

DRILLING MORNING REPORT # 24
Longtom-3 ST1

02 Aug 2006

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

Well Data							
Country	Australia	MDBRT	1217.0m	Cur. Hole Size	13.500in	AFE Cost	\$40,292,054
Field	Gippsland Basin	TVDBRT	1216.0m	Last Casing OD	16.000in	AFE No.	LSDED01/0
Drill Co.	DOGC	Progress	187.0m	Shoe TVDBRT	995.3m	Daily Cost	\$0
Rig	OCEAN PATRIOT	Days from spud	22.37	Shoe MDBRT	995.3m	Cum Cost	\$0
Wtr Dpth (LAT)	56.7m	Days on well	2.08	FIT/LOT:	/ 13.50ppg	Days Since Last LTI	1167
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 building inclination to 55deg.					

Summary of Period 0000 to 2400 Hrs
Drilled 13 1/2" directional hole f/ 1008 to 1217mrt, built inclination f/ 2.2 to 9.3deg. Encountered significant NPT due to inability to execute down links to the Power Drive.

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

Operations For Period 0000 Hrs to 2400 Hrs on 02 Aug 2006

Phse	Cls (RC)	Op	From	To	Hrs	Depth	Activity Description
IH	P	TI	0000	0100	1.00	1030.0m	Continued to run in the hole f/ 637 to 1008mrt
IH	P	TI	0100	0130	0.50	1030.0m	Reamed & opened 9 1/2" hole to 13 1/2" f/ 1008 to 1030mrt. Parameters : RPM : 175 WOB : 0 - 5k GPM : 755
IH	P	DA	0130	0830	7.00	1080.0m	Drilled 13 1/2" vertical hole f/ 1030 to 1080mrt Cement @ shakers : 1030mrt 100% 1035mrt 80% 1040mrt 30% Parameters : RPM : 175 WOB : 0 - 5k GPM : 755
IH	P	OA	0830	0900	0.50	1030.0m	Anadril downlinked to the Power Drive.
IH	P	DA	0900	1600	7.00	1162.0m	Drilled 13 1/2" directional hole f/ 1080 to 1162mrt. Built inclination f/ 2.2 to 5.6deg. Average parameters : RPM : 175 WOB : 0 - 5k GPM : 900 PSI : 3500
IH	TP (VE)	OA	1600	1700	1.00	1162.0m	Reciprocated the string off bottom whilst attempting to send downlink to the Power Drive.
IH	P	DA	1700	1730	0.50	1167.0m	Drilled f/ 1162 to 1167mrt.
IH	TP	OA	1730	1900	1.50	1167.0m	Reciprocated the string off bottom whilst attempting to send downlink to the Power

Phse	Cls (RC)	Op	From	To	Hrs	Depth	Activity Description
IH	(VE) P	DA	1900	2030	1.50	1181.0m	Drive. Continued to drill f/ 1167 to 1181mrt.
IH	TP (RE)	RD	2030	2130	1.00	1181.0m	Reciprocated & circulated off bottom whilst undertaking repairs to #1 pump (wear plate washed out) & #3 pump (piston) .
IH	P	DA	2130	2400	2.50	1217.0m	Drilled directional hole f/ 1181 to 1217mrt, built inclination to 9.2 deg.

Operations For Period 0000 Hrs to 0600 Hrs on 03 Aug 2006

Phse	Cls (RC)	Op	From	To	Hrs	Depth	Activity Description
IH	P	DA	0000	0600	6.00	3485.0m	Continued to drill 13 1/2" directional hole f/ 1217 to 1368mrt.

Phase Data to 2400hrs, 02 Aug 2006

Phase	Phase Hrs	Start On	Finish On	Cum Hrs	Cum Days	Max Depth
INTERMEDIATE HOLE(IH)	50	31 Jul 2006	02 Aug 2006	50.00	2.083	3485.0m

WBM Data Cost Today \$ 46450

Mud Type:	Petrofree	API FL:	CI:	Solids(%vol):	19%	Viscosity	75sec/qt
Sample-From:	Flow line	Filter-Cake:	K+C*1000:	H2O:	19%	PV	39cp
Time:	21:20	HTHP-FL:	3.8cc/30min	Hard/Ca:		YP	22lb/100ft²
Weight:	12.15ppg	HTHP-cake:	2/32nd"	MBT:		Gels 10s	45
Temp:	74C°			PM:		Gels 10m	53
				PF:		Fann 003	13
						Fann 006	14
						Fann 100	31
						Fann 200	
						Fann 300	61
						Fann 600	100
Comment	Total product costs to date \$ 920,087.44 Cumulative total \$ 965,987.44 (including engineer)						

Bit # 9	Wear	I	O1	D	L	B	G	O2	R
Bitwear Comments:									
Size ("):	IADC#	M422	Nozzles		Drilled over last 24 hrs		Calculated over Bit Run		
Mfr: REED HYCALOG	WOB(avg)	5.00klb	No.	Size	Progress	187.0m	Cum. Progress	187.0m	
Type:	RPM(avg)	174	3	20/32nd"	On Bottom Hrs	11.0h	Cum. On Btm Hrs	11.0h	
Serial No.: 211900	F.Rate	21.43bpm	3	18/32nd"	IADC Drill Hrs	22.5h	Cum IADC Drill Hrs	22.5h	
Bit Model RSX616M 13 1/2"	SPP	3500psi			Total Revs		Cum Total Revs	0	
Depth In 1030.0m	HSI				ROP(avg)	17.00 m/hr	ROP(avg)	17.00 m/hr	
Depth Out	TFA	1.67							
Bit Comment									

BHA # 10									
Weight(Wet)	30.00klb	Length	208.6m	Torque(max)	9800ft-lbs	D.C. (1) Ann Velocity			
Wt Below Jar(Wet)	15.00klb	String		Torque(Off.Btm)	3700ft-lbs	D.C. (2) Ann Velocity			
Drilling Jar Hours	121	Pick-Up		Torque(On.Btm)	5300ft-lbs	H.W.D.P. Ann Velocity			
		Slack-Off				D.P. Ann Velocity			

BHA Run Description Rotary Steerable System

BHA Run Comment Down links to the tool problematic & taking unacceptably long duration resulting in 50% off bottom time.

Equipment	Length	OD	ID	Top Conn	Serial #	Comment
Bit	0.48m	13.500in	3.750in	6 5/8 reg	211900	RSX616m A2 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		

Equipment	Length	OD	ID	Top Conn	Serial #	Comment
Drilling Jars	9.68m	6.312in	2.750in	NC50	DAH0384	
5in HWDP	111.90m	6.250in	3.000in	NC50		

Survey

MD (m)	Incl (deg)	Azim (deg)	TVD (m)	Vsec (deg)	N/-S (m)	E/-W (m)	DLS (deg/30m)	Tool Type
1130.00	2.2	225.2	1129.69	18.9	18.9	-5.5	8.8	MWD
1142.15	3.4	208.6	1141.83	18.4	18.4	-5.9	11.8	MWD
1151.35	4.8	209.6	1151.00	17.8	17.8	-6.2	15.2	MWD
1159.53	5.6	208.6	1159.15	17.1	17.1	-6.5	9.8	MWD
1189.00	7.8	208.5	1188.42	14.1	14.1	-8.2	7.5	MWD
1215.91	9.3	209.4	1215.03	10.6	10.6	-10.1	5.6	MWD
1245.70	11.4	207.9	1244.33	5.9	5.9	-12.7	7.1	MWD
1274.91	12.4	202.9	1272.91	0.5	0.5	-15.3	4.9	MWD
1302.82	12.0	197.4	1300.19	-5.0	-5.0	-17.3	4.4	MWD
1331.40	12.1	190.5	1328.15	-10.8	-10.8	-18.7	5.0	MWD

Bulk Stocks

Name	Unit	In	Used	Adjust	Balance
Barite Bulk	MT	0	22.02	0	254.6
Bentonite Bulk	MT	0	0	0	21.8
Diesel	m3	0	18.4	0	398.3
Fresh Water	m3	17	20.1	0	338.1
Drill Water	m3	0	3.6	0	529.1
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					30	290		40	310		50	325	
2	12P 160	6.000	12.00	97	76	4050	7.73	1094.0	20	280		30	310		40	400	

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	5	2 x MWD, 2 x DD.
BAROID	2	
ESS	8	
GEOSERVICES OVERSEAS S.A.	6	
Q-Tech	1	
K & M	2	
Brandt	1	
WEATHERFORD AUSTRALIA PTY LTD	2	
CAMERON AUSTRALIA PTY LTD	1	
UNIRIG	1	
Total	92	

HSE Summary				
Events	Date of last	Days Since	Descr.	Remarks
Last BOP Test	17 Jul 2006			
Abandon Drill	30 Jul 2006	3 Days	Weekly abandon rig drill	
Fire Drill	30 Jul 2006	3 Days	Weekly fire drill	
JSA	01 Aug 2006	1 Day	Drillcrew 5 , deckcrew 10, Mechanic 6	
Man Overboard Drill	21 Jul 2006	12 Days	Monthly man overboard drill	
Safety Meeting	30 Jul 2006	3 Days	Weekly crew safety meetings	0100/1300/1900hrs
STOP Card	01 Aug 2006	1 Day	DODI 1, Nexus 1, 3rd Party 1	
Trip / Kick Drill	30 Jul 2006	3 Days	Trip drill	Held trip drill at shoe on trip in hole

Shakers, Volumes and Losses Data						
Available	2,541bbl	Losses	138.1bbl	Equip.	Descr.	Mesh Size
Active	537.5bbl	Down-hole	51.1bbl	Shaker1	VSM100	10/230/230/200/200
Hole	844.8bbl	Centrifuge	39bbl	Shaker2	VSM100	10/230/230/200/200
Reserve	772.7bbl	Remaining between plugs	48bbl	Shaker3	VSM100	10/230/230/200/200
Petrofree ester	386bbl			Shaker4	VSM100	10/230/230/200/200

Marine									
Weather on 02 Aug 2006							Rig Support		
Visibility	Wind Speed	Wind Dir.	Pressure	Air Temp.	Wave Height	Wave Dir.	Wave Period	Anchors	Tension (klb)
10.0nm	10kn	360.0deg	1020.0mbar	14C°	0.5m	360.0deg		1	267.0
								2	174.0
								3	256.0
								4	249.0
								5	344.0
								6	346.0
								7	205.0
								8	203.0

Vessel Name	Arrived (Date/Time)	Departed (Date/Time)	Status	Bulks				
Far Grip	1400hrs 30th July		Stand by	Item	Unit	Used	Trf. to Rig	Qty. Remaining
				Diesel	m3			495
				Fresh Water	m3			428
				Drill Water	m3			744
				Cement G	mt			0
				Cement HT (Silica)	mt			0
				Barite Bulk	mt			0
				Bentonite Bulk	mt			0
					bbls			1005
					bbls			0
				Brine	bbls			0
Pacific Wrangler			#28 South Wharf	Item	Unit	Used	Trf. to Rig	Qty. Remaining
				Diesel	m3			648.8
				Fresh Water	m3			315
				Drill Water	m3			308
				Cement G	mt			0
				Cement HT (Silica)	mt			0
				Barite Bulk	mt			109
				Bentonite Bulk	mt			0
					bbls			210
					bbls			0
				Brine	bbls			0

Helicopter Movement				
Flight #	Company	Arr/Dep. Time	Pax In/Out	Comment
1	BRISTOW HELICOPTERS AUSTRALIA PTY LTD	10:30 / 15:37	17 / 18	Fuel remaining on board 2735 liters