

19 Aug 2006

From : Troy Reid/Conway Waak
To : Bob Goosem/ Brian King/James Hinton

Well Data				Town Side QC Done	
Drill Co.:	Ensign	Midnight Depth (MD):	2202.0m	Current Hole Size:	8.500in
Rig:	Ensign 32	Midnight Depth (TVD):	1251.0m	Casing O.D.:	9.625in
Prognosed TD:	2350.0m	Progress:	122.0m	Shoe TVD:	803.0m
RT-GL:	5.90m	Days From Spud:	21.81	F.I.T. / L.O.T.	/ 16.70ppg
GL Elev.:	2.71m	Days On Well:	38.75	Rig Move Distance	1800+/- k's
Current Op's @ 0600 20 Aug 2006 :		Drilling ahead at 2250m.			
Planned Operations for 20 Aug 2006 :		Drill ahead to TD at approx 2320m. Circ hole clean. Pooh for for GEO-TAP.			

Summary of Period 0000 to 2400 Hrs

Repair hyd motor on top drive.
Wash and ream to 2080.
Circ hole clean.
Drill ahead.
Top of Latrobe Coarse Clastics at 2124.5m md (1175.6m tvd). 13 ohms max res, max gas 8u, Flour 5%
Top of Latrobe N. Asperus (Coal) 2196m md (1247m tvd).

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		
3	Latrobe Coarse Clastics	2124.5	1171.8	1175.6	
4	Latrobe N Asperus (Coal)	2196.0	1237.5	1247	

Operations For Period 0000 Hrs to 2400 Hrs on 19 Aug 2006

Phse	Cls	Op	From	To	Hrs	Depth	Activity Description
PH	TP	RO	0000	0030	0.50	2080.0m	Finish replacing hydraulic motor on top drive.
PH	TP	TI	0030	0200	1.50	2080.0m	Lay down circ swedge. RIH with 1 stand to 1601m. Top drive hydraulic malfunction. POOH into casing.
PH	TP	RO	0200	0400	2.00	2080.0m	Repair unloader valve on top drive.
PH	P	TI	0400	0500	1.00	2080.0m	RIH. Wash and ream 6 stands to bottom (1763m).
PH	P	TI	0500	0600	1.00	2080.0m	Circulate and condition mud due to excessive cutting. Hole unloading.
PH	P	RW	0600	0830	2.50	2080.0m	Continue to wash and ream f/- 1763m to 2080m (4m fill).
PH	P	CMD	0830	0900	0.50	2080.0m	Pump sweep at 2080m and circulate clean prior to drilling out.
PH	P	RS	0900	0930	0.50	2080.0m	Continue to circulate while performing rig service.
PH	P	DM	0930	2400	14.50	2202.0m	Continue to drill drill 8 1/2 hole w/- geo pilot. Top Lotrobe Course Clastics 2124.5m max resistivity 13 ohms. Max gas 8 units, fluoro 5%. Drill thru coal bed from 2173m to 2202m. Drill from 2080m to 2202m, 14.5 hrs, Rop: 8.4 m/hr, PP: 2690 psi, GPM: 550, RPM: 70, WOB: 20-30

Operations For Period 0000 Hrs to 0600 Hrs on 20 Aug 2006

Phse	Cls	Op	From	To	Hrs	Depth	Activity Description
PH		DM	0000	0600	6.00	2315.0m	(IN PROGRESS) Drill from 2202m to 2315m. WOB: 20/30, RPM: 70, GPM: 550, PP: 2650, Rop: 14 m/h, Gas 33 units. Pump baralift sweeps as required.

WBM Data		Cost Today \$ 19121				Cumulative Cost \$ 169951	
Mud Type: CI/PHPA/Glycol	Viscosity: 65sec/qt	API FL Loss: 5.9cc	CI	37000	Solids:	8.6	
Depth: 2080.0m	PV: 24cp	Filter Cake: 1/32nd"	K+:	6%	H2O:	88%	
Time: 10:00	YP: 39lb/100ft²	HTHP FL: 11.4cc	Hard/Ca:	360	Oil:		
Weight: 10.50ppg	Gels 10s/10m: 9 / 18	HTHP Cake: 2/32nd"	MBT:	9	Sand:	0.3	
Temp:	Fann (3/6/100):		PM:		pH:	9	
	11 / 15 / 38		PF:	0.05	PHPA:		
Comment Added Baracarb for Latrobe and Barablok for coals.							

WBM Data		Cost Today				Cumulative Cost \$ 169951	
Mud Type: CI/PHPA/Glycol	Viscosity: 60sec/qt	API FL Loss: 5.4cc	CI	38000	Solids:	8.6	
Depth: 2180.0m	PV: 26cp	Filter Cake: 1/32nd"	K+:	6%	H2O:	88%	
Time: 21:30	YP: 38lb/100ft²	HTHP FL: 8.4cc	Hard/Ca:	220	Oil:		
Weight: 10.45ppg	Gels 10s/10m: 9 / 13	HTHP Cake: 2/32nd"	MBT:	8.4	Sand:	0.3	
Temp: 135.0F°	Fann (3/6/100):		PM:		pH:	9	
	10 / 13 / 36		PF:	0.18	PHPA:		
Comment							

Shakers, Volumes and Losses Data				Engineer: Manfred Olejniczak / J.V.Babu			
Equipment	Description	Mesh Size	Available	Losses	Comment		
Centrifuge	DE 1000		1038.0bbl	82.0bbl	Changed no1 shaker to 140 mesh for Baracarb additions.		
Centrifuge	DE 1000		406.0bbl	37.0bbl			
Shaker 1	Derrick	Pyramid-210/210	475.0bbl				
Shaker 1	Derrick	Pyramid-140/140					
Shaker 2	Derrick	Pyramid-175/175	157.0bbl				
Shaker 2	Derrick	Pyramid-175/175					
				15.0bbl			
				30.0bbl			

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): 25000.0klb		No.	Size	Progress: 122.0m		Cum. Progress: 321.0m					
Type: mt	RPM (avg): 70		3	20/32nd"	On Bottom Time: 12.37h		Cum. On Btm Time: 32.73h					
Serial #: EM2429	F.Rate: 560gpm				IADC Time: 14.50h		Cum. IADC Time: 36.50h					
Depth In: 1881.0m	SPP: 2680psi				Total Revs:		Cum. Total Revs: 0					
Depth Out:	HSI: 6.30HSI				ROP (avg): 9.86 m/hr		Overall ROP (avg): 9.81 m/hr					
Bit Model: TC11P	TFA: 0.920											

BHA # 12							
Wt. Below Jars Dry	35860.0klb	Length:	185.2m	Torque (max):	15500ft-lbs	DC (1) Ann Vel.:	0fpm
Weight Dry:	54529.0klb	String Weight:	105000.0klb	Torque On Btm:	8800ft-lbs	DC (2) Ann Vel.:	0fpm
Type:	Rotary Steerable	Pick-Up Weight:	120000.0klb	Torque Off Btm:	13400ft-lbs	HWDP Ann. Vel.:	264fpm
		Slack-Off Weight:	85000.0klb			DP Ann. Vel.:	264fpm

#	Equipment	Tool Description	Length	O.D.	I.D.	Serial #	Hours
1	Bit		0.41m	8.50in		EM2429	46.44h
2	Near Bit Stab		0.40m	8.50in	2.75in	10625874	46.44h
3	9600 Geo-Pilot		7.08m	8.50in	1.92in	GP850085	64.04h
4	Geo-Pilot NM Flex Joint w/-DM		2.81m	6.75in	1.92in	CP1004338	64.04h
5	6-3/4		8.49m	6.75in	1.92in	DM90108295	64.04h
6	MWD		9.18m	6.75in	1.92in	DM90107112	64.04h
7	Non Mag Hang Off Sub		3.05m	6.75in	1.92in	10635033	60.04h
8	Float Sub		0.63m	6.44in	2.75in	A225	64.04h
9	X/O		0.35m	6.25in	3.00in	M1623	103.54h
10	HWDP		86.05m	6.25in	2.81in		101.98h
11	Drilling Jars		9.95m	6.50in	2.75in	176020301	159.04h
12	HWDP		57.17m	6.25in	2.81in		104.04h

Survey										
MD (m)	Incl. (deg)	Corr. AZ (deg)	TVD (m)	'V' Sect.	Dogleg (deg/100ft)	N/S (m)	E/W (m)	Departure	Deviation	Tool Type
2082.29	19.06	112.80	1133.1	-720.60	10.48	-720.60	1347.06	1527.68	118.1	MWD
2111.13	15.99	111.60	1160.6	-723.88	10.72	-723.88	1355.09	1536.32	118.1	MWD
2139.98	13.10	108.53	1188.5	-726.39	10.36	-726.39	1361.89	1543.50	118.1	MWD
2168.79	9.86	104.21	1216.8	-728.03	11.63	-728.03	1367.38	1549.11	118	MWD
2197.64	6.92	99.24	1245.3	-728.91	10.49	-728.91	1371.49	1553.16	118	MWD

Bulk Stocks						
Name	Unit	In	Used	Adjust	Balance	
Barite	sx	0	0	0	-16.0	
KCl	sx	0	40	0	-530.0	
Salt	sx	0	0	0	0.0	
Gel	sx	0	0	0	230.0	
Potable Water	ltr	0	7000	0	36,000.0	
Rig Fuel	ltr	0	7200	0	42,620.0	
Camp Fuel	ltr	0	350	0	7,750.0	

Pumps										
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	71	97	550	2550	42	300	2202.0	10.50
2	National - 8P-80	5.50	71	97	550	2550	60	400	2202.0	10.50
3	National - 8P-80	5.50	71	97	550	2550	42	300	2202.0	10.50
4	IDECO - T1000						60	400		

HSE Summary				
Events	Date of Last	Days Since	Description	Remarks
Pre-Tour Meetings	19 Aug 2006	0 Days	Incident free days 404/TRI 20Days	Held 2 x pre tour safety meeting .Topics discussed .House keeping. drilling through production zone.