Australian Drilling Associates Pty Ltd ADA

28 May 2008

From: B Openshaw/S Schmidt
To: R Oliver

DRILLING MORNING REPORT # 4
Garfish-1

Well Data

Country	Australia	MDBRT	132.0m	Cur. Hole Size	36.000in	AFE Cost	AUD$30,111,800
Field	Garfish / Longtom	TVDBRT	132.0m	Last Casing OD		AFE No.	Garfish-1
Drill Co.	Seadrill	Progress	35.8m	Shoe TVDBRT		Daily Cost	AUD$884,100
Rig	West Triton	Days from spud	0.44	Shoe MDBRT		Cum Cost	AUD$8,604,600
Wtr Dpth(MSL)	56.3m	Days on well	3.06	FIT/LOT:	/		
RT-ASL(MSL)	39.9m	Planned TD MD	2480.0m	Current Op @ 0600	WOC.		
RT-ML	96.2m	Planned TD TVDRT	2522.9m	Planned Op	Back out running tool from 30in conductor. Lower Texas deck. Layout 36in BHA. Pick up and make up clean out assembly. Drill out shoe track. POOH. Change bit and drill ahead 17.5in hole.		

Summary of Period 0000 to 2400 Hrs

Picked up and racked back 4 stands of drill pipe, 1 stand of 8.25in DC, cement stand and well head running tool. RIH and tag seabed at 96.25m MSL. Spud well at 13.30hrs. Drilled to 132m. POOH. Rigged up and ran 30in conductor to 33m. Made up running tool and continue to RIH.

HSE Summary

Events	Num. Events	Days Since	Descr.	Remarks
Abandon Drill		3 Days		Abandon ship drill.
First Aid		0 Days		
Incident		0 Days		
Near Miss		0 Days		
PTW issued	13	0 Days		
Safety Meeting	2	3 Days		
STOP Card	29	0 Days		
ToolBox Talk	5	0 Days	Held Tool box talk with crews for related tasks.	

Operations For Period 0000 Hrs to 2400 Hrs on 28 May 2008

Phse	Cls (RC)	Op	From	To	Hrs	Depth	Activity Description
P2	P	G2	0000	0400	4.00	0.0m	Picked up total of 4 stands of 5.5in drill pipe. Picked up 1 stand of 8in drill collars. Picked up, made up and racked back in derrick cementing stand and 30in casing running tool.
P2	P	G2	0400	0700	3.00	0.0m	Picked up and made up 36in BHA and racked back in derrick.
P2	P	G1	0700	1100	4.00	0.0m	Held JSA, rigged up and removed stairway from Texas deck, raised Texas deck and secured same.
P2	P	G1	1100	1130	0.50	0.0m	Rigged down slings and installed elevators.
P2	P	G8	1130	1330	2.00	96.3m	Made up 36in BHA. Observed tagging of seabed with ROV. RT/Seabed = 96.25m, RT/MSL = 39.85, Water Depth = 56.30 (MSL)
P2	P	D2	1330	1500	1.50	132.0m	Spudded Garfish-1 at 13.30 hrs. Drilled ahead from 96.25m - 132m.
P2	P	F4	1500	1600	1.00	132.0m	Swept hole with 200 bbls Hi-vis. Displaced hole to inhibited mud.
P2	P	G8	1600	1730	1.50	132.0m	POOH and racked back BHA.
P3	P	G1	1730	1830	1.00	132.0m	Held JSA and rigged up 30in casing equipment.
P3	P	G9	1830	2100	2.50	132.0m	Run 30in conductor to 33m. Checked float shoe.
P3	P	G1	2100	2200	1.00	132.0m	Rigged down 30in casing equipment. Changed to drilling bails and 5.5in elevators.
P3	P	G9	2200	2400	2.00	132.0m	Picked up and made up 30in casing running tool to casing. Installed bulleyes and cementing funnel.

Operations For Period 0000 Hrs to 0600 Hrs on 29 May 2008

Phse	Cls (RC)	Op	From	To	Hrs	Depth	Activity Description
P3	P	G9	0000	0130	1.50	132.0m	Lowered 30in conductor to sea level, filled casing with sea water and closed valve on running tool. RIH to 94m. Jumped ROV. Attempted to observe stab into well with ROV. Currents too strong. Retreived ROV. Stabbed into well and continued to RIH with conductor to 127.76m
P3	P	F3	0130	0230	1.00	132.0m	Rigged up cement lines, pumped 10 bbl/s sea waterand tested lines to 1000 psi held pressure for 5 mins. Mixed and pumped 150 bbls "G" cement slurry at 15.80 ppg and

Printed on 29 May 2008

Phse	Cls (RC)	Op	From	To	Hrs	Depth	Activity Description
							displaced with 24 bbls sea water. Differential pressure at end of displacement = 55 psi. Checked flow back: 1 bbl returned. Shoe set at 127.76m. Top 30in conductor at 93.90m.
P3	P	F7	0230	0600	3.50	132.0m	Wait on cement.

Operations For Period Hrs to Hrs on

Phase Data to 2400hrs, 28 May 2008

Phase	Phase Hrs	Start On	Finish On	Cum Hrs	Cum Days	Max Depth
Mob/Demob(P1)	48	25 May 2008	27 May 2008	48.00	2.000	0.0m
Conductor(P2)	19	27 May 2008	28 May 2008	67.00	2.792	132.0m
Conductor Casing(P3)	6.5	28 May 2008	28 May 2008	73.50	3.063	132.0m

General Comments

00:00 TO 24:00 Hrs ON 28 May 2008

Operational Comments	West Triton Rig Equipment Concerns 1) Stb crane inoperable due to problem with slewing motor. 2) Port operates very slowly once hydraulic gets hot. This has a serious impact on operational efficiency. 3) Water maker output is not as described in rig equipment list and cannot meet daily demand for fresh water. This could cause rig to shut down if unable to take water form boat during bad weather. 4) There is only one TIW valve onboard. Contract states there should be two. 5) There is no spare IBOP. Contract states there should be two. Also no repair kits in stores, so rig even more exposed. 6) Cyber system unreliable. System suffers from intermittant crashes which can require remote intervention form NOV in Norway. This has serious safety & financial consequences. 7) Top drive rotating head has operating problems, to be able to rotate the IBOP must be operated first. This is impactting on operational efficiency as well as exposing the rig to spillage of WBM/ OBM should the valve be required to be operated when the Top drive is at monkey board level.
Operational Comments	Final Rig Position Fix 38°06'38.0838"S; 148°15'17.1466"E. Easting 610001.323 In Northing 5781172.451 m Final Rig Heading 111.02 °T

WBM Data

Cost Today AUD$ 4430

Mud Type:	Prehydrated Bentonite	API FL:		Cl:		Solids(%vol):	
Sample-From:	Pit 8	Filter-Cake:		K+C*1000:		H2O:	
Time:	1600	HTHP-FL:		Hard/Ca:		Oil(%):	
Weight:	8.50sg	HTHP-cake:		MBT:		Sand:	
Temp:				PM:		pH:	9
				PF:		PHPA:	

Viscosity	200sec/qt
PV	20cp
YP	70lb/100ft²
Gels 10s	55
Gels 10m	60
Fann 003	52
Fann 006	55
Fann 100	75
Fann 200	85
Fann 300	90
Fann 600	110

Comment

Bit # 1

Wear	I	O1	D	L	B	G	O2	R
	1	1	WT	A	2	I	RR	TD

Bitwear Comments:

Size ("):	26.00in	IADC#	111		
Mfr:	REED	WOB(avg)	5.00klb		
Type:	Rock	RPM(avg)	50		
Serial No.:	34406	F.Rate	850gpm		
Bit Model	YC11	SPP	750psi		
Depth In	96.3m	HSI			
Depth Out	132.0m	TFA	1.310		

Nozzles

No.	Size
1	16/32nd"
3	22/32nd"

Drilled over last 24 hrs

Progress	35.8m
On Bottom Hrs	1.5h
IADC Drill Hrs	1.5h
Total Revs	
ROP(avg)	23.87 m/hr

Calculated over Bit Run

Cum. Progress	35.8m
Cum. On Btm Hrs	1.5h
Cum IADC Drill Hrs	1.5h
Cum Total Revs	0
ROP(avg)	23.87 m/hr

Bit Comment: Rerun from 3D Oil

BHA # 1

Weight(Wet)	33.00klb	Length	61.3m	Torque(max)	4500ft-lbs	D.C. (1) Ann Velocity	34fpm
Wt Below Jar(Wet)		String	105.00klb	Torque(Off.Btm)	3000ft-lbs	D.C. (2) Ann Velocity	36fpm
		Pick-Up	105.00klb	Torque(On.Btm)	4000ft-lbs	H.W.D.P. Ann Velocity	0fpm
		Slack-Off	105.00klb			D.P. Ann Velocity	32fpm

BHA Run Description

BHA Run Comment Spud Garfish -1

Equipment	Length	OD	ID	Serial #	Comment
Bit	0.61m			34406	
Hole Opener	2.76m	36.00in	3.00in		
Bit Sub	1.23m	9.50in	3.25in	7207	
Drill Collar	18.62m	9.50in	3.00in		
X/O	0.47m	9.50in	2.88in	11558	
Drill Collar	28.31m	8.38in	2.88in		
X/O	0.50m	8.25in	2.88in	XT57B	

Survey

MD (m)	Incl (deg)	Azim (deg)	TVD (m)	Vsec (deg)	N/-S (m)	E/-W (m)	DLS (deg/30m)	Tool Type
86.66	0.0	347.8	86.66					
122.43	0.1	197.8	122.43					

Bulk Stocks

Name	Unit	In	Used	Adjust	Balance
DRILL WATER	MT	266	104	0	312.0
Rig Fuel	m3	100	6	0	254.0
POTABLE WATER	MT	90	30	0	220.0
Cement Class G	MT	80	0	0	120.0
Bentonite	MT	23	28	0	36.0
Barite	MT	20	0	0	188.0

Pumps

Pump Data - Last 24 Hrs

No.	Type	Liner (in)	MW (sg)	Eff (%)	SPM (SPM)	SPP (psi)	Flow (gpm)
1	National 14 P-220	6.50	1.01	97	90	1000	500
2	National 14 P-220	6.50	1.01	97	90	1000	500
3	National 14 P-220	6.50		97			

Slow Pump Data

Depth (m)	SPM1 (SPM)	SPP1 (psi)	Flow1(gpm)	SPM2 (SPM)	SPP2 (psi)	Flow2 (gpm)	SPM3 (SPM)	SPP3 (psi)	Flow3 (gpm)
	30		176	40		234	50		293
	30		176	40		234	50		293
	20		117	30		176	40		234

Personnel On Board

Company	Pax
ADA	4
Seadrill	11
Seadrill Services.	41
Catering	9
Halliburton	2
Baker Hughes Inteq	2
Halliburton	2
Tamboritha	7
Fugro Survey LTD	2
Schlumberger MWD/LWD	3
Cameron	2
Total	85

Mud Volumes, Mud Losses and Shale Shaker Data

Engineer :

Available	2083.0bbl	Losses	0.0bbl
Active Mixing		Downhole Surf+ Equip	0.0bbl
Hole Slug		Dumped	
Reserve	1198.0bbl	De-Gasser	
		De-Sander	
Kill Brine	885.0bbl	De-Silter	
		Centrifuge	

Equipment	Description	Mesh Size

Comments

Marine

Weather on 28 May 2008

Visibility	Wind Speed	Wind Dir.	Pressure	Air Temp.	Wave Height	Wave Dir.	Wave Period
10.0nm	10kn	270.0deg	1029.0mbar	10C°	0.5m	190.0deg	4s

Rig Dir.	Ris. Tension	VDL	Swell Height	Swell Dir.	Swell Period	Weather Comments
111.4deg		2706.00klb	1.0m	190.0deg	8s	Wave and swell heights are estimates.

Comments

Vessel Name	Arrived (Date/Time)	Departed (Date/Time)	Status
Pacific Battler		16.15	On route to Geelong.

Item	Unit	Used	Quantity
Rig Fuel	m3		383.457
Potable Water	Mt		214
Drill Water	Mt		76
CEMENT G	Mt		0
Barite	Mt		0
Bentonite	Mt		24
MUD	m3		0
	m3		0

Vessel Name	Arrived (Date/Time)	Departed (Date/Time)	Status
Pacific Valkyrie	17.00		On location.

Item	Unit	Used	Quantity
Rig Fuel	m3		433.7
Potable Water	Mt		453
Drill Water	m3		617
CEMENT G	Mt		42.5
Barite	Mt		42.5
Bentonite	Mt		42.5

Helicopter Movement

Flight #	Company	Arr/Dep. Time	Pax In/Out	Comment
1	BRISTOW HELICOPTERS AUSTRALIA PTY LTD	1039 / 1052	12 / 12	Crew change