

**DRILLING MORNING REPORT # 30**  
**Longtom-3 ST1**

08 Aug 2006

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

| Well Data         |                 |   |         |                |            |                     |              |
|-------------------|-----------------|---|---------|----------------|------------|---------------------|--------------|
| Country           | Australia       | MDBRT   | 2563.0m | Cur. Hole Size | 13.500in   | AFE Cost            | \$40,292,054 |
| Field             | Gippsland Basin | TVDBRT  | 2299.0m | Last Casing OD | 16.000in   | AFE No.             | LSDED01/0    |
| Drill Co.         | DOGC            | Progress  | 0.0m    | Shoe TVDBRT    | 995.3m     | Daily Cost          | \$445,180    |
| Rig               | OCEAN PATRIOT   | Days from spud  | 28.37   | Shoe MDBRT     | 995.3m     | Cum Cost            | \$3,812,637  |
| Wtr Dpth (LAT)    | 56.7m           | Days on well  | 8.08    | FIT/LOT:       | / 13.50ppg | Days Since Last LTI | 1173         |
| 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   |         |                |            |                     |              |
| Planned Op        |                 | Run in the hole w/ 13 1/2" bit & dress cement plug to 2380mrt. Pull out of the hole. Pull the wear bushing & commence running 10 3/4" casing. |         |                |            |                     |              |

**Summary of Period 0000 to 2400 Hrs**

Abandoned logging program due to inability to get logging tools into the hole. Ran in the hole and plugged back to 2375mrt.

**FORMATION**

| Name              | Top |
|-------------------|-----|
| 300 sand          |     |
| 200 sand          |     |
| 100 sand          |     |
| Emperor Volcanics |     |
| TD                |     |

**Operations For Period 0000 Hrs to 2400 Hrs on 08 Aug 2006**

| Phse | Cls (RC) | Op   | From | To   | Hrs  | Depth   | Activity Description   |
|------|----------|------|------|------|------|---------|--|
| IH   | P        | HBHA | 0000 | 0130 | 1.50 | 2563.0m | Completed laying out the BHA.  |
| IH   | P        | LOG  | 0130 | 0200 | 0.50 | 2563.0m | Rigged up Logging sheaves.   |
| IH   | P        | LOG  | 0200 | 0400 | 2.00 | 2563.0m | Picked up logging tool #1 : XPT - GR<br>In the hole @ 02:40hrs.<br>Ran in the hole to hold up depth (HUD) 2144mrt.   |
| IH   | TP (HC)  | LOG  | 0400 | 0500 | 1.00 | 2563.0m | Worked through HUD @ 2144, 2158, 2160 & unable to pass 2169mrt, zero overpulls required to pull back f/ HUD.   |
| IH   | P        | LOG  | 0500 | 0830 | 3.50 | 2563.0m | Correlated w/ GR & commenced to record pressure readings f/ 2141 & 1831mrt, whilst pulling out of the hole to reconfigure the tool string.   |
| IH   | TP (HC)  | LOG  | 0830 | 1000 | 1.50 | 2563.0m | Log #1 run #2 XPT - GR: Reconfigured the logging toolstring by adding the MDT tools to the bottom of the XPT for the purpose of additional weight (MDT was not powered or intended for data acquisition).                                |
| IH   | TP (HC)  | LOG  | 1000 | 1100 | 1.00 | 2563.0m | Ran in the hole to HUD 1000mrt. All attempts to pass 1000mrt were unsuccessful.<br>Pulled the tool string out of the hole. Tool string returned to surface with part of the rubber hole finder "lost in hole" measuring ~ 500mm x 100mm. |
| IH   | TP (HC)  | LOG  | 1100 | 1200 | 1.00 | 2563.0m | Layed out the logging tool string.   |
| IH   | P        | LOG  | 1200 | 1230 | 0.50 | 2563.0m | Rigged down the logging sheaves.   |
| IH   | P        | TI   | 1230 | 1430 | 2.00 | 2563.0m | Made up cement distribution sub & ran in the hole to 629mrt.   |
| IH   | TP (RE)  | RR   | 1430 | 1500 | 0.50 | 2563.0m | Repaired ruptured hydraulic hose on the derrick racking arm.   |
| IH   | P        | TI   | 1500 | 1700 | 2.00 | 2563.0m | Continued to run in the hole f/ 629 to 1378mrt.  |
| IH   | TP (RE)  | RR   | 1700 | 1730 | 0.50 | 2563.0m | Repaired leaking hydraulic fitting on the derrick racking arm.   |
| IH   | P        | TI   | 1730 | 2000 | 2.50 | 2563.0m | Continued to run in the hole f/ 1378 to tag bottom @ 2563mrt (TD).   |
| IH   | P        | CMD  | 2000 | 2130 | 1.50 | 2563.0m | Circulated bottoms up. Maximum gas 134units (2.7%).  |
| IH   | P        | CMP  | 2130 | 2200 | 0.50 | 2563.0m | Nippled up cement line & pressure tested to 1500 psi.  |
| IH   | P        | CMP  | 2200 | 2400 | 2.00 | 2563.0m | Set cement plug f/ 2563 (TD) to 2375mrt.   |
|      |          |      |      |      |      |         | Dowell pumped 10bbl Ester & 30bbl MUDPUSH spacer weighted to 13ppg ahead of  |

| Phse | Cls (RC) | Op | From | To | Hrs | Depth | Activity Description   |
|------|----------|----|------|----|-----|-------|--|
|      |          |    |      |    |     |       | cement. Mixed & pumped 120bbl cement slurry @ 15.8 ppg : 582 sacks class G cement mixed w/ drill water @ 3.562 gal/sk (yield 1.16 cuft/sk).<br>Additives : Anti-foam D175 @ 0.05 gal/sk, Dispersant D080 @ 0.08 gal/sk, GASBLOK D600G @ 1.50 gal/sk (total mix fluid 72bbl @ 5.192 gal/sk).<br><br>Pumped 3.2 bbl MUDPUSH behind the cement. |

**Operations For Period 0000 Hrs to 0600 Hrs on 09 Aug 2006**

| Phse | Cls (RC) | Op  | From | To   | Hrs  | Depth   | Activity Description  |
|------|----------|-----|------|------|------|---------|---|
| IH   | P        | CMP | 0000 | 0030 | 0.50 | 2563.0m | Dowell displaced cement plug to balance f/ 2563 (TD) to 2375mrt. Pumped 128 bbl @ 8 bbl/min, pressure profile began to steadily increase after 70 bbl's displaced, appeared to plateau after 122 bbl's reduced the pump rate to 3 bbl/min with a final pump pressure of 200 psi.<br><br>No losses & no back flow. |
| IH   | P        | TO  | 0000 | 0000 | 0.00 | 2563.0m | Pulled out of the hole.   |
| IH   | P        | CMP | 0030 | 0130 | 1.00 | 2563.0m | Nipped down the cement line & pulled (slowly) out of the cement to 2347mrt.   |
| IH   | P        | CMP | 0130 | 0300 | 1.50 | 2563.0m | Circulated bottoms up. Observed spacer & trace of cement at the shakers.  |
| IH   | P        | CMP | 0300 | 0600 | 3.00 | 2563.0m | Flow checked (static) Pumped slug & commenced pulling out of the hole.  |

**Phase Data to 2400hrs, 08 Aug 2006**

| Phase                 | Phase Hrs | Start On    | Finish On   | Cum Hrs | Cum Days | Max Depth |
|-----------------------|-----------|-------------|-------------|---------|----------|-----------|
| INTERMEDIATE HOLE(IH) | 194       | 31 Jul 2006 | 08 Aug 2006 | 194.00  | 8.083    | 3485.0m   |

**WBM Data Cost Today \$ 12253**

|              |  |              |             |               |     |           |             |    |
|--------------|--|--------------|-------------|---------------|-----|-----------|-------------|----|
| Mud Type:    | Petrofree  | API FL:      | Cl:         | Solids(%vol): | 18% | Viscosity | 72sec/qt    |    |
| Sample-From: | Active pit   | Filter-Cake: | K+C*1000:   | H2O:          | 15% | PV        | 38cp        |    |
| Time:        | 20:00  | HTHP-FL:     | 3.2cc/30min | Hard/Ca:      |     | YP        | 19lb/100ft² |    |
| Weight:      | 12.00ppg   | HTHP-cake:   | 2/32nd"     | MBT:          |     | Gels 10s  | 46          |    |
| Temp:        |  |              |             | PM:           |     | Gels 10m  | 53          |    |
|              |  |              |             | PF:           |     | Fann 003  | 11          |    |
|              |  |              |             |               |     | Fann 006  | 12          |    |
|              |  |              |             |               |     | Fann 100  | 28          |    |
|              |  |              |             |               |     | Fann 200  |             |    |
| Comment      | Total product costs to date \$ 1,173,970.25<br>Cumulative total \$ 1,230,070.25 (including engineer) |              |             |               |     |           | Fann 300    | 57 |
|              |  |              |             |               |     | Fann 600  | 95          |    |

**Bulk Stocks**

| Name               | Unit | In | Used | Adjust | Balance |
|--------------------|------|----|------|--------|---------|
| Barite Bulk        | MT   | 82 | 11.9 | 0      | 231.9   |
| Bentonite Bulk     | MT   | 0  | 0    | 0      | 21.8    |
| Diesel             | m3   | 0  | 14.2 | 0      | 475.2   |
| Fresh Water        | m3   | 15 | 23   | 0      | 280.3   |
| Drill Water        | m3   | 0  | 0    | 0      | 430.4   |
| 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      |           | 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         |            |             |

**Personnel On Board**

| Company | Pax | Comment   |
|---------|-----|---|
| NEXUS   | 6   |   |
| DOGC    | 49  | 45 x DOGC<br>3x DOGC extra( , 1 x crane op, 1 x dogman, 1 x welder)<br>5 x DOGC other (2 x painter, 3 x union hydraulic,) |

| Personnel On Board                      |     |                  |
|---|-----|------------------|
| DOWELL SCHLUMBERGER                     | 2   | 3 x MWD, 3 x DD. |
| FUGRO SURVEY LTD (ROV)                  | 3   |                  |
| SCHLUMBERGER ANADRIL                    | 6   |                  |
| 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   |                  |
| West Engineering                        | 1   |                  |
| M-1 AUSTRALIA PTY LTD                   | 1   |                  |
| Total                                   | 100 |                  |

| HSE Summary         |              |            |  |   |
|---------------------|--------------|------------|--|---|
| Events              | Date of last | Days Since | Descr.   | Remarks                                 |
| Last BOP Test       | 04 Aug 2006  |            |  |   |
| Abandon Drill       | 06 Aug 2006  | 2 Days     | Weekly abandon rig drill                       |   |
| Fire Drill          | 06 Aug 2006  | 2 Days     | Weekly fire drill                              |   |
| JSA                 | 08 Aug 2006  | 0 Days     | Drillcrew 9 , deckcrew 8, Mechanic 4, Marine 1 |   |
| Man Overboard Drill | 21 Jul 2006  | 18 Days    | Monthly man overboard drill                    |   |
| Safety Meeting      | 06 Aug 2006  | 2 Days     | Weekly crew safety meetings                    | 0100/1300/1900hrs                       |
| STOP Card           | 08 Aug 2006  | 0 Days     | Safe 7, Unsafe 12                              |   |
| Trip / Kick Drill   | 07 Aug 2006  | 1 Day      | Trip drill                                     | Held trip drill at shoe on trip in hole |

| Shakers, Volumes and Losses Data |          |        |      |         |        |                    |
|----------------------------------|----------|--------|------|---------|--------|--------------------|
| Available                        | 3,061bbl | Losses | Obbl | Equip.  | Descr. | Mesh Size          |
| Active                           | 455bbl   |        |      | Shaker1 | VSM100 | 10/230/230/200/200 |
| Hole                             | 1,605bbl |        |      | Shaker1 | VSM100 | 10/230/230/200/200 |
| Reserve                          | 604bbl   |        |      | Shaker2 | VSM100 | 10/230/260/200/200 |
| Petrofree ester                  | 397bbl   |        |      | Shaker2 | VSM100 | 10/230/260/200/200 |
|                                  |          |        |      | Shaker3 | VSM100 | 10/230/230/200/200 |
|                                  |          |        |      | Shaker3 | VSM100 | 10/230/230/200/200 |
|                                  |          |        |      | Shaker4 | VSM100 | 10/260/260/200/200 |
|                                  |          |        |      | Shaker4 | VSM100 | 10/260/260/200/200 |

| Marine                 |              |            |              |            |              |                  |             |         |               |
|------------------------|--------------|------------|--------------|------------|--------------|------------------|-------------|---------|---------------|
| Weather on 08 Aug 2006 |              |            |              |            |              |                  | Rig Support |         |               |
| Visibility             | Wind Speed   | Wind Dir.  | Pressure     | Air Temp.  | Wave Height  | Wave Dir.        | Wave Period | Anchors | Tension (klb) |
| 10.0nm                 | 8kn          | 45.0deg    | 1033.0mbar   | 14C°       | 0.0m         | 0.0deg           |             | 1       | 276.0         |
| Rig Dir.               | Ris. Tension | VDL        | Swell Height | Swell Dir. | Swell Period | Weather Comments |             | 2       | 181.0         |
| 270.0deg               | 300.00klb    | 5233.00klb | 0.5m         | 157.0deg   |              |                  |             | 3       | 258.0         |
| Comments               |              |            |              |            |              |                  |             | 4       | 254.0         |
|                        |              |            |              |            |              |                  |             | 5       | 375.0         |
|                        |              |            |              |            |              |                  |             | 6       | 342.0         |
|                        |              |            |              |            |              |                  |             | 7       | 205.0         |
|                        |              |            |              |            |              |                  |             | 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  | En route to Rig<br>ETA 19:00hrs 9th Aug | Diesel             | m3   |      | 200         | 286            |
|             |                     |                      |   | Fresh Water        | m3   |      |             | 403            |
|             |                     |                      |   | Drill Water        | m3   |      |             | 744            |
|             |                     |                      |   | Cement G           | mt   |      |             | 0              |
|             |                     |                      |   | Cement HT (Silica) | mt   |      |             | 0              |

|  |  |  |  | Item           | Unit | Used | Trf. to Rig | Qty. Remaining |
|--|--|--|--|----------------|------|------|-------------|----------------|
|  |  |  |  | Barite Bulk    | mt   |      |             | 0              |
|  |  |  |  | Bentonite Bulk | mt   |      |             | 0              |
|  |  |  |  | Liquid SPM     | bbls |      |             | 54             |
|  |  |  |  | Base Oil       | bbls |      |             | 0              |
|  |  |  |  | Brine          | bbls |      |             | 0              |

| Pacific Wrangler | 10:40hrs 5th August |  | Standby | Item               | Unit | Used | Trf. to Rig | Qty. Remaining |
|------------------|---------------------|--|---------|--------------------|------|------|-------------|----------------|
|                  |                     |  |         | Diesel             | m3   |      |             | 598.6          |
|                  |                     |  |         | Fresh Water        | m3   |      |             | 279            |
|                  |                     |  |         | Drill Water        | m3   |      |             | 308            |
|                  |                     |  |         | Cement G           | mt   |      |             | 73             |
|                  |                     |  |         | Cement HT (Silica) | mt   |      |             | 0              |
|                  |                     |  |         | Barite Bulk        | mt   |      | 82          | 136            |
|                  |                     |  |         | Bentonite Bulk     | mt   |      |             | 0              |
|                  |                     |  |         | Liquid SPM         | bbls |      |             | 2012           |
|                  |                     |  |         | Base Oil           | bbls |      |             | 0              |
|                  |                     |  |         | Brine              | bbls |      |             | 0              |

Backloaded 116m3 SBM to the Wrangler

**Helicopter Movement**

| Flight # | Company                               | Arr/Dep. Time | Pax In/Out | Comment                             |
|----------|---------------------------------------|---------------|------------|-------------------------------------|
| 1        | BRISTOW HELICOPTERS AUSTRALIA PTY LTD | 10:22 / 10:44 | 12 / 9     | Fuel remaining on board 4976 liters |