

**DRILLING MORNING REPORT # 25**  
**Longtom-3 ST1**

03 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	509.0m	Shoe TVDBRT	995.3m	Daily Cost	\$0
Rig	OCEAN PATRIOT	Days from spud	23.37	Shoe MDBRT	995.3m	Cum Cost	\$0
Wtr Dpth (LAT)	56.7m	Days on well	3.08	FIT/LOT:	/ 13.50ppg	Days Since Last LTI	1168
RT-ASL (LAT)	21.5m	Planned TD MD	5834.0m				
RT-ML	78.2m	Planned TD TVDRT	2458.0m				
Current Op @ 0600		Pulling out of the hole for bit change					
Planned Op		Inspect / change bit, RIH & drill ahead					

Summary of Period 0000 to 2400 Hrs
Drilled 13 1/2" directional hole f/ 1217 to 1726mrt

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

Operations For Period 0000 Hrs to 2400 Hrs on 03 Aug 2006							
Phse	Cls (RC)	Op	From	To	Hrs	Depth	Activity Description
IH	P	DA	0000	2400	24.00	1726.0m	Continued to drill 13 1/2" directional hole f/ 1217 to 1726mrt. Down links to the Power Drive were able to be achieved whilst drilling ahead. ROP reduced to ~ 10m/hr f/ 1702 to 1726mrt (offset from pilot hole indicated 25 - 30 m/hr should have been achievable)

Operations For Period 0000 Hrs to 0600 Hrs on 04 Aug 2006							
Phse	Cls (RC)	Op	From	To	Hrs	Depth	Activity Description
IH	P	DA	0000	0030	0.50	1727.0m	Drilled f/ 1726 to 1726mrt
IH	P	CHC	0030	0200	1.50	1727.0m	Circulated the hole clean (1 1/2 x bottoms up)
IH	P	TO	0200	0300	1.00	1727.0m	Boosted the riser. Flow checked (static). Pulled 5 stands (wet) Flow checked (static) Pumped 25bbl slug
IH	P	DA	0300	0600	3.00	1727.0m	Pulled out of the hole. Encountered several overpulls up to 40klb's which wiped out with 1 reciprocation.  Worked through tight section f/ 1235 to 1230mrt, 45klb's overpull required 5 reciprocations to clear.  Continued to pull out of the hole to 1100mrt

Phase Data to 2400hrs, 03 Aug 2006							
Phase	Phase Hrs	Start On	Finish On	Cum Hrs	Cum Days	Max Depth	
INTERMEDIATE HOLE(IH)	74	31 Jul 2006	03 Aug 2006	74.00	3.083	3485.0m	

WBM Data			Cost Today \$ 46450					
Mud Type:	Petrofree	API FL:	Cl:	Solids(%vol):	18%	Viscosity	75sec/qt	
Sample-From:	Active pit	Filter-Cake:	K+C*1000:	H2O:	17%	PV	42cp	
Time:	21:00	HTHP-FL:	3.8cc/30min	Hard/Ca:		YP	23lb/100ft²	
Weight:	12.00ppg	HTHP-cake:	2/32nd"	MBT:		Gels 10s	46	
Temp:	75C°			PM:		Gels 10m	51	
				PF:		Fann 003	13	
						Fann 006	14	
						Fann 100	33	
						Fann 200		
						Fann 300	65	
						Fann 600	107	
Comment							Total product costs to date \$ 1,052,289.59 Cumulative total \$ 1,099,889.59 (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	509.0m	Cum. Progress		696.0m
Type:		RPM(avg)	174	3	20/32nd"	On Bottom Hrs	16.2h	Cum. On Btm Hrs		27.2h
Serial No.:	211900	F.Rate	21.43bpm	3	18/32nd"	IADC Drill Hrs	24.0h	Cum IADC Drill Hrs		46.5h
Bit Model	RSX616M 13 1/2"	SPP	3760psi			Total Revs		Cum Total Revs		0
Depth In	1030.0m	HSI				ROP(avg)	31.42 m/hr	ROP(avg)		25.59 m/hr
Depth Out		TFA	1.67							
Bit Comment										

BHA # 10						
Weight(Wet)	30.00klb	Length	208.6m	Torque(max)	16400ft-lbs	D.C. (1) Ann Velocity
Wt Below Jar(Wet)	15.00klb	String	210.00klb	Torque(Off.Btm)	4800ft-lbs	D.C. (2) Ann Velocity
Drilling Jar Hours	140.5	Pick-Up	220.00klb	Torque(On.Btm)	5800ft-lbs	H.W.D.P. Ann Velocity
		Slack-Off	210.00klb			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	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		
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	
1445.79	14.0	188.6	1439.96	-34.7	-34.7	-21.8	6.8	MWD	
1474.65	16.3	190.7	1467.82	-42.1	-42.1	-23.1	8.2	MWD	
1503.19	18.4	192.4	1495.06	-50.5	-50.5	-24.8	7.6	MWD	
1532.38	20.4	194.3	1522.59	-59.9	-59.9	-27.0	7.2	MWD	
1560.70	22.6	193.8	1548.94	-70.0	-70.0	-29.6	7.8	MWD	
1589.24	25.1	193.9	1575.04	-81.2	-81.2	-32.3	8.8	MWD	
1617.93	27.1	193.5	1600.80	-93.4	-93.4	-35.3	7.0	MWD	
1646.65	28.1	190.8	1626.26	-106.4	-106.4	-38.1	5.6	MWD	

Survey									
MD (m)	Incl (deg)	Azim (deg)	TVD (m)	Vsec (deg)	N/S (m)	E/W (m)	DLS (deg/30m)	Tool Type	
1675.46	28.7	188.4	1651.60	-120.0	-120.0	-40.4	4.5	MWD	
1703.59	29.2	185.1	1676.22	-133.5	-133.5	-42.0	5.9	MWD	

Bulk Stocks						
Name	Unit	In	Used	Adjust	Balance	
Barite Bulk	MT	0	0	0	254.6	
Bentonite Bulk	MT	0	0	0	21.8	
Diesel	m3	0	19.5	0	378.8	
Fresh Water	m3	20	34.4	0	323.7	
Drill Water	m3	0	32.5	0	496.6	
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	12.10	97				1380.0	30	325		40	350		50	425		
2	12P 160	6.000	12.00	97				1669.0	20	280		30	300		40	375		

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	
SCHLUMBERGER OILFIELD AUSTRALIA PTY LTD	1	
Total	93	

HSE Summary					
Events	Date of last	Days Since	Descr.	Remarks	
Last BOP Test	17 Jul 2006				
Abandon Drill	30 Jul 2006	4 Days	Weekly abandon rig drill		
Fire Drill	30 Jul 2006	4 Days	Weekly fire drill		
JSA	03 Aug 2006	0 Days	Drillcrew 3 , deckcrew 8, Mechanic 3, Marine 1		
Man Overboard Drill	21 Jul 2006	13 Days	Monthly man overboard drill		
Safety Meeting	30 Jul 2006	4 Days	Weekly crew safety meetings	0100/1300/1900hrs	
STOP Card	03 Aug 2006	0 Days	Safe 1, Unsafe 2		
Trip / Kick Drill	30 Jul 2006	4 Days	Trip drill	Held trip drill at shoe on trip in hole	

Shakers, Volumes and Losses Data						
Available	3,126bbl	Losses	139bbl	Equip.	Descr.	Mesh Size
Active	569bbl	Centrifuge	9bbl	Shaker1	VSM100	10/230/230/200/200
Hole	1,128bbl	Retained on cuttings	130bbl	Shaker2	VSM100	10/230/230/200/200
Reserve	1,122bbl			Shaker3	VSM100	10/230/230/200/200
Petrofree ester	307bbl			Shaker4	VSM100	10/230/230/200/200

Marine									
Weather on 03 Aug 2006							Rig Support		
Visibility	Wind Speed	Wind Dir.	Pressure	Air Temp.	Wave Height	Wave Dir.	Wave Period	Anchors	Tension (klb)
10.0nm	22kn	270.0deg	1024.0mbar	14C°	0.5m	270.0deg		1	271.0
Rig Dir.	Ris. Tension	VDL	Swell Height	Swell Dir.	Swell Period	Weather Comments			
270.0deg	300.00klb	549.00klb	1.0m	191.0deg		Comments			
Comments									
Comments									
Comments									
Comments									
Comments									
Comments									
Comments									
Comments						2	179.0		
Comments						3	251.0		
Comments						4	249.0		
Comments						5	335.0		
Comments						6	344.0		
Comments						7	209.0		
Comments						8	205.0		

Vessel Name	Arrived (Date/Time)	Departed (Date/Time)	Status	Bulks								
Item	Unit	Used	Trf. to Rig	Qty. Remaining								
Far Grip	1400hrs 30th July		Stand by	Diesel	m3			493				
				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		950	54				
					bbls			0				
				Brine	bbls			0				

Offloaded 950bbl SBM to Rig

Vessel Name	Arrived (Date/Time)	Departed (Date/Time)	Status	Bulks								
Item	Unit	Used	Trf. to Rig	Qty. Remaining								
Pacific Wrangler			#28 South Wharf	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	07:20 / 07:57	15 / 14	Fuel remaining on board 1810 liters