

DRILLING MORNING REPORT # 34
Longtom-3 H

12 Aug 2006

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

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

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	Top
300 sand	
200 sand	
100 sand	
Emperor Volcanics	
TD	

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

Phse	Cls (RC)	Op	From	To	Hrs	Depth	Activity Description
IH	P	HBHA	0000	0100	1.00	2384.0m	Completed laying out BHA
IH	P	RUC	0100	0230	1.50	2384.0m	Laid out (2) cement stands & DeepSea Express cement head
IH	P	CRF	0230	0300	0.50	2384.0m	Changed elevator links and cleared rig floor
IH	P	HBHA	0300	0500	2.00	2384.0m	Made up 9 1/2" Rotary Steerable Assembly and shallow tested MWD / LWD : 650 psi @ 515 gpm.
IH	P	HBHA	0500	0530	0.50	2384.0m	Loaded radio active source into LWD
IH	P	HBHA	0530	0700	1.50	2384.0m	Ran in hole with BHA & shallow tested the MWD / LWD : 850 psi @ 500 gpm.
IH	P	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	P	SC	0800	1000	2.00	2384.0m	Slipped & cut 100ft of drilling line.
IH	P	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	P	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	P	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	P	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	To	Hrs	Depth	Activity Description
IH	P	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). 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

Phse	Cls (RC)	Op	From	To	Hrs	Depth	Activity Description
IH	P	CHC	0300	0430	1.50	2384.0m	& without rotation with no further problems . Pulled back into the casing & circulated the hole clean. Mud weight constantly weighing 12.0 ppg.
IH	P	RW	0430	0500	0.50	2384.0m	Racked back 1 stand & rig up to perform Formation Integrity Test.
IH	P	RW	0500	0600	1.00	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)

Phase Data to 2400hrs, 12 Aug 2006

Phase	Phase Hrs	Start On	Finish On	Cum Hrs	Cum Days	Max Depth
INTERMEDIATE HOLE(IH)	24	12 Aug 2006	12 Aug 2006	24.00	1.000	2384.0m

WBM Data

Cost Today \$ 17549

Mud Type:	Petrofree	API FL:	CI:	Solids(%vol):	19%	Viscosity	100sec/qt	
Sample-From:	Active pit	Filter-Cake:	K+C*1000:	H2O:	17%	PV	45cp	
Time:	20:00	HTHP-FL:	3.2cc/30min	Oil(%):	63%	YP	16lb/100ft ²	
Weight:	12.25ppg	HTHP-cake:	2/32nd"	Sand:	0.25	Gels 10s	48	
Temp:				pH:		Gels 10m	55	
				PF:		Fann 003	11	
						Fann 006	12	
						Fann 100	28	
						Fann 200		
Comment	Total product costs to date \$ 1,264,913.40 Cumulative total \$ 1,327,813.40 (including engineer)						Fann 300	61
						Fann 600	106	

Bit # 11

Wear	I	O1	D	L	B	G	O2	R
Bitwear Comments:								
Size ("):	9.500in	IADC#	Nozzles		Drilled over last 24 hrs		Calculated over Bit Run	
Mfr:	SMITH BITS	WOB(avg)	No.	Size	Progress	Cum. Progress	0.0m	
Type:	PDC	RPM(avg)			On Bottom Hrs	Cum. On Btm Hrs	0.0h	
Serial No.:	JW8581	F.Rate			IADC Drill Hrs	Cum IADC Drill Hrs	0.0h	
Bit Model	M716PXC	SPP			Total Revs	Cum Total Revs	0	
Depth In	2384.0m	HSI			ROP(avg)	N/A	ROP(avg)	0.00 m/hr
Depth Out		TFA	2.149					
Bit Comment	Drilled Float equipment							

BHA # 13

Weight(Wet)	30.00klb	Length	210.7m	Torque(max)	D.C. (1) Ann Velocity
Wt Below Jar(Wet)	10.00klb	String		Torque(Off.Btm)	D.C. (2) Ann Velocity
Drilling Jar Hours	0	Pick-Up		Torque(On.Btm)	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	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					

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	

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	12.15	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	
Total	89	

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	

Shakers, Volumes and Losses Data			
Available	2,833bbl	Losses	58bbl
Comment	Pit #5 reserve mud centrifuged f/ 12.0 to 10.5ppg		

Shakers, Volumes and Losses Data				
Active	486bbl	Centrifuge	56bbl	
Hole	735bbl	Retained on cuttings	2bbl	
Reserve	1,250bbl			
Petrofree ester	362bbl			
Comment Pit #5 reserve mud centrifuged f/ 12.0 to 10.5ppg				

Marine									
Weather 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			
270.0deg	300.00klb	4604.00klb	1.0m	245.0deg					
Comments									

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