

Last BOP Test: 04 Aug 2006

DRILLING MORNING REPORT #34 Longtom-3 H

From: John Wrenn/Chris Roots To: John Ah-Cann 12 Aug 2006

Well Data							
Country	Australia	MDBRT	2384.0m	Cur. Hole Size	9.500in	AFE Cost	\$40,292,054
Field	Gippsland	TVDBRT	2190.5m	Last Casing OD	10.750in	AFE No.	LSDED01/0
	Basin	Progress	0.0m	Shoe TVDBRT	2184.3m	Daily Cost	\$0
Drill Co.	DOGC	Days from spud	32.37	Shoe MDBRT	2374.3m	Cum Cost	\$0
Rig	OCEAN PATRIOT	Days on well	1.00	FIT/LOT:	/	Days Since Last LTI	
Wtr Dpth (LA	T) 56.7m	Planned TD MD	5834.0m				
RT-ASL (LAT) 21.5m	Planned TD TVDRT	2458.0m				
RT-ML	78.2m						
Current Op @	0600	Performing formation in	ntegrity test.			•	
Planned Op		Drill 9 1/2" directional h	nole.				

Summary of Period 0000 to 2400 Hrs

Completed L/dn excess BHA. M/up 9 1/2" Rotary Steerable BHA. Slipped & cut drilling line. Serviced Rig equipment. Picked up additional 1340m drill pipe. Ran in the hole to 2300m.

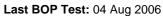
FORMATION	
Name	Тор
300 sand	
200 sand	
100 sand	
Emperor Volcanics	
TD	

Operations For Period 0000 Hrs to 2400 Hrs on 12 Aug 2006

Phse	Cls (RC)	Ор	From	То	Hrs	Depth	Activity Description
IH	Р	НВНА	0000	0100	1.00	2384.0m	Completed laying out BHA
IH	Р	RUC	0100	0230	1.50	2384.0m	Laid out (2) cement stands & DeepSea Express cement head
IH	Р	CRF	0230	0300	0.50	2384.0m	Changed elevator links and cleared rig floor
IH	Р	НВНА	0300	0500	2.00	2384.0m	Made up 9 1/2" Rotary Steerable Assembly and shallow tested MWD / LWD : 650 psi @ 515 gpm.
IH	Р	НВНА	0500	0530	0.50	2384.0m	Loaded radio active source into LWD
IH	Р	НВНА	0530	0700	1.50	2384.0m	Ran in hole with BHA & shallow tested the MWD / LWD : 850 psi @ 500 gpm.
IH	Р	PUP	0700	0800	1.00	2384.0m	Ran in the hole picking up additional 5" drill pipe f/ 210 to 298mrt. avg 9jts/hr
IH	Р	SC	0800	1000	2.00	2384.0m	Slipped & cut 100ft of drilling line.
IH	Р	RS	1000	1100	1.00	2384.0m	Changed the swivel packing (preventive maintenance prior to commencing horizontal section)
IH	P (RE)	RR	1100	1200	1.00	2384.0m	Replaced a broken drive chain link on the draw works high clutch.
IH	Р	PUP	1200	1900	7.00	2384.0m	Ran in the hole picking up additional 5" drill pipe f/ 298 to 1557mrt. avg 21jts/hr Filled the string after every 45jts picked up. All singles picked up drifted to 2.625".
IH	Р	TI	1900	2330	4.50	2384.0m	Ran stands of drill pipe in the hole f/ 1557 to 2308mrt. Filled the string every 15 stands.
IH	Р	RW	2330	2400	0.50	2384.0m	Broke circulation w/ 100 gpm incrementally increasing to 550 gpm as shakers allowed & washed f/ 2308 to 2337mrt.

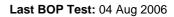
Operations For Period 0000 Hrs to 0600 Hrs on 13 Aug 2006

Phse	Cls (RC)	Op	From	То	Hrs	Depth	Activity Description
IH	Р	RW	0000	0030	0.50	2384.0m	Continued to wash f/ 2330mrt & tagged top plug @ 2347mrt.
IH	P	RW	0030	0300	2.50	2384.0m	Drilled cement plugs, float collar, shoe track & shoe (reamed through float & shoe several times). Paramaters: 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 immediatly reduced pumps. Worked bit free downwards & free, re-established rotation & circulation. Reamed through the shoe several times with





Phse	Cla	On.	Eron	n To	LIFA	Donth						A official	, Dosoria	tion			
Prise	Cls (RC)	Ор	From	1 10	Hrs	Depth						ACTIVIT	y Descrip	uOH			
IH	Р	СНС	0300	0430	1.50	2384.0m		l back i		with no fu e casing		•		lean. Mu	ıd weight co	onstant	ly weighing
IH	Р	RW	0430	0500	0.50	2384.0m			1 sta	nd & rig ι	up to	perform	Formatio	n Integri	ty Test.		
IH	Р	RW	0500	0600	1.00	2384.0m	perfor	med Fl	T to a		ent m	nud weig			e. Closed p ying 1120 p		
Phase	e Data	to 240	Ohrs,	12 Au	ıg 2006												
Phase							Phase H	Hrs	Start	On	Fini	ish On	Cum I	Hrs	Cum Days	s M	ax Depth
INTERI	MEDIATE	HOLE	(IH)					24	12 Au	ıg 2006	12 <i>A</i>	Aug 2006	;	24.00	1.	000	2384.0n
WBM	Data						Cost	Today	y \$ 1 ⁻	7549							
Mud Ty	pe:	Petr	ofree /	API FL:			CI:				Soli	ids(%vol)		19%	Viscosity		100sec/q
Sample	-From:	Activ	ve pit I	Filter-Ca	ke:		K+C*100	00:			H20	O:		17%	PV YP		45cp 16lb/100ft
Time:		2	20:00 I	HTHP-F	L: 3.2	2cc/30min	Hard/Ca	1:			Oil((%):		63%	Gels 10s		48
Weight:		12.2	5ppg I	HTHP-ca	ake:	2/32nd"	MBT:				San	nd:		0.25	Gels 10m Fann 003		55
Temp:							PM:				pH:				Fann 003 Fann 006		11
							PF:				PHF	PA:			Fann 100		28
Comme	ent		<u> </u>	Total pro	duct costs t	o date \$ 1,	 264,913.4	10							Fann 200 Fann 300		61
			(Cummul	ative total \$	1,327,813.	40 (includ	ding en	gineer)						Fann 600		106
Bit #	11						Wear		I	O1		D	L	В	G	02	R
							Bitwear	Comm	ents:		•				·		
Size (")):		9.5	500in I	ADC#		N	ozzles		Drill	ed o	ver last	24 hrs	C	alculated	over B	it Run
Mfr:		;	SMITH	BITS	WOB(avg)		No.	Size	Э	Progre	ess			Cum. I	Progress		0.0m
Type:				PDC I	RPM(avg)					On Bo	ttom	Hrs		Cum.	On Btm Hrs	i	0.0h
Serial N	No.:		JW	8581 I	F.Rate					IADC I	Drill I	Hrs		Cum I	ADC Drill H	rs	0.0h
Bit Mod	del		M716	PXC S	SPP					Total F	Revs			Cum T	otal Revs		0
Depth I	ln		238	4.0m l	HSI					ROP(a	avg)		N/A	ROP(a	avg)		0.00 m/hr
Depth (Out			-	ΓFA	2.149											
Bit Con	nment			ı	Orilled Floa	t equipme	nt										
вна	# 13																
Weight	(Wet)		30.0	Ooklb I	_ength		21	0.7m	Torqu	ue(max)				D.C. (*	1) Ann Velo	city	
Wt Belo	ow Jar(W	/et)	10.0	00klb s	String				Torqu	ue(Off.Bti	m)			D.C. (2	2) Ann Velo	city	
Drilling	Jar Hou	rs		0 I	Pick-Up				Torqu	ue(On.Bti	m)			H.W.D	.P. Ann Ve	locity	
				;	Slack-Off									D.P. A	nn Velocity		
BHA R	un Desci	ription		I	PD Excee	d Rotary S	Steerable	Syster	n								
BHA R	un Comr	nent															
	E	quipme	nt		Length	C	D	ID		Top Con	n	Seri	al#		Com	ment	
Bit					0.30m	1	9.500in			4 1/2 R		JW8581					
Powe	r drive X	ceed			7.66n	n	6.375in			5 1/2 F	in FH ox	CAS 11	1				
Ecoso	•				8.05n		9.375in			5 1/2 F bo	FH ox	779					
	cope x/o				8.51m		6.687in	c ==		NC50 bo		FA 28					
5" No 5in H\	n-mag H MDB	WDP			9.09n 46.61n		6.375in 6.250in	2.75 3.00		NC50 bo		4449					
	ydP g Jars				9.40m		6.250in 6.375in	2.75		NC50 bo		DAH022	247				
5in H\	-				3.4011		6.500in	3.00		NC50 bo		1022	- • •				
					112.02m												





Bulk Stocks					
Name	Unit	In	Used	Adjust	Balance
Barite Bulk	MT	0	0	207.8	207.8
Bentonite Bulk	MT	0	0	21.8	21.8
Diesel	m3	0	0	420.9	420.9
Fresh Water	m3	16	0	415.6	431.6
Drill Water	m3	0	0	738.9	738.9
Cement G	MT	0	0	76.24	76.2
Cement HT (Silica)	MT	0	0	0	0.0
Brine	m3	0	0	0	0.0

Pι	ımps															
Pu	mp Data - Last 2	4 Hrs						Slow P	ump Dat	а						
No.	Туре	Liner (in)	MW (ppg)	Eff (%)	SPM (SPM)	SPP (psi)	Flow (bpm)	Depth (m)	SPM1 (SPM)	SPP1 (psi)	Flow1 (bpm)	SPM2 (SPM)		SPM3 (SPM)		Flow3 (bpm)
1	A1700PT	5.500	12.15	97		4400		2295.0	30	225		40	275	50	350	
2	12P 160	6.000	12.00	97		4400		2295.0	20			30		40		
3	12P 160	6.000	12.00	97		4400			20			30		40		

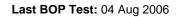
Casing					
OD (in)	Csg Shoe MD (m)	Csg Shoe TVD (m)	Csg Landing Depth MD (m)	Csg Landing Depth TVD (m)	LOT/FIT (ppg)
10 3/4"	2374.30	2184.30	75.30	75.30	

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	

HSE Summary				
Events	Date of last	Days Since	Descr.	Remarks
Last BOP Test	04 Aug 2006			
Abandon Drill	06 Aug 2006	6 Days	Weekly abandon rig drill	
Fire Drill	06 Aug 2006	6 Days	Weekly fire drill	
JSA	12 Aug 2006	0 Days	Drillcrew 6 , deckcrew 9, Mechanic 6, Marine 0	
Man Overboard Drill	21 Jul 2006	22 Days	Monthly man overboard drill	
Safety Meeting	06 Aug 2006	6 Days	Weekly crew safety meetings	0100/1300/1900hrs
STOP Card	12 Aug 2006	0 Days	Safe 18, Unsafe 9	
Trip / Kick Drill	09 Aug 2006	3 Days	Trip drill	Held trip drill at shoe on trip in hole

Total 89

Shakers, Vo	olumes and	l Losses Da	ata	
Available	2,833bbl	Losses	58bbl	
Comment		Pit #5 reserve	mud centrifuged	I f/ 12.0 to 10.5ppg





Shakers, Vo	olumes and	Losses Data	
Active	486bbl	Centrifuge	56bbl
Hole		Retained on	2bbl
Reserve	1,250bbl	cuttings	
Petrofree ester	362bbl		
Comment	"	Pit #5 reserve mud	d centrifuged
Manina			

Veather on	12 Aug 2006							Rig Support	
Visibility	Wind Speed	Wind Dir.	Pressure	Air Temp.	Wave Height	Wave Dir.	Wave Period	Anchors	Tension (klb)
10.0nm	10kn	260.0deg	1028.0mbar	12C°	0.6m	260.0deg		1	344.0
Rig Dir.	Ris. Tension	VDL	Swell Height	Swell Dir.	Swell Period	Weather Comments		2	170.0
270.0deg	300.00klb	4604.00klb	1.0m	245.0deg				3	245.0
270.0deg	300.00KiD	4004.0000	1.0111	245.0deg				4	298.0
Comments							5	340.0	
								6	346.0
								7	212.0
								8	223.0

Vessel Name	Arrived (Date/Time)	Departed (Date/Time)	Status		Bul	ks		
Far Grip	18:20hrs 9th August		At anchor on location	Item	Unit	Used	Trf. to Rig	Qty. Remaining
				Diesel	m3			667
				Fresh Water	m3			120
				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			Item	Unit	Used	Trf. to Rig	Qty. Remaining
				Diesel	m3			240
				Fresh Water	m3			259
				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
				Brine	bbls			0

Helicopter Movement							
Flight # Company		Arr/Dep. Time	Pax In/Out	Comment			
1	BRISTOW HELICOPTERS AUSTRALIA PTY LTD	11:21 / 11:37	11 / 17	Fuel remaining on board 4742 liters			