

Daily Drilling Report

<b>WELL NAME</b> ELVER-1							<b>DATE</b> 01-01-2009		
<b>API #</b> OH		<b>24 HRS PROG</b> 0.00 (m)		<b>TMD</b> 3,248.90 (m)		<b>TVD</b> 2,497.93 (m)		<b>REPT NO</b> 15	
<b>RIG NAME NO</b> OCEAN PATRIOT		<b>FIELD NAME</b> ELVER		<b>AUTH TMD</b>	<b>PLANNED DOW</b> 36.40 (days)		<b>DOL</b> 14.79 (days)	<b>DFS / KO</b> 12.27 (days)	<b>WATER DEPTH</b> 504.90 (m)
<b>SPUD DATE</b> 21-12-2008	<b>Rig Release</b>		<b>WELL SUPERVISOR</b> PAT BROWN / DAVID SYMINGTON			<b>OIM</b> DENNIS GORE		<b>PBTMD</b>	
<b>REGION</b> AUSTRALIA		<b>DISTRICT</b> OFFSHORE		<b>STATE / PROV</b> VICTORIA		<b>RIG PHONE NO</b> (08) 9338 5640		<b>RIG FAX NO</b>	
<b>AFE # 09408EF5</b>		<b>AFE COSTS</b>			<b>DAILY COSTS</b>			<b>CUMULATIVE COSTS</b>	
<b>DESCRIPTION:</b> Directional Exploration Well		DHC: 38,786,601			DHC: 1,064,795			DHC: 17,550,746	
		DCC:			DCC:			DCC:	
		CWC:			CWC:			CWC:	
		Others:			Others:			Others:	
		TOTAL: 38,786,601			TOTAL: 1,064,795			TOTAL: 17,550,746	
<b>DEFAULT DATUM / ELEVATION</b> WELL / 21.50 (m)			<b>LAST SAFETY MEETING</b> 1/01/2009		<b>BLOCK</b> VIC-P59		<b>FORMATION</b>		<b>BHA HRS OF SERVICE</b> 1.50
<b>LAST SURVEY</b>				<b>LAST CSG SHOE TEST (EMW)</b>		<b>LAST CASING</b>		<b>NEXT CASING</b>	
<b>MD</b>	3,248.91 (m)	<b>INC</b>	47.50°	<b>AZM</b>	192.00°	1.32 (sg)	244.000 mm @ 3,243.9 m		

**CURRENT OPERATIONS:** POH 127mm (5") DP at 2615m to change out MWD tools.

**24 HR SUMMARY:** Completed slip & Cut and changed out kelly hoses. Ran wear bushing. P/U and RIH 216mm (8-1/2") BHA. P/U and RIH 127mm (5") HWDP and DP. Function tested LPR's. RIH BHA and tagged TOC. Drilled plugs & F/C.

**24 HR FORECAST:** Drill out & conduct FIT. POH for failed MWD tools. RIH and directionally drill 8-1/2" hole.

OPERATION SUMMARY

From	To	HRS	Phase	Operation	PT/NPT	NPT CODES	ACTIVITY SUMMARY
0:00	0:30	0.50	P-DRL	CUTDL	PP		Completed slip and cut.
0:30	1:30	1.00	P-DRL	RIGSER	PP		Serviced TDS and changed out casing bails to drilling bails. Offline: Commenced rigging up to change kelly hoses.
1:30	6:00	4.50	P-DRL	RIGSER	PN	MP	Removed SP1 kelly hose from TDS. Made up SP2 kelly hose to TDS swivel packing goosneck. Completed rigging up chain-falls over SP2 gooseneck. Broke hammer union and inserted pressure gauge T-piece. Made up SP2 kelly hose to T-piece and confirmed line up through standpipe manifold. Attached pressure gauge electric leads and checked same - OK. Rigged up surface lines to cement manifold and pressure tested SP2 kelly hose to 2,069 (300psi) Low and 34,475kPa (5000psi) High with Dowell - OK. Rigged down surface lines.
6:00	8:00	2.00	P-DRL	WBUSH	PP		Picked up wear bushing running tool and made up wear bushing. RIH and landed same in HPWHH at 522m. Set down 4.5MT (10klbs) to confirm landed and applied a 4.5MT (10klbs) overpull to confirmed latched. Released running tool with 1/4 turn.
8:00	9:30	1.50	P-DRL	WBUSH	PP		POH from 522m to surface. Laid out wear bushing running tool to pipe deck.
9:30	12:30	3.00	P-DRL	TRIPBHA	PP		Held JSA. Picked up and made up 171mm (6-3/4") LWD BHA consisting of Xceed 675 RST, Ecoscope, Telescope MWD, GVR6 and SonicVision 675. Made up new 216mm (8-1/2") PDC bit and RIH same to 36m. Picked up and RIH 203mm (8") DC's and 127mm (5") HWDP from derrick to 95m. Shallow tested MWD with 1.63m <sup>3</sup> /min (430gpm) and 4,137kPa (600psi) - OK, good pulse detected at surface.
12:30	13:30	1.00	P-DRL	PU_LD	PP		Changed out drilling jar and RIH 127mm (5") HWDP from derrick from 104m to 240m. Picked up 6 x 127mm (5") HWDP singles from pipe deck and RIH.
13:30	16:00	2.50	P-DRL	PU_LD	PP		Picked up and RIH 127mm (5") DP singles from pipe deck from 346m to 922m. Ave tripping speed 230m/hr.
16:00	16:30	0.50	P-DRL	BOPS	PP		Function tested LPR's on both pods - OK.
16:30	20:00	3.50	P-DRL	PU_LD	PP		Picked up and RIH 127mm (5") DP singles from pipe deck from 922m to 1787m. Ave tripping speed 247m/hr.
20:00	22:30	2.50	P-DRL	TRIP	PP		RIH 127mm (5") DP from derrick from 1787m to 3196m. Ave tripping speed 564m/hr.
22:30	0:00	1.50	P-DRL	DRLCMT	PP		Made up TDS and washed down to tag TOC at 3217m. Commenced drilling on cement wiper plugs and float collar. Displaced well to 1.13SG (9.4ppg) WBM. Hole exhibited signs of packing off with pressure and WOB increases. Worked pipe as required until pre-tag parameters were re-established.

24.00 = Total Hours Today

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06:00 UPDATE

0000-0600 00:00 - 00:30hrs: Continued to drill out float collar. Note: Lost communication with Telescope MWD - no pulse observed at surface.  
 00:30 - 02:00hrs: Drilled out cement in shoe track and float shoe. Cleaned out rathole to 3249m and drilled 3m new formation to 3252m. Reamed through shoe track 3 times to confirm clear. Torque and drag through shoe track good, but 2,758kPa (400psi) pressure fluctuations observed while reaming.  
 02:00 - 02:30hrs: Continued to circulate at 2.99m<sup>3</sup>/min (790gpm) and 27,925kPa (4050psi) until pressure stabilised. Recorded string weights: 127MT (280klbs) Up, 83.9MT (185klbs) Down, 99.8MT (220klbs) Rotating.  
 02:30 - 03:00hrs: Lined up Dowell to standpipe manifold and down choke and kill lines. Confirmed circulation path and shut-in well on MPR's. Conducted FIT with 1.15SG (9.55ppg) to 11,087kPa (1608psi) surface pressure - 1.6SG (13.3ppg) EMW.  
 03:00 - 04:00hrs: Opened MPR's and recorded SCR's. Drilled 216mm (8-1/2") hole from 3252m to 3253m while troubleshooting Telescope MWD - unsuccessful. Pulled back inside casing to 3235m and continued to troubleshoot MWD while discussing options with Perth Office.  
 04:00 - 06:00hrs: POH 127mm (5") DP on elevators from 3235m to 2962m - observed 36.3MT (80klbs) overpull. Made up TDS and dry rotated out of hole to 2945m with persistent 13.6MT (30klbs) overpull. Continued to POH to 2615m with excess drag.

HSE: No accidents, incidents or pollution reported.  
 Total Stop cards - 90 (33 unsafe, 57 safe). JSA - 30, PTW - 9.

BIT DATA

BIT / RUN	SIZE (mm)	MANUFACTURER	TYPE	SERIAL NO	JETS OR TFA	DEPTH IN / DATE IN	I-O-D-L-B-G-O-R
4 / 1	216.0	SMITH	Mi716VWEBP X	JY7487	7x13	3,248.90 / 01-01-2009	-----

BIT OPERATIONS

BIT / RUN	WOB	RPM	FLOW	PRESS	P BIT	HRS	24 Hr PROG	24 HR ROP	CUM HRS	CUM PROG	CUM ROP
4/1	2/9	40/95	2,376.10	20,099	2886	1.00	0.50	0.5	1.00	0.50	0.5

LCM: 0 MUD PROPERTIES MUD TYPE: KCL/POLYMER

VIS (s/l)	PV/YP (cp) / (Pa)	GELS (Pa)	WL/HTHP (ml/30 min)	FC/T.SOL (mm) / (%)	OIL/WAT (%)	% SAND/MBT (%) / (sg)	pH/Pm (mL)	Pf/Mf (mL)	Cl (ppm)	Ca (ppm)	H2S (%)	KCL (ppm)	LGS (%)
59	16/18	4/5	5/0	1/9	0/0	0/3	10.00/0.00	1.60/3.00	48,000	90	0	0	5

Density (sg)	ECD (sg)	PP	DAILY COST	CUM COST	%OIL
1.13	0.00	PP	82,690	367,678	2

BHA	JAR S/N	BHA / HOLE CONDITIONS	JAR HRS	BIT
4	17605011		1.50	4

BHA WT BELOW JARS	STRING WT UP	STRING WT DN	STRING WT ROT	TORQUE/UNITS	BHA LENGTH
14 (tonne)	127 (tonne)	86 (tonne)	100 (tonne)	38 (kN-m)	346.62 (m)

ITEM DESCRIPTION	NO JTS	LENGTH	O.D	I.D	CONN SIZE	CONN TYPE
Heavy Weight Drill Pipe	26	242.35	127.00	79.38		
Hydraulic Jar	1	9.92	165.10	69.85		
Heavy Weight Drill Pipe	3	28.16	127.00	79.38		
Drill Collar	3	28.22	171.45	69.85		
Integral Blade Stabilizer	1	1.78	212.73	76.20		
Logging While Drilling	1	8.11	190.50	92.08		
Logging While Drilling	1	3.56	212.85	82.55		
Logging While Drilling	1	8.48	175.01	82.55		
Logging While Drilling	1	8.04	209.55	76.20		
Steering Tool	1	7.66	212.73	76.20		7 5/8 REG
Polycrystalline Diamond Bit	1	0.34	216.00	76.20		

SURVEY

TYPE	MD (m)	DEG (°)	AZI (°)	TVD (m)	+N/-S (m)	+E/-W (m)	V.SECT (m)	D.L (°/30m)
Tie On	3,248.91	47.50	192.00	2,497.93	-1,721.49	-332.56	1,753.32	0.00

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## CASING

S/T	DESCRIPTION	SIZE	WEIGHT	GRADE	SETTING DEPTH
OH	SURFACE	340.00	178.58	X 56	1,735.93
OH	CONDUCTOR	762.00			573.00
OH	INTERMEDIATE 1	244.00	69.94	X 56	3,243.90

## MUD PUMPS/HYDRAULICS

## SPR

	STROKE	SPM	LINER	FLOW	SPP: 20,099 (kPa)		SPM	PPSR
# 1	304.80	56	152.40	915	HP: 0.312 (kW/cm <sup>2</sup> )			
# 2	304.80	50	152.40	817				
# 3	304.80	41	152.40	670				

## PERSONNEL DATA

COMPANY	QTY	HRS	COMPANY	QTY	HRS
BHI	6		KEMTECH	2	
APACHE	5		VETCO	1	
DOWELL	3		DODI	61	
WEST ENGINEERING	2		BJ TRS	2	
ANADRILL	5		SUBSEA 7	3	
BRANDT	1				

TOTAL PERSONNEL ON BOARD: 91

## SUPPORT CRAFT

TYPE	REMARKS
HELICOPTER	JYN (Pax On - 9, Pax Off - 10).
FAR SKY	Enroute to Geelong.
SWISSCO 168	On Location.
YARABAH	Geelong.
FAR GRIP	On Location.

## MATERIALS/CONSUMPTION

ITEM	UNITS	USAGE	ON HAND	ITEM	UNITS	USAGE	ON HAND
BARITE BULK	MT		103	BENTONITE	MT		26
CEMENT	MT		16	DIESEL	m3		344
WATER, POTABLE	m3	25	359	WATER, DRILLING	m3	47	631

## WEATHER

TIME	SWELL HT/DIR/PER	WAVE HT/DIR/PER	WIND SPEED/DIR	GUST SPEED/DIR	TEMP
00:00	/ /240.00/3	4.00/240.00/12	/	24.7/240.00	

## DECKLOG

MAX VDL	ACT VDL	AVG VDL	LEG PEN (BOW)	LEG PEN (PORT)	LEG PEN (S BOARD)
2560	1968	1968			

## SAFETY DRILLS

RAMS (kPa)	ANNULARS (kPa)	CASING	LAST BOP DRILL	NEXT BOP PRESS TEST	FIRE DRILL	H2S DRILL	MAN OVERBRD	ABND. DRILL
28-12-2008 / 34,475	28-12-2008 / 34,475	27-12-2008 / 17,237	22-12-2008	05-01-2009	28-12-2008			28-12-2008

## INCIDENT REPORT

INCIDENTS TYPE NONE LOST TIME? NO INCIDENTS DESCRIPTION

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## ANCHOR TENSION DATA

ANCHOR NO	CURRENT TENSION	ANCHOR NO	CURRENT TENSION	ANCHOR NO	CURRENT TENSION
1	190	2	182	3	179
4	157	5	169	6	162
7	212	8	202	9	
10		11		12	

## MUD INVENTORY

ITEM	UNIT	USAGE	Day Cost (\$)	ON HAND
CALCIUM CHLORIDE 74-77%	25.00 kg		0.00	69.00
CAUSTIC SODA - NaOH	25.00 kg		0.00	17.00
POLYSAI	25.00 kg		0.00	74.00
CITRIC ACID	25.00 kg		0.00	116.00
KLA STOP	55.00 gal		0.00	16.00
LIME	25.00 kg		0.00	0.00
FLOWZAN	25.00 kg	14.00	3,812.62	205.00
KCL BRINE (1.15SG)	1.00 bbl	628.00	61,631.92	0.00
GUAR GUM	25.00 kg		0.00	0.00
CIRCAL 60/16	25.00 kg	48.00	849.12	340.00
STAR GLIDE	208.00 l		0.00	20.00
SAPP	25.00 kg		0.00	35.00
STAR GLIDE	55.00 gal		0.00	4.00
DEFOAM A	5.00 gal		0.00	13.00
BENTONITE	1.00 MT		0.00	24.00
SODIUM BICARBONATE - NaHCO3	25.00 kg	3.00	53.58	47.00
OMYACARB 10	25.00 kg		0.00	0.00
DRISPAC SL	50.00 lbs	67.00	8,186.73	123.00
SOLTEX	50.00 lbs	78.00	6,916.26	202.00
SODA ASH- SOD.CARBONATE-Na2CO3	25.00 kg		0.00	10.00
CIRCAL 1000	25.00 kg		0.00	96.00
NUT PLUG	50.00 lbs		0.00	14.00
KCL (1.0 MT)	1.00 MT		0.00	8.00
KWIKSEAL (M)	40.00 lbs		0.00	108.00
CIRCAL Y	25.00 kg		0.00	96.00
SAFE-CIDE	25.00 l	3.00	302.07	15.00
KWIKSEAL (F)	40.00 lbs		0.00	72.00
POLYPLUS	25.00 kg	11.00	937.64	8.00
BARITE (bulk)	1.00 MT		0.00	104.00