.
PH	P	LOT	0500	0700	2.00	2384.0m	Broke circulation down the string, then down the choke line. Closed pipe ram & performed FIT to an equivalent mud weight of 15 ppg, applying 1120 psi to 12.0 ppg mud. Shoe TVD 2184.30m (7167ft)
PH	P	CDD	0700	1430	7.50	2444.0m	Commenced kick off f/ 2384 to 2444mrt, initially time drilling @ 2m/hr. 60% formation @ 2405mrt & 100% formation @ 2415mrt.
PH	P	CHC	1430	1500	0.50	2444.0m	Circulated drilled gas out of the hole, peaked @ 800 units (16%).
PH	P	DA	1500	2400	9.00	2564.0m	Continued to drill 9 1/2" directional hole f/ 2444 to 2564mrt, building inclination f/ 58 to 67 deg.

Operations For Period 0000 Hrs to 0600 Hrs on 14 Aug 2006							
Phse	Cls (RC)	Op	From	To	Hrs	Depth	Activity Description
PH	P	DA	0000	0600	6.00	2652.0m	Drilled 9 1/2" directional hole f/ 2564 to 2652mrt. Setting RSS tool to drop inclination f/ 67 to 65 deg.

Phase Data to 2400hrs, 13 Aug 2006							
Phase	Phase Hrs	Start On	Finish On	Cum Hrs	Cum Days	Max Depth	
PRODUCTION HOLE (1)(PH)	48	12 Aug 2006	13 Aug 2006	48.00	2.000	2564.0m	

WBM Data			Cost Today \$ 8931					
Mud Type:	Petrofree	API FL:	CI:	Solids(%vol):	18%	Viscosity	72sec/qt	
Sample-From:	Active pit	Filter-Cake:	K+C*1000:	H2O:	17%	PV	45cp	
Time:	21:00	HTHP-FL:	3.0cc/30min	Hard/Ca:		YP	20lb/100ft²	
Weight:	12.00ppg	HTHP-cake:	2/32nd"	MBT:		Gels 10s	54	
Temp:	78C°			PM:		Gels 10m	62	
				PF:		Fann 003	12	
						Fann 006	13	
						Fann 100	32	
						Fann 200		
						Fann 300	65	
						Fann 600	110	
Comment		Total product costs to date \$ 1,272,144.10 Cumulative total \$ 1,336,744.10 (including engineer)						

Bit # 11			Wear	I	O1	D	L	B	G	O2	R
Bitwear Comments:											
Size ("):	9.500in	IADC#	Nozles		Drilled over last 24 hrs			Calculated over Bit Run			
Mfr:	SMITH BITS	WOB(avg)	18.00klb	No.	Size	Progress	180.0m	Cum. Progress	180.0m		
Type:	PDC	RPM(avg)	170			On Bottom Hrs	13.9h	Cum. On Btm Hrs	13.9h		
Serial No.:	JW8581	F.Rate	17.00bpm			IADC Drill Hrs	15.7h	Cum IADC Drill Hrs	15.7h		
Bit Model	M716PXC	SPP	3900psi			Total Revs		Cum Total Revs	0		
Depth In	2384.0m	HSI				ROP(avg)	12.95 m/hr	ROP(avg)	12.95 m/hr		
Depth Out		TFA	2.149								
Bit Comment		Drilled Float equipment									

BHA # 13						
Weight(Wet)	30.00klb	Length	210.7m	Torque(max)	15400ft-lbs	D.C. (1) Ann Velocity
Wt Below Jar(Wet)	10.00klb	String	250.00klb	Torque(Off.Btm)	5900ft-lbs	D.C. (2) Ann Velocity
Drilling Jar Hours	16	Pick-Up	265.00klb	Torque(On.Btm)	9400ft-lbs	H.W.D.P. Ann Velocity
		Slack-Off	240.00klb			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	46.61m	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
2388.00	52.2	190.6						
2399.84	53.5	190.4	7.15	-9.3	-9.3	-1.7	11.1	MWD
2428.91	57.8	191.2	23.55	-32.8	-32.8	-6.2	15.0	MWD
2457.79	60.0	191.2	38.47	-57.1	-57.1	-11.0	7.6	MWD
2486.82	62.1	191.8	52.52	-82.0	-82.0	-16.1	7.5	MWD
2514.63	65.3	193.0	64.84	-106.3	-106.3	-21.4	12.1	MWD
2543.19	67.5	193.2	76.27	-131.8	-131.8	-27.4	7.7	MWD
2571.24	67.6	192.4	86.98	-157.1	-157.1	-33.1	2.7	MWD
2599.71	67.1	191.3	97.95	-182.8	-182.8	-38.5	4.0	MWD

Bulk Stocks						
Name	Unit	In	Used	Adjust	Balance	
Barite Bulk	MT	0	7.7	0	200.1	
Bentonite Bulk	MT	0	0	0	21.8	
Diesel	m3	0	10.2	0	410.7	
Fresh Water	m3	33	30.2	0	434.4	
Drill Water	m3	0	33.8	0	705.1	
Cement G	MT	0	0	0	76.2	
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		4000		2295.0	30			40			50		
2	12P 160	6.000	12.00	97	85	4000	8.60	2295.0	20	400		30	490		40	600	
3	12P 160	6.000	12.00	97	85	4000	8.60		20	400		30	475		40	575	

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	50	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	
CAMERON AUSTRALIA PTY LTD	1	
West Engineering	1	
Total		89

HSE Summary					
Events	Date of last	Days Since	Descr.	Remarks	
Last BOP Test	04 Aug 2006				
Abandon Drill	13 Aug 2006	0 Days	Weekly abandon rig drill		
Fire Drill	13 Aug 2006	0 Days	Weekly fire drill		
JSA	13 Aug 2006	0 Days	Drillcrew 5 , deckcrew 7 , Mechanic 6, Marine 0		
Man Overboard Drill	21 Jul 2006	23 Days	Monthly man overboard drill		
Safety Meeting	13 Aug 2006	0 Days	Weekly crew safety meetings	0100/1300/1900hrs	
STOP Card	13 Aug 2006	0 Days	Safe 6, Unsafe 6		
Trip / Kick Drill	13 Aug 2006	0 Days	Trip drill	Held trip drill at shoe on trip in hole	

Shakers, Volumes and Losses Data			
Available	2,719bbl	Losses	136bbl
Active	557bbl	Centrifuge	82bbl

Shakers, Volumes and Losses Data			
Hole	779bbl	Retained on cuttings	54bbl
Reserve	1,021bbl		
Petrofree ester	362bbl		

Marine								Rig Support	
Weather on 13 Aug 2006									
Visibility	Wind Speed	Wind Dir.	Pressure	Air Temp.	Wave Height	Wave Dir.	Wave Period	Anchors	Tension (klb)
10.0nm	4kn	45.0deg	1028.0mbar	15C°	0.0m	0.0deg		1	282.0
Rig Dir.	Ris. Tension	VDL	Swell Height	Swell Dir.	Swell Period	Weather Comments		2	146.0
270.0deg	300.00klb	4712.00klb	1.0m	135.0deg				3	245.0
Comments								4	293.0
								5	340.0
								6	300.0
								7	203.0
								8	218.0

Vessel Name	Arrived (Date/Time)	Departed (Date/Time)	Status	Bulks				
Far Grip		09:00 13th Aug	Enroute to port ETA pilot station : 06:00hrs 14th Aug	Item	Unit	Used	Trf. to Rig	Qty.
				Diesel	m3			665
				Fresh Water	m3			115
				Drill Water	m3			500
				Cement G	mt			0
				Cement HT (Silica)	mt			0
				Barite Bulk	mt			0
				Bentonite Bulk	mt			0
					bbls			54
					bbls			0
	bbls			0				
Pacific Wrangler	14:30hrs 12th Aug			Item	Unit	Used	Trf. to Rig	Qty.
				Diesel	m3			538
				Fresh Water	m3			254
				Drill Water	m3			360
				Cement G	mt			37
				Cement HT (Silica)	mt			0
				Barite Bulk	mt			180
				Bentonite Bulk	mt			0
					bbls			2012
					bbls			318
	bbls			0				