

**DAILY GEOLOGICAL REPORT**

Date:	03 August 2009	Rig:	Ocean Patriot
Report Number:	11	Bit Diameter:	216 mm
Report Period:	00:00 - 24:00 Hours	Last Casing:	244 mm @ 2910.9 mMDRT
Spud Date:	22-Jul-2009 03:00 Hours	FIT:	1.56 sg EMW @ 2910.9 mMDRT
Days From Spud:	12.9	Mud Weight:	1.14 sg
Depth @ 2400 Hrs:	3537 mMDRT	ECD:	
	2977 mTVDRRT	Mud Type:	KCl-KlaStop-Polymer
	2955.5 mTVDMSSL	Mud Chlorides:	44,500 mg/L
Lag Depth:	3531 mMDRT	Est. Pore Pressure:	
Last Depth:	3448 mMDRT	DXC:	
Progress:	89 m	Last Survey:	3531 mMDRT
Water Depth:	154.2 m	Deviation:	Inc. 35.10°
RT:	21.5 m		Az. 152.89°

OPERATIONS SUMMARY

24 HOUR SUMMARY: Ran in hole to 3448 mMDRT. Drilled 216 mm (8 1/2") hole from 3448 to 3537 mMDRT. Pulled out of hole to surface to replace downhole mud motor. Downloaded LWD memory data, made up new motor and ran in hole to 79 mMDRT.

NEXT 24 HOURS: Run in hole with bit and BHA. Drill 216 mm (8 1/2") hole to TD.

CURRENT OPERATION @ 06:00 HRS (04-Aug-2009): Running in hole at 2810 mMDRT.

GEOLOGICAL SUMMARY**LITHOLOGY**

INTERVAL: 3436 to 3448 mMDRT (-2873.7 to -2883.3 mTVDMSSL)
ROP (Range): 9 to 45 m/hr
Av. ROP: 25 m/hr

Not recovered due to a leak in the derrick goose neck standpipe. Bottoms-up not circulated out.

INTERVAL: 3448 to 3523 mMDRT (-2883.3 to -2944.1 mTVDMSSL)
ROP (Range): 8 to 183 m/hr
Av. ROP: 60 m/hr

ARGILLACEOUS SILTSTONE (59 to 79%) : dominantly medium grey to brownish grey, occasional light grey and very dark grey, soft to firm, occasional crumbly, amorphous to sub blocky, dispersive, 10 to 20% very fine quartz, trace pyrite, trace to 5% carbonaceous fragments and laminae.

SANDSTONE (20 to 40%) : translucent to opaque, medium light grey to brown grey, dominantly friable to firm, loose, very fine to coarse, dominantly fine, trace to occasional 10% medium, trace to occasional 5% coarse, sub-angular to rounded, poorly sorted, slightly spherical to slightly elongated, 10 to 20% light grey to very light brown grey siliceous clay, trace pyrite, poor visible to occasional fair inferred porosity, no shows.

COAL (1 to 3%) : black, occasional brown black, sub-bituminous to bituminous, firm to moderately hard, brittle, blocky to occasional sub-fissile, dull to vitreous lustre, occasional sub-conchoidal fracture.



INTERVAL: 3523 to 3531 mMDRT (-2944.1 to -2950.6 mTVDMSL)
ROP (Range): 17 to 69 m/hr
Av. ROP: 37 m/hr

ARGILLACEOUS SILTSTONE (50 to 79%) : dominantly medium grey to brownish grey, occasional light grey and very dark grey, soft to firm, occasional crumbly, amorphous to sub blocky, dispersive, 10 to 20% very fine quartz, trace pyrite, trace to 5% carbonaceous fragments and laminae.

SANDSTONE (20 to 50%) : translucent to opaque, medium light grey to brown grey, dominantly friable to firm, loose, very fine to coarse, dominantly fine, 10% medium, trace to 3% coarse, sub-angular to rounded, poorly sorted, slightly spherical to slightly elongated, 10 to 20% light grey to very light brown grey siliceous clay, trace pyrite, poor visible to fair inferred porosity, trace shows, see below.

COAL (Trace to 2%) : black, occasional brown black, sub-bituminous to bituminous, firm to moderately hard, brittle, blocky to occasional sub-fissile, dull to vitreous lustre, occasional sub-conchoidal fracture.

HYDROCARBON FLUORESCENCE

3523 to 3531 mMDRT: Trace very dull green yellow spotted to patchy fluorescence with a very weak diffuse to very slow streaming cut fluorescence and a thin dull green yellow ring residue.

GAS SUMMARY

Background Gas							
INTERVAL (mMDRT)	Total Gas (%)	C1 (ppm)	C2 (ppm)	C3 (ppm)	iC4 (ppm)	nC4 (ppm)	C5 (ppm)
3448 - 3523	0.11	588	91	45	6	10	6
3523 - 3531	0.11	571	97	49	7	12	6

SAMPLE QUALITY

Good sample quality and quantity

MUDLOGGING EQUIPMENT / PERSONNEL

2 Data Engineers, 2 Mudloggers, 2 Sample Catchers on board

2 Flair Engineers on board.

MWD

2 Directional Drillers, 3 LWD Engineers on board.

Sensor distances behind the bit:

Gamma Ray 11.04 m
 Resistivity 11.57 m
 Direction 17.54 m

WIRELINE

2 Engineers, 5 Operators on board.



PROVISIONAL FORMATION TOPS

Formation Name	Prognosed Depths			Actual Depths			Diff. TVT (m)	Picks Based On
	MD (m)	TVDRT (m)	TVDMSL (m)	MD (m)	TVDRT (m)	TVDMSL (m)		
Gippsland Limestone	176.5	176.5	(155)	175.7	175.7	(154.2)	0.8 H	
Lakes Entrance Fm	2094.8	1816.4	(1794.9)	2100	1824.4	(1802.9)	8 L	Subtle change in lithology
Top Latrobe Group	2501.2	2142.3	(2120.8)	2495	2137.4	(2115.9)	4.9 H	Increase in GR & RES
K2 Sandstone Marker (revised)	3034	2572.5	(2551)	3054	2588	(2566.5)	15.5 L	GR & RES drop
Zone 0	3545.4	2985.4	(2963.9)				-	
Zone 2	3658.1	3076.3	(3054.8)				-	
Zone 6	3835.3	3219.1	(3197.6)				-	
Top Volcanics	3901	3272	(3250.5)				-	
Total Depth	3951	3312.3	(3290.8)				-	

SURVEY DATA

MD (m)	Inc (°)	Azi (°)	TVD (m)	TVDSS (m)	V.Sec (m)	Dogleg (°/30m)	E/W (m)	N/S (m)
3462.8	36.52	1522	2916.7	2895.2	1712.16	1.24	827.29	-14994
3492.1	35.78	152.89	2940.3	2918.8	1729.42	0.92	835.28	-1514.35
3500.3	35.47	152.89	2947	2925.5	1734.21	1.13	837.46	-1518.62

REMARKS

Samples from 3531 to 3537 mMDRT were not circulated up due to drillstring packing off – unable to pump. Required pulling out of hole to replace failed downhole mud motor.

Note K2 Sandstone revised tops, based on geophysical review.

WELLSITE GEOLOGISTS

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