

17 Aug 2006

**From : Troy Reid/Conway Waak**  
**To : Andy Wilkinson/ Brian King/James Hinton**

Well Data				Town Side QC Done	
Drill Co.:	Ensign	Midnight Depth (MD):	1986.0m	Current Hole Size:	8.500in
Rig:	Ensign 32	Midnight Depth (TVD):	1048.0m	Casing O.D.:	9.625in
Prognosed TD:	2350.0m	Progress:	105.0m	Shoe TVD:	803.0m
RT-GL:	5.90m	Days From Spud:	19.81	F.I.T. / L.O.T.	/ 16.70ppg
GL Elev.:	2.71m	Days On Well:	36.75	Rig Move Distance	1800+/- k's
Current Op's @ 0600 18 Aug 2006 :		Continue drill with 8 1/2" hole with Geo Pilot Drilling assembly to 2038m.			
Planned Operations for 18 Aug 2006 :		Drill 8 1/2" hole, pumping sweeps as required to TD (2350m).			

Summary of Period 0000 to 2400 Hrs
Wash and ream to 1881mMD. Pull into shoe to repair saver sub. RIH (wash and ream) to 1881m. Drill 8 1/2" hole with Geo Pilot Assembly from 1881m to 1986m

Formation Tops					
Sequence	Formation Name	Top Depth (MD, (m))	Top Depth (TVD, (m))	Comment	Wireline Depth (m)
1	Gippsland LMST	320.0	314.5	5.9L	
2	Lakes Entrance	1880.0	962.1		

Operations For Period 0000 Hrs to 2400 Hrs on 17 Aug 2006							
Phse	Cls	Op	From	To	Hrs	Depth	Activity Description
PH	P	RW	0000	0330	3.50	1881.0m	Wash and ream from 1617m to 1833m. Having to work bit through micro ledges. Observe mud saver valve leaking oil. Unable to continue in the hole.
PH	TP	TO	0330	0430	1.00	1881.0m	Pull back to shoe to repair mud saver valve.
PH	TP	RO	0430	0630	2.00	1881.0m	Repair Tesco mud saver valve test ok.
PH	TP	TI	0630	0830	2.00	1881.0m	RIH f/- 9 5/8 casing shoe to 1881m. Wash down last stand.
PH	TP	CHC	0830	0930	1.00	1881.0m	Pump 20bbls baralift sweep and circulate hole clean . Excessive cutting coming over the shakers. continue to circulate clean. SPP reduced 200psi after cleaning hole.
PH	P	DM	0930	1430	5.00	1920.0m	Continue to Drill 8 1/2 hole f/- 1881m to 1920m
PH	P	RS	1430	1500	0.50	1920.0m	Rig service (top drive)
PH	P	DM	1500	2400	9.00	1986.0m	Continue to drill 8 1/2 hole f/-1920m to 1986m. Pump sweeps at the end and middle of each stand to help clean hole.

Operations For Period 0000 Hrs to 0600 Hrs on 18 Aug 2006							
Phse	Cls	Op	From	To	Hrs	Depth	Activity Description
PH		DM	0000	0600	6.00	2038.0m	Drill from 1986m to 2038m. Gpm 555. Spp 2788. RPM 140. WOB 22k. Mud Weight 10.5 ppg. Torque 7400 off-Btm 9100 On-Btm

General Comments	
Comments	Rig Requirements
Demin water for 7" cement job delivered.	

WBM Data		Cost Today \$ 11202			Cumulative Cost \$ 146632		
Mud Type: CI/PHPA/Glycol	Viscosity: 51sec/qt	API FL Loss: 5.8cc	CI	36000	Solids:	8.7	
Depth: 1881.0m	PV: 18cp	Filter Cake: 1/32nd"	K+:	6%	H2O:	88%	
Time: 09:15	YP: 32lb/100ft²	HTHP FL: 9.5cc	Hard/Ca:	320	Oil:		
Weight: 10.50ppg	Gels 10s/10m: 8 / 13	HTHP Cake: 2/32nd"	MBT:	5	Sand:	0.2	
Temp:	Fann (3/6/100):		PM:		pH:	9	
	9 / 11 / 31		PF:	0.05	PHPA:	0.50ppb	
Comment							

WBM Data		Cost Today			Cumulative Cost \$ 146632		
Mud Type: CI/PHPA/Glycol	Viscosity: 52sec/qt	API FL Loss: 5.8cc	CI	39000	Solids:	8.5	
Depth: 1978.0m	PV: 25cp	Filter Cake: 1/32nd"	K+:	6%	H2O:	88%	
Time: 22:30	YP: 32lb/100ft²	HTHP FL:	Hard/Ca:	300	Oil:		
Weight: 10.50ppg	Gels 10s/10m: 10 / 14	HTHP Cake:	MBT:	5	Sand:	0.2	
Temp: 136.0F°	Fann (3/6/100):		PM:		pH:	9	
	10 / 14 / 36		PF:	0.07	PHPA:	0.50ppb	
Comment: Increased 6 rpm rheology							

Shakers, Volumes and Losses Data				Engineer: Manfred Olejniczak / J.V.Babu			
Equipment	Description	Mesh Size	Available	Losses	Comment		
Centrifuge	DE 1000		1040.0bbl	58.0bbl			
Centrifuge	DE 1000		402.0bbl	48.0bbl			
Shaker 1	Derrick	Pyramid-210/210	428.0bbl				
Shaker 1	Derrick	Pyramid-210/210					
Shaker 2	Derrick	Pyramid-175/175	210.0bbl				
Shaker 2	Derrick	Pyramid-175/175					

Bit # 10			Wear	I	O1	D	L	B	G	O2	R	
Size: 8.500in	IADC#:		Nozzles		Drilled over last 24 hrs			Calculated over Bit Run				
Mfr: HYCALOG	WOB (avg): 2000.0klb		No.	Size	Progress: 105.0m			Cum. Progress: 105.0m				
Type: mt	RPM (avg): 140		3	20/32nd"	On Bottom Time: 11.06h			Cum. On Btm Time: 11.06h				
Serial #: EM2429	F.Rate: 560gpm					IADC Time: 11.00h			Cum. IADC Time: 11.00h			
Depth In: 1881.0m	SPP: 2650psi					Total Revs:			Cum. Total Revs: 0			
Depth Out:	HSI: 6.30HSI					ROP (avg): 9.49 m/hr			Overall ROP (avg): 9.49 m/hr			
Bit Model: TC11P	TFA: 0.920											

<b>BHA # 12</b>							
Wt. Below Jars Dr	5860.0klb	Length:	185.2m	Torque (max):	15500ft-lbs	DC (1) Ann Vel.:	0fpm
Weight Dry:	54529.0klb	String Weight:	92000.0klb	Torque On Btm:	7100ft-lbs	DC (2) Ann Vel.:	0fpm
Type:	Rotary Steerable	Pick-Up Weight:	110000.0klb	Torque Off Btm:	6800ft-lbs	HWDP Ann. Vel.:	264fpm
		Slack-Off Weight:	73000.0klb			DP Ann. Vel.:	264fpm

#	Equipment	Tool Description	Length	O.D.	I.D.	Serial #	Hours
1	Bit		0.41m	8.50in		EM2429	11.06h
2	Near Bit Stab		0.40m	8.50in	2.75in	10625874	11.06h
3	9600 Geo-Pilot		7.08m	8.50in	1.92in	GP850085	28.66h
4	Geo-Pilot NM Flex Joint w/-DM		2.81m	6.75in	1.92in	CP1004338	28.66h
5	6-3/4		8.49m	6.75in	1.92in	DM90108295	28.66h
6	MWD		9.18m	6.75in	1.92in	DM90107112	28.66h
7	Non Mag Hang Off Sub		3.05m	6.75in	1.92in	10635033	24.66h
8	Float Sub		0.63m	6.44in	2.75in	A225	28.66h
9	X/O		0.35m	6.25in	3.00in	M1623	68.16h
10	HWDP		86.05m	6.25in	2.81in		66.60h
11	Drilling Jars		9.95m	6.50in	2.75in	176020301	123.66h
12	HWDP		57.17m	6.25in	2.81in		68.66h

<b>Survey</b>										
MD (m)	Incl. (deg)	Corr. AZ (deg)	TVD (m)	'V' Sect.	Dogleg (deg/100ft)	N/S (m)	E/W (m)	Departure	Deviation	Tool Type
1880.03	44.71	114.61	962.9	-677.56	11.57	-677.56	1250.25	1422.04	118.5	MWD
1908.97	41.14	113.88	984.1	-685.65	12.45	-685.65	1268.21	1441.70	118.4	MWD
1937.90	37.77	114.06	1006.4	-693.12	11.66	-693.12	1285.01	1460.02	118.3	MWD
1966.87	33.71	114.22	1029.9	-700.04	14.02	-700.04	1300.45	1476.90	118.3	MWD
1995.76	30.31	114.36	1054.4	-706.34	11.77	-706.34	1314.41	1492.17	118.3	MWD

<b>Bulk Stocks</b>						
Name	Unit	In	Used	Adjust	Balance	
Barite	sx	0	76	0	-16.0	
KCl	sx	0	40	0	-490.0	
Salt	sx	0	0	0	0.0	
Gel	sx	0	10	0	230.0	
Potable Water	ltr	20000	7000	0	51,000.0	
Rig Fuel	ltr	16520	6800	0	34,920.0	
Camp Fuel	ltr	0	350	0	4,400.0	

<b>Pumps</b>										
Pump Data - Last 24 Hrs							Slow Pump Data			
No.	Type	Liner (in)	SPM	Eff. (%)	Flow (gpm)	SPP (psi)	SPM	SPP (psi)	Depth (m)	MW (ppg)
1	National - 8P-80	5.50	77	97	555	2800	43	250	1986.0	10.50
2	National - 8P-80	5.50	77	97	555	2800	62	350	1986.0	9.90
3	National - 8P-80	5.50	77	97	555	2800	62	350	1986.0	10.50
4	IDECO - T1000									

<b>HSE Summary</b>				
Events	Date of Last	Days Since	Description	Remarks
Pre-Tour Meetings	17 Aug 2006	0 Days	Incident free days 402/TRI 18Days	Held 2 x pre tour safety meeting .Topics discussed .Working in hazardous weather conditions.Using manrider.PTW System