

**DRILLING MORNING REPORT # 28**  
**Longtom-3 ST1**

06 Aug 2006

From: Simon Rodda/Chris Roots  
To: John Ah-Cann

Well Data							
Country	Australia	MDBRT	2507.0m	Cur. Hole Size	13.500in	AFE Cost	\$40,292,054
Field	Gippsland Basin	TVDBRT	2010.0m	Last Casing OD	16.000in	AFE No.	LSDED01/0
Drill Co.	DOGC	Progress	409.0m	Shoe TVDBRT	995.3m	Daily Cost	\$0
Rig	OCEAN PATRIOT	Days from spud	26.37	Shoe MDBRT	995.3m	Cum Cost	\$0
Wtr Dpth (LAT)	56.7m	Days on well	6.08	FIT/LOT:	/ 13.50ppg	Days Since Last LTI	62
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 to anticipated section TD of ~ 2650+mrt					

Summary of Period 0000 to 2400 Hrs
Drilled 13 1/2" directional hole f/ 2098 to 2507mrt, holding a tangent angle of 52 deg.
Held fire / abandon drill & weekly safety meetings

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

Operations For Period 0000 Hrs to 2400 Hrs on 06 Aug 2006							
Phse	Cls (RC)	Op	From	To	Hrs	Depth	Activity Description
IH	P	DA	0000	0300	3.00	2166.0m	Continued to drill 13 1/2" directional hole f/ 2098 to 2166mrt. Downlinked to Powerdrive reducing deflection to 20% to slow the build rate. Ream connections & record drag for K&M.
IH	P	CMD	0300	0400	1.00	2166.0m	Displaced choke & kill lines to fresh mud. Boosted the riser. Circulated out drilled gas from lag depth 2134mrt, peaked @ 3000 units (60%).
IH	P	CDE	0400	1900	15.00	2465.0m	Drill ahead f/ 2166 to 2465mrt at a controlled rate of 25 - 30m/hr (instantaneous) in an attempt to maintain gas at an acceptable background level, thus avoiding the need to stop and circulate
IH	P	DA	1900	2100	2.00	2468.0m	Encountered a stringer f/ 2465 to 2468mrt, penetration rate slowed to 0 m/hr at times averaging 1.5 m/hr for the interval. Various parameters were employed, predominantly RPM was slowed to 80 and WOB increased to 30 - 35 klb's.
IH	P	DA	2100	2400	3.00	2507.0m	Broke through the stringer & continued to drill f/ 2468 to 2507, penetration rate increased initially >75 m/hr before declining to an average 10 - 20 m/hr (several further stringers were encountered with stick / slip associated)

Operations For Period 0000 Hrs to 0600 Hrs on 07 Aug 2006							
Phse	Cls (RC)	Op	From	To	Hrs	Depth	Activity Description
IH	P	DA	0000	0600	6.00	2558.0m	Drilled 13 1/2" directional hole f/ 2507 to 2558mrt, holding a tangent angle of 52 deg.

Phase Data to 2400hrs, 06 Aug 2006							
Phase	Phase Hrs	Start On	Finish On	Cum Hrs	Cum Days	Max Depth	
INTERMEDIATE HOLE(IH)	146	31 Jul 2006	06 Aug 2006	146.00	6.083	3485.0m	

WBM Data			Cost Today \$ 63597					
Mud Type:	Petrofree	API FL:	Cl:	Solids(%vol):	18%	Viscosity	63sec/qt	
Sample-From:	Active pit	Filter-Cake:	K+C*1000:	H2O:	15%	PV	37cp	
Time:	21:15	HTHP-FL:	3.2cc/30min	Hard/Ca:		YP	18lb/100ft <sup>2</sup>	
Weight:	12.00ppg	HTHP-cake:	2/32nd"	MBT:		Gels 10s	44	
Temp:	77C°			PM:		Gels 10m	52	
				PF:		Fann 003	11	
						Fann 006	12	
						Fann 100	27	
						Fann 200		
						Fann 300	55	
						Fann 600	92	
Comment	Total product costs to date \$ 1,142,347.35 Cumulative total \$ 1,195,047.35 (including engineer)							

Bit # 10		Wear	I	O1	D	L	B	G	O2	R
Bitwear Comments:										
Size ("):	IADC#	Nozzles		Drilled over last 24 hrs			Calculated over Bit Run			
Mfr:	SMITH	WOB(avg)	20.00klb	No.	Size	Progress	409.0m	Cum. Progress	780.0m	
Type:	PDC	RPM(avg)	180	7	18/32nd"	On Bottom Hrs	15.2h	Cum. On Btm Hrs	23.9h	
Serial No.:	JW0327	F.Rate	19.00bpm			IADC Drill Hrs	20.9h	Cum IADC Drill Hrs	34.8h	
Bit Model	MGR75	SPP	4250psi			Total Revs		Cum Total Revs	0	
Depth In	1727.0m	HSI				ROP(avg)	26.91 m/hr	ROP(avg)	32.64 m/hr	
Depth Out		TFA	1.74							
Bit Comment										

BHA # 11						
Weight(Wet)	30.00klb	Length	208.6m	Torque(max)	17000ft-lbs	D.C. (1) Ann Velocity
Wt Below Jar(Wet)	15.00klb	String	250.00klb	Torque(Off.Btm)	5400ft-lbs	D.C. (2) Ann Velocity
Drilling Jar Hours	201	Pick-Up	270.00klb	Torque(On.Btm)	11900ft-lbs	H.W.D.P. Ann Velocity
		Slack-Off	235.00klb			D.P. Ann Velocity

BHA Run Description Rotary Steerable System

BHA Run Comment

Equipment	Length	OD	ID	Top Conn	Serial #	Comment
Bit	0.48m	13.500in	3.750in	6 5/8 reg	JW0327	MGR75 13 1/2"
Power drive 900 BA	4.22m	9.000in	3.000in	6 5/8 reg	CU727	
Power drive Emag receiver	1.87m	9.625in	5.130in	6 5/8 reg	49487	
Flex collar	2.94m	8.062in	3.500in	6 5/8 FH	49688	
ARC 8	5.91m	9.100in	2.082in	6 5/8 FH	1697	
Power pulse HF w/IWOB	8.32m	8.410in	5.900in	6 5/8 FH	23326	
ADN-8	6.57m	8.410in	2.810in	6 5/8 FH	FL38	
X/O	1.17m	8.250in	3.000in	6 5/8 reg		
5in HWDP	55.71m	6.250in	3.000in	NC50		
Drilling Jars	9.68m	6.312in	2.750in	NC50	DAH0384	
5in HWDP		6.250in	3.000in	NC50		
	111.90m					

Survey									
MD (m)	Incl (deg)	Azim (deg)	TVD (m)	Vsec (deg)	N-S (m)	E-W (m)	DLS (deg/30m)	Tool Type	
2247.41	52.5	188.3	2106.94	-450.1	-450.1	-81.6	2.2	MWD	
2275.83	52.4	188.2	2124.26	-472.4	-472.4	-84.8	0.4	MWD	
2304.40	52.5	187.8	2141.67	-494.9	-494.9	-88.0	1.2	MWD	
2361.33	52.2	189.0	2176.45	-539.5	-539.5	-94.6	1.8	MWD	
2389.86	52.2	190.7	2193.93	-561.7	-561.7	-98.4	4.7	MWD	
2418.54	52.3	191.4	2211.49	-583.9	-583.9	-102.8	2.0	MWD	
2447.35	52.3	192.2	2229.11	-606.2	-606.2	-107.4	2.2	MWD	
2476.17	52.2	193.1	2246.75	-628.5	-628.5	-112.4	2.5	MWD	

Survey									
MD (m)	Incl (deg)	Azim (deg)	TVD (m)	Vsec (deg)	N/S (m)	E/W (m)	DLS (deg/30m)	Tool Type	
2504.69	52.3	193.4	2264.21	-650.4	-650.4	-117.6	0.9	MWD	
2533.59	53.2	192.5	2281.71	-672.8	-672.8	-122.7	4.0	MWD	

Bulk Stocks						
Name	Unit	In	Used	Adjust	Balance	
Barite Bulk	MT	0	51.2	0	187.1	
Bentonite Bulk	MT	0	0	0	21.8	
Diesel	m3	0	21.6	0	518.6	
Fresh Water	m3	19	27.3	0	307.4	
Drill Water	m3	0	26.6	0	469.9	
Cement G	MT	0	0	0	126.7	
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		4250		2295.0	30	295		40	340		50	380		
2	12P 160	6.000	12.00	97		4250		2295.0	20	310		30	390		40	450		
3	12P 160	6.000	12.00	97		4250			20			30			40			

Personnel On Board		
Company	Pax	Comment
NEXUS	6	
DOGC	48	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	
WEATHERFORD AUSTRALIA PTY LTD	5	
CAMERON AUSTRALIA PTY LTD	1	
SCHLUMBERGER OILFIELD AUSTRALIA PTY LTD	6	
<b>Total</b>	<b>97</b>	

HSE Summary					
Events	Date of last	Days Since	Descr.	Remarks	
Last BOP Test	04 Aug 2006				
Abandon Drill	06 Aug 2006	0 Days	Weekly abandon rig drill		
Fire Drill	06 Aug 2006	0 Days	Weekly fire drill		
JSA	06 Aug 2006	0 Days	Drillcrew 3 , deckcrew 7, Mechanic 0, Marine 0		
Man Overboard Drill	21 Jul 2006	16 Days	Monthly man overboard drill		
Safety Meeting	06 Aug 2006	0 Days	Weekly crew safety meetings	0100/1300/1900hrs	
STOP Card	06 Aug 2006	0 Days	Safe 4, Unsafe 6		
Trip / Kick Drill	04 Aug 2006	2 Days	Trip drill	Held trip drill at shoe on trip in hole	

Shakers, Volumes and Losses Data						
Available	2,847bbl	Losses	232bbl	Equip.	Descr.	Mesh Size
Active	538bbl	Down-hole	74bbl	Shaker1	VSM100	10/230/230/200/200
Hole	1,562bbl	Centrifuge	85bbl	Shaker2	VSM100	10/230/260/200/200
Reserve	644bbl	Retained on cuttings	73bbl	Shaker3	VSM100	10/230/230/200/200
Petrofree ester	103bbl			Shaker4	VSM100	10/260/260/200/200

Marine									
Weather on 06 Aug 2006							Rig Support		
Visibility	Wind Speed	Wind Dir.	Pressure	Air Temp.	Wave Height	Wave Dir.	Wave Period	Anchors	Tension (klb)
10.0nm	4kn	191.0deg	1032.0mbar	12C°	0.5m	135.0deg		1	271.0
Rig Dir.	Ris. Tension	VDL	Swell Height	Swell Dir.	Swell Period	Weather Comments			
270.0deg	300.00klb	5400.00klb	1.0m	191.0deg		Comments			
Comments									
						2	179.0		
						3	254.0		
						4	249.0		
						5	390.0		
						6	344.0		
						7	209.0		
						8	205.0		

Vessel Name	Arrived (Date/Time)	Departed (Date/Time)	Status	Bulks					
Item	Unit	Used	Trf. to Rig	Qty. Remaining					
Far Grip		06:20hrs 6th August	In Port				200	286	
	Diesel	m3						403	
	Fresh Water	m3						744	
	Drill Water	m3						0	
	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		10:40hrs 5th August	Standby					615	
	Diesel	m3						289	
	Fresh Water	m3						308	
	Drill Water	m3						73	
	Cement G	mt						0	
	Cement HT (Silica)	mt						218	
	Barite Bulk	mt						0	
	Bentonite Bulk	mt						0	
		bbls						1908	
		bbls						333	
	Brine	bbls						0	

Helicopter Movement				
Flight #	Company	Arr/Dep. Time	Pax In/Out	Comment
1	BRISTOW HELICOPTERS AUSTRALIA PTY LTD	12:12 / 12:25	10 / 0	Fuel remaining on board 5530 liters