

DRILLING MORNING REPORT # 37
Longtom-3 H

15 Aug 2006

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

Well Data							
Country	Australia	MDBRT	3059.0m	Cur. Hole Size	9.500in	AFE Cost	\$40,292,054
Field	Gippsland Basin	TVDBRT	2473.4m	Last Casing OD	10.750in	AFE No.	LSDED01/0
Drill Co.	DOGC	Progress	266.0m	Shoe TVDBRT	2184.3m	Daily Cost	\$2,606,373
Rig	OCEAN PATRIOT	Days from spud	35.37	Shoe MDBRT	2374.3m	Cum Cost	\$3,672,731
Wtr Dpth (LAT)	56.7m	Days on well	37.00	FIT/LOT:	15.00ppg /	Days Since Last LTI	71
RT-ASL (LAT)	21.5m	Planned TD MD	5834.0m				
RT-ML	78.2m	Planned TD TVDRT	2458.0m				
Current Op @ 0600		Drilling ahead.					
Planned Op		Drill ahead.					

Summary of Period 0000 to 2400 Hrs
Drilled 9 1/2" directional hole w/ RSS f/ 2793 to 3059mrt.

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

Operations For Period 0000 Hrs to 2400 Hrs on 15 Aug 2006							
Phse	Cls (RC)	Op	From	To	Hrs	Depth	Activity Description
PH	P	DA	0000	1630	16.50	2994.0m	Drilled 9 1/2" directional hole f/ 2793 to 2965mrt dropping inclination f/ 72 deg to 65 deg. Held 65 deg f/ 2965 to 2994mrt.
PH	P	DA	1630	2400	7.50	3059.0m	Continued to drill f/ 2994 to 3059mrt, building angle as per revised wellplan "Longtom-3 H Wellsite Rev 3a" revision raises the landing point of the well by 4m TVD to : TVDrt 2545.5 @ -1537m Vertical section.

Operations For Period 0000 Hrs to 0600 Hrs on 16 Aug 2006							
Phse	Cls (RC)	Op	From	To	Hrs	Depth	Activity Description
PH	P	DA	0000	0600	6.00	3136.0m	Continued to drill 9 1/2" directional hole f/ 3059 to 3136mrt.

Phase Data to 2400hrs, 15 Aug 2006							
Phase	Phase Hrs	Start On	Finish On	Cum Hrs	Cum Days	Max Depth	
PRODUCTION HOLE (1)(PH)	96	12 Aug 2006	15 Aug 2006	96.00	4.000	3059.0m	

WBM Data								Cost Today \$ 3958			
Mud Type:	Petrofree	API FL:	Cl:	Solids(%vol):	19%	Viscosity	68sec/qt				
Sample-From:	Active pit	Filter-Cake:	K+C*1000:	H2O:	14%	PV	42cp				
Time:	21:30	HTHP-FL:	3.0cc/30min	Hard/Ca:	66%	YP	20lb/100ft²				
Weight:	12.00ppg	HTHP-cake:	2/32nd"	MBT:		Gels 10s	44				
Temp:	80C°			PM:		Gels 10m	51				
				PF:		Fann 003	10				
						Fann 006	11				
						Fann 100	30				
						Fann 200					
						Fann 300	62				
						Fann 600	104				
Comment	Total product costs to date \$ 1,294,972.41 Cumulative total \$ 1,362,972.41 (including engineer)										

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)	15.00klb	No.	Size	Progress	266.0m	Cum. Progress	675.0m
Type:	PDC	RPM(avg)	165			On Bottom Hrs	19.2h	Cum. On Btm Hrs	51.9h
Serial No.:	JW8581	F.Rate	17.20bpm			IADC Drill Hrs	22.0h	Cum IADC Drill Hrs	60.5h
Bit Model	M716PXC	SPP	4250psi			Total Revs	497000	Cum Total Revs	801000
Depth In	2384.0m	HSI	0.81HSI			ROP(avg)	13.85 m/hr	ROP(avg)	13.01 m/hr
Depth Out		TFA	2.149						
Bit Comment		Drilled Float equipment							

BHA # 13									
Weight(Wet)	30.00klb	Length	210.7m	Torque(max)	14300ft-lbs	D.C. (1) Ann Velocity			
Wt Below Jar(Wet)	10.00klb	String	250.00klb	Torque(Off.Btm)	7700ft-lbs	D.C. (2) Ann Velocity			
Drilling Jar Hours	61	Pick-Up	285.00klb	Torque(On.Btm)	9800ft-lbs	H.W.D.P. Ann Velocity			
		Slack-Off	245.00klb			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	
2914.91	63.9	186.1							
2943.77	62.4	186.9							
2971.86	62.1	187.7							
3000.89	62.7	192.1							
3029.76	64.7	192.7							
3058.53	68.0	193.6							

Bulk Stocks						
Name	Unit	In	Used	Adjust	Balance	
Barite Bulk	MT	0	0	0	147.6	
Bentonite Bulk	MT	0	0	0	21.8	
Diesel	m3	0	21.1	0	516.1	
Fresh Water	m3	14	31.5	0	402.9	
Drill Water	m3	0	45.7	0	644.9	
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				2295.0	30			40			50		
2	12P 160	6.000	12.00	97	85	4250	8.60	2993.0	20	400		30	490		40	600	
3	12P 160	6.000	12.00	97	85	4250	8.60	2993.0	20	400		30	475		40	590	

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	7	
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	
West Engineering	1	
Total	91	

HSE Summary				
Events	Date of last	Days Since	Descr.	Remarks
Last BOP Test	04 Aug 2006			
Abandon Drill	13 Aug 2006	2 Days	Weekly abandon rig drill	
Environmental Issue	15 Aug 2006	0 Days	Spill containment drill	Held drill with both crews
Fire Drill	13 Aug 2006	2 Days	Weekly fire drill	
JSA	15 Aug 2006	0 Days	Drillcrew 5 , deckcrew 7 , Mechanic 6, Marine 0	
Man Overboard Drill	21 Jul 2006	25 Days	Monthly man overboard drill	
Safety Meeting	13 Aug 2006	2 Days	Weekly crew safety meetings	0100/1300/1900hrs
STOP Card	15 Aug 2006	0 Days	Safe 3, Unsafe 7	
Trip / Kick Drill	13 Aug 2006	2 Days	Trip drill	Held trip drill at shoe on trip in hole

Shakers, Volumes and Losses Data						
Available	2,516bbl	Losses	170bbl	Equip.	Descr.	Mesh Size
Active	546bbl	Down-hole	9bbl	Centrifuge1	Brandt HS 3400	
Hole	909bbl	Surface	40bbl	Shaker1	VSM 100	10/210/210/200/200
				Shaker2	VSM 100	10/260/260/200/200
Reserve	699bbl	Centrifuge	68bbl	Centrifuge2	Brandt HS 3400	
Petrofree ester	362bbl	Retained on cuttings	53bbl	Shaker3	VSM 100	10/230/230/200/200
				Shaker4	VSM 100	10/210/210/200/200

Marine									
Weather on 15 Aug 2006							Rig Support		
Visibility	Wind Speed	Wind Dir.	Pressure	Air Temp.	Wave Height	Wave Dir.	Wave Period	Anchors	Tension (klb)
10.0nm	3kn	247.0deg	1021.0mbar	15C°	0.1m	0.0deg		1	240.0
Rig Dir.	Ris. Tension	VDL	Swell Height	Swell Dir.	Swell Period	Weather Comments		2	152.0
270.0deg	300.00klb	4333.00klb	1.0m	225.0deg				3	251.0
Comments								4	284.0
								5	366.0
								6	271.0
								7	205.0
								8	225.0

Vessel Name	Arrived (Date/Time)	Departed (Date/Time)	Status	Bulks

Far Grip		09:00 13th Aug	In port	Item	Unit	Used	Trf. to Rig	Qty. Remaining
				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
				Brine	bbls			0
Pacific Wrangler		14:30hrs 12th Aug	Standby on location	Item	Unit	Used	Trf. to Rig	Qty. Remaining
				Diesel	m3			379
				Fresh Water	m3			244
				Drill Water	m3			360
				Cement G	mt			79.5
				Cement HT (Silica)	mt			0
				Barite Bulk	mt			180
				Bentonite Bulk	mt			0
					bbls			2012
					bbls			318
				Brine	bbls			0

Helicopter Movement				
Flight #	Company	Arr/Dep. Time	Pax In/Out	Comment
1	BRISTOW HELICOPTERS AUSTRALIA PTY LTD	10:15 / 10:38	15 / 13	Usable fuel remaining: 3070 Litres