

DRILLING MORNING REPORT # 41
Longtom-3 H

19 Aug 2006

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

Well Data							
Country	Australia	MDBRT	3946.0m	Cur. Hole Size	9.500in	AFE Cost	\$40,292,054
Field	Gippsland Basin	TVDBRT	2527.9m	Last Casing OD	10.750in	AFE No.	LSDED01/0
Drill Co.	DOGC	Progress	172.0m	Shoe TVDBRT	2184.3m	Daily Cost	\$284,596
Rig	OCEAN PATRIOT	Days from spud	39.37	Shoe MDBRT	2374.3m	Cum Cost	\$34,732,612
Wtr Dpth (LAT)	56.7m	Days on well	41.00	FIT/LOT:	15.00ppg/	Days Since Last LTI	74
RT-ASL (LAT)	21.5m	Planned TD MD	5834.0m				
RT-ML	78.2m	Planned TD TVDRT	2458.0m				
Current Op @ 0600		Drilling ahead 9 1/2" hole at 3995m MDRT.					
Planned Op		Drill ahead 9 1/2" hole as per directional plan rev 6.					

Summary of Period 0000 to 2400 Hrs
Drilled 9 1/2" hole from 3774m MDRT to 3946m MDRT. Re-log section 3881m MDRT to 3909m MDRT with LWD.

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

Operations For Period 0000 Hrs to 2400 Hrs on 19 Aug 2006							
Phse	Cls (RC)	Op	From	To	Hrs	Depth	Activity Description
PH	P	DA	0000	1600	16.00	3909.0m	Drilled 9 1/2" hole from 3774m MDRT to 3909m MDRT as per directional plan rev 6. 680gpm/ 4350psi/ 130rpm/ 9-12klbs tq/ 20-25klbs WOB/ String wt: 250klbs rotating/ 265klbs up wt/ 225klbs down wt. @3856.67m MDRT/ 2532.47m TVD/ 93.44 deg incl/ 191.18 deg azim/ No hole problems observed during drilling or connections.
PH	TP (VE)	LOG	1600	1700	1.00	3909.0m	Re-log section 3881m MDRT to 3909m MDRT to obtain a higher quality of logs than obtained while drilling the section.
PH	P	DA	1700	2400	7.00	3946.0m	Drilled 9 1/2" hole from 3909m MDRT to 3946m 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. @3915.96m MDRT/ 2529.25m TVD/ 92.78 deg incl/ 190.08 deg azim/ No hole problems observed during drilling or connections.

Operations For Period 0000 Hrs to 0600 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	0600	3.50	4080.0m	(IN PROGRESS) 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.

Phase Data to 2400hrs, 19 Aug 2006						
Phase	Phase Hrs	Start On	Finish On	Cum Hrs	Cum Days	Max Depth
PRODUCTION HOLE (1)(PH)	192	12 Aug 2006	19 Aug 2006	192.00	8.000	3946.0m

WBM Data		Cost Today \$ 137641					
Mud Type:	Petrofree	API FL:	CI:	Solids(%vol):	21%	Viscosity	66sec/qt
Sample-From:	Active pit	Filter-Cake:	K+C*1000:	H2O:	12%	PV	48cp
Time:	2130	HTHP-FL:	3.0cc/30min	Hard/Ca:		YP	17lb/100ft²
Weight:	12.05ppg	HTHP-cake:	2/32nd"	MBT:		Gels 10s	43
Temp:	86C°			PM:		Gels 10m	51
				PF:		Fann 003	7
						Fann 006	9
						Fann 100	28
						Fann 200	
						Fann 300	65
						Fann 600	113
Comment	Total product costs to date \$ 1,685,396.08 Cumulative total \$ 1,760,196.08 (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)	19.70klb	No.	Size	Progress	172.0m	Cum. Progress	1562.0m			
Type:	PDC	RPM(avg)	150	7	20/32nd"	On Bottom Hrs	19.4h	Cum. On Btm Hrs	127.0h			
Serial No.:	JW8581	F.Rate	16.00bpm			IADC Drill Hrs	23.0h	Cum IADC Drill Hrs	152.2h			
Bit Model	M716PXC	SPP	4350psi			Total Revs	1197000	Cum Total Revs	4581000			
Depth In	2384.0m	HSI	0.62HSI			ROP(avg)	8.87 m/hr	ROP(avg)	12.30 m/hr			
Depth Out	4080.0m	TFA	2.149									
Bit Comment												

BHA # 13						
Weight(Wet)	30.00klb	Length	210.7m	Torque(max)	13600ft-lbs	D.C. (1) Ann Velocity
Wt Below Jar(Wet)	10.00klb	String	250.00klb	Torque(Off.Btm)	9400ft-lbs	D.C. (2) Ann Velocity
Drilling Jar Hours	127	Pick-Up	280.00klb	Torque(On.Btm)	11200ft-lbs	H.W.D.P. Ann Velocity
		Slack-Off	230.00klb			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
3773.20	92.6	190.9	2537.67	1879.7	-1852.4	-319.6	1.1	MWD
3801.76	94.2	191.8	2535.97	1908.2	-1880.3	-325.2	1.9	MWD
3830.11	93.5	190.5	2534.07	1936.5	-1908.1	-330.7	1.6	MWD
3856.67	93.4	191.2	2532.47	1963.0	-1934.1	-335.7	0.8	MWD
3915.96	92.8	190.1	2529.25	2022.2	-1992.3	-346.6	0.7	MWD

Bulk Stocks						
Name	Unit	In	Used	Adjust	Balance	
Barite Bulk	MT	0	54.7	0	71.5	
Bentonite Bulk	MT	0	0	0	21.8	
Diesel	m3	0	18.4	0	428.5	
Fresh Water	m3	15	41.9	0	321.9	
Drill Water	m3	360	65.1	0	823.1	
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	4350	7.90	3937.0	20	400	2.00	30	485	3.00	40	580	4.00
3	12P 160	6.000	12.00	97	79	4350	7.90	3937.0	20	405	2.00	30	495	3.00	40	600	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	13 Aug 2006	6 Days	Weekly abandon rig drill		
Environmental Issue	15 Aug 2006	4 Days	Spill containment drill	Held drill with both crews	
Fire Drill	13 Aug 2006	6 Days	Weekly fire drill		
JSA	19 Aug 2006	0 Days	Drillcrew 7, deckcrew 2, Mechanic 0, Marine 0		
Man Overboard Drill	21 Jul 2006	29 Days	Monthly man overboard drill		
Safety Meeting	13 Aug 2006	6 Days	Weekly crew safety meetings	0100/1300/1900hrs	
STOP Card	19 Aug 2006	0 Days	Safe 4, Unsafe 7		
Trip / Kick Drill	13 Aug 2006	6 Days	Trip drill	Held trip drill at shoe on trip in hole	

Shakers, Volumes and Losses Data						
Available	3,291.2bbl	Losses	141.3bbl	Equip.	Descr.	Mesh Size
Active	452.1bbl	Down-hole	45.3bbl	Shaker1	VSM 100	10/260/260/230/230
Hole	1,142bbl	Surface	42bbl	Centrifuge1	Brandt HS 3400	
				Centrifuge1	Brandt HS 3400	

Shakers, Volumes and Losses Data						
Reserve	1,335.1bbl	Centrifuge	22bbl	Equip.	Descr.	Mesh Size
Petrofree ester	362bbl	Retained on cuttings	32bbl	Shaker1	VSM 100	10/260/260/230/230
				Shaker2	VSM 100	10/260/260/230/230
				Centrifuge2	Brandt HS 3400	
				Centrifuge2	Brandt HS 3400	
				Shaker2	VSM 100	10/260/260/230/230
				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 19 Aug 2006							Rig Support		
Visibility	Wind Speed	Wind Dir.	Pressure	Air Temp.	Wave Height	Wave Dir.	Wave Period	Anchors	Tension (klb)
10.0nm	10kn	250.0deg	1024.0mbar	12C°	0.5m	250.0deg	4s	1	251.0
Rig Dir.	Ris. Tension	VDL	Swell Height	Swell Dir.	Swell Period	Weather Comments			
270.0deg	300.00klb	4392.00klb	1.5m	225.0deg	7s				
Comments									
							8		

Vessel Name	Arrived (Date/Time)	Departed (Date/Time)	Status	Bulks				
Far Grip		09:00 13th Aug	En-route to rig	Item	Unit	Used	Trf. to Rig	Qty. Remaining
				Diesel	m3	19		619
Fresh Water	m3	75		125				
Drill Water	m3			0				
Cement G	mt			84				
Cement HT (Silica)	mt			0				
Barite Bulk	mt			252				
Bentonite Bulk	mt			0				
	bbls			0				
	bbls			0				
Brine	bbls			3314				

Pacific Wrangler	14:30hrs 12th Aug		Standby on location	Item	Unit	Used	Trf. to Rig	Qty. Remaining
				Diesel	m3	5.6		361.8
				Fresh Water	m3	5		224
				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