

**DRILLING MORNING REPORT # 32**  
**Longtom-3 ST1**

10 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	2010.0m	Last Casing OD	16.000in	AFE No.	LSDED01/0
Drill Co.	DOGC	Progress	0.0m	Shoe TVDBRT	995.3m	Daily Cost	\$917,155
Rig	OCEAN PATRIOT	Days from spud	30.37	Shoe MDBRT	995.3m	Cum Cost	\$5,101,850
Wtr Dpth (LAT)	56.7m	Days on well	10.08	FIT/LOT:	/ 13.50ppg	Days Since Last LTI	1175
RT-ASL (LAT)	21.5m	Planned TD MD	5834.0m				
RT-ML	78.2m	Planned TD TVDRT	2458.0m				
Current Op @ 0600		Cementing 10 3/4" casing					
Planned Op		Displace cement. Run, set & pressure test the casing hanger seal assembly. Lay out excess BHA. Make up & run 9 1/2" Rotary Steerable Assembly. Drill shoe track & 3m new formation. Perform FIT.					

Summary of Period 0000 to 2400 Hrs
Pulled out of the hole w/ 13 1/2" cleanout assembly. Retrieved the wear bushing. Rigged up & ran 10 3/4" casing to 1974mrt.

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

**Operations For Period 0000 Hrs to 2400 Hrs on 10 Aug 2006**

Phse	Cls (RC)	Op	From	To	Hrs	Depth	Activity Description
IH	P	TO	0000	0500	5.00	2384.0m	Pulled out of the hole f/ 2384mrt to the BHA.
IH	P	HBHA	0500	0630	1.50	2384.0m	Racked the BHA.
IH	P	WH	0630	0700	0.50	2384.0m	Made up Cameron wear bushing running tool w/ jetting assembly below.
IH	P	WH	0700	0730	0.50	2384.0m	Landed & engaged the running tool, referenced the index line to the landing string.
IH	P	WH	0730	0830	1.00	2384.0m	Pulled the wear bushing free w/ 20klb's overpull. Pulled out of the hole, jetting the wellhead hangoff profile. Released the wear bushing & layed out the running tool.
							No wear on the wear bushing.
IH	P	CRF	0830	0900	0.50	2384.0m	Cleaned SBM of the rig floor
IH	P	RRC	0900	1000	1.00	2384.0m	Rigged up to run 10 3/4" casing.
IH	P	RRC	1000	1030	0.50	2384.0m	Picked up 10 3/4" AMS to NVAM crossover joint, torqued to 15,900ft/lb & layed out.
IH	P	CRN	1030	1130	1.00	2384.0m	Made up & ran the shoe track, verified float equipment functioning.
IH	P	RRC	1130	1200	0.50	2384.0m	Picked up the TAM packer
IH	P	CRN	1200	2400	12.00	2384.0m	Ran 10 3/4" casing to 1974mrt, filling every 4th joint & recording up / down drag every 10 joints
							Ran : 137 jts NVAM + 2 jt shoe track 55.5ppf grade P110 6 jts NVAM 60.7ppf grade P110 set f/ 1866 to 1899mrt & 2200 to 2234mrt 2 pup jt crossover 47 jts AMS 51 ppf grade L80
							Make up torque recorded w/ JAM : NVAM 15,900 ft/lb AMS 11,600 ft/lb casing dope : ELS 318

**Operations For Period 0000 Hrs to 0600 Hrs on 11 Aug 2006**

Phse	Cls (RC)	Op	From	To	Hrs	Depth	Activity Description
IH	P	CRN	0000	0200	2.00	2384.0m	Continued to run 10 3/4" casing f/ 1974 to 2292mrt. No hole problems.
IH	P	RRC	0200	0230	0.50	2384.0m	Layed out the TAM packer & 350 ton side door elevators. Attached the drill pipe elevators.
IH	P	RRC	0230	0300	0.50	2384.0m	Made up the 10 3/4" casing hanger (Deep Sea Express plugs pre installed)

Phse	Cls (RC)	Op	From	To	Hrs	Depth	Activity Description
IH	P	RRC	0300	0330	0.50	2384.0m	Removed the Flush Mounted Spider & installed the master bushing.
IH	P	CRN	0330	0400	0.50	2384.0m	Ran & landed casing with 5" drill pipe landing string (previously drifted to 2.625"). Hole in good condition, final down wt : 370 klb's. Washed the last 15m to bottom pumping @ 100 gpm.
IH	P	CIC	0400	0600	2.00	2384.0m	Shoe set @ 2374.34mrt (2184.3 TVD) Float collar @ 2349.9mrt Circulate 150% casing capacity (1000bbl) @ 450 gpm. Concurrently weighing up MUDPUSH spacer.

**Phase Data to 2400hrs, 10 Aug 2006**

Phase	Phase Hrs	Start On	Finish On	Cum Hrs	Cum Days	Max Depth
INTERMEDIATE HOLE(IH)	242	31 Jul 2006	10 Aug 2006	242.00	10.083	3485.0m

**WBM Data**

**Cost Today \$ 3174**

Mud Type:	Petrofree	API FL:	CI:	Solids(%vol):	19%	Viscosity	100sec/qt	
Sample-From:	Active pit	Filter-Cake:	K+C*1000:	H2O:	17%	PV	46cp	
Time:	19:00	HTHP-FL:	3.2cc/30min	Oil(%):	63%	YP	15lb/100ft <sup>2</sup>	
Weight:	12.15ppg	HTHP-cake:	2/32nd"	Sand:	0.25	Gels 10s	48	
Temp:				pH:		Gels 10m	57	
				PF:		Fann 003	11	
						Fann 006	12	
						Fann 100	29	
						Fann 200		
						Fann 300	61	
						Fann 600	107	
Comment	Total product costs to date \$ 1,178,382 Cummulative total \$ 1,237,882 (including engineer)							

**Bit # 9RR1**

Wear	I	O1	D	L	B	G	O2	R
	1	2	WT	S	X	I	CT	TD
Bitwear Comments:								
Size ("):	13.500in	IADC#	<b>Nozzles</b>		<b>Drilled over last 24 hrs</b>		<b>Calculated over Bit Run</b>	
Mfr:	REED HYCALOG	WOB(avg)	No.	Size	Progress	Cum. Progress	0.0m	
Type:	PDC	RPM(avg)			On Bottom Hrs	Cum. On Btm Hrs	0.0h	
Serial No.:	211900	F.Rate			IADC Drill Hrs	Cum IADC Drill Hrs	0.0h	
Bit Model	DSX616M-A1	SPP			Total Revs	Cum Total Revs	0	
Depth In	2347.0m	HSI			ROP(avg)	N/A	ROP(avg)	0.00 m/hr
Depth Out	2384.0m	TFA						
Bit Comment								

**BHA # 12**

Weight(Wet)	30.00klb	Length	190.8m	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		Pick-Up		Torque(On.Btm)	H.W.D.P. Ann Velocity
		Slack-Off			D.P. Ann Velocity

**BHA Run Description**

**BHA Run Comment**

Equipment	Length	OD	ID	Top Conn	Serial #	Comment
8in DC	17.53m	8.000in		6 5/8 Reg		Ported float
5in HWDP		5.000in		NC50		
	139.77m					
Near Bit Stab	1.90m	13.375in		6 5/8 Reg	207A25	
Drilling Jars	10.21m	8.000in		6 5/8 Reg	35205E	
8in DC	9.04m	8.000in		6 5/8 Reg		
Stab	2.15m	13.375in		6 5/8 Reg	207A305	
8in DC	8.73m	8.000in		6 5/8 Reg		
X/O	1.17m	8.000in		NC50		
Bit	0.26m	13.500in		6 5/8 Reg	211900	

Bulk Stocks						
Name	Unit	In	Used	Adjust	Balance	
Barite Bulk	MT	0	9.3	0	219.8	
Bentonite Bulk	MT	0	0	0	21.8	
Diesel	m3	0	4.3	0	452.6	
Fresh Water	m3	18	30.5	0	251.5	
Drill Water	m3	0	0	0	561.6	
Cement G	MT	0	0	0	130.9	
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	8	2 NEXUS enviromental auditors onboard
DOGC	49	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	
West Engineering	1	
<b>Total</b>	<b>95</b>	

HSE Summary				
Events	Date of last	Days Since	Descr.	Remarks
Last BOP Test	04 Aug 2006			
Abandon Drill	06 Aug 2006	4 Days	Weekly abandon rig drill	
Fire Drill	06 Aug 2006	4 Days	Weekly fire drill	
JSA	10 Aug 2006	0 Days	Drillcrew 4 , deckcrew 6, Mechanic 0, Marine 0	
Man Overboard Drill	21 Jul 2006	20 Days	Monthly man overboard drill	
Safety Meeting	06 Aug 2006	4 Days	Weekly crew safety meetings	0100/1300/1900hrs
STOP Card	10 Aug 2006	0 Days	Safe 4, Unsafe 9	
Trip / Kick Drill	09 Aug 2006	1 Day	Trip drill	Held trip drill at shoe on trip in hole

Shakers, Volumes and Losses Data						
Available	2,964bbl	Losses	26.3bbl	Equip.	Descr.	Mesh Size
Active	547bbl	Down-hole	26.3bbl	Shaker1	VSM100	10/230/230/200/200
Hole	1,453bbl			Shaker1	VSM100	10/230/230/200/200
Reserve	567bbl			Shaker2	VSM100	10/260/260/200/200
Petrofree	397bbl			Shaker2	VSM100	10/260/260/200/200
				Shaker3	VSM100	10/230/230/200/200

Shakers, Volumes and Losses Data				
ester		Equip.	Descr.	Mesh Size
		Shaker3	VSM100	10/230/230/200/200
		Shaker4	VSM100	10/260/230/200/200
		Shaker4	VSM100	10/260/230/200/200

Marine									
Weather on 10 Aug 2006							Rig Support		
Visibility	Wind Speed	Wind Dir.	Pressure	Air Temp.	Wave Height	Wave Dir.	Wave Period	Anchors	Tension (klb)
10.0nm	22kn	235.0deg	1028.0mbar	12C°	2.0m	240.0deg		1	278.0
Rig Dir.	Ris. Tension	VDL	Swell Height	Swell Dir.	Swell Period	Weather Comments		2	181.0
270.0deg	300.00klb	5138.00klb	4.5m	235.0deg				3	236.0
Comments								4	273.0
								5	359.0
								6	335.0
								7	218.0
								8	216.0

Vessel Name	Arrived (Date/Time)	Departed (Date/Time)	Status	Bulks				
Far Grip	18:20hrs 9th August		Standby Rig	Item	Unit	Used	Trf. to Rig	Qty. Remaining
				Diesel	m3			680
Fresh Water	m3			364				
Drill Water	m3			744				
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		19:00	Enroute to port ETA pilot station : 13:00hrs 10th August	Item	Unit	Used	Trf. to Rig	Qty. Remaining
				Diesel	m3			529
				Fresh Water	m3			274
				Drill Water	m3			88
				Cement G	mt			37
				Cement HT (Silica)	mt			0
				Barite Bulk	mt			136
				Bentonite Bulk	mt			0
					bbls			2012
					bbls			0
				Brine	bbls			0

Helicopter Movement				
Flight #	Company	Arr/Dep. Time	Pax In/Out	Comment
1	BRISTOW HELICOPTERS AUSTRALIA PTY LTD	07:31 / 07:43	7 / 8	Fuel remaining on board 4742 liters