

		From:	Peter Devine	/ Rohan Richardso	on		
		OIM:	Rod Dotson				
Well Data							
Country	Australia	Measured Depth	1050.0m	Current Hole Size	311mm	AFE Cost	\$41,512,831
Field		TVD	1050.0m	Casing OD	346mm	AFE No.	5746043
Drill Contractor	DOGC	Progress	0.0m	Shoe MD	652.0m	Daily Cost	\$754,180
Rig	Ocean Patriot	Days from spud	40.87	Shoe TVD	652.0m	Cum Cost	\$40,494,155
Water Depth (LAT)	66.3m	Days on well	1.88	F.I.T. / L.O.T.	2.20sg / 2.20sg	Planned TD	2552.0m
RT-SL(LAT)	21.5m	Current Op @ 0600	Continue to	mill casing swage.			
RT-ML	87.8m	Planned Op		swage, POOH and RII			
Rig Heading	217.0deg		free passag hole.	ge. POOH and RIH wit	h RS assemb	oly to 1050 m. Drill	ahead intermediate

Summary of Period 0000 to 2400 Hrs

Unable to pass swage at 93 m with RS assembly. POOH and RIH with milling assembly. Milled casing swage at 93 m and POOH, laid out same.

Operations For Period 0000 Hrs to 2400 Hrs on 04 Oct 2008

Phse	Cls (RC)	Op	From	То	Hrs	Depth	Activity Description
IC	TP (SCS)	НВНА	0000	0330	3.50	1050.0m	Continued to pick up and make BHA#10 311 mm (12 1/4") Powerdrive X5 assembly with Bit#10 ReedHycalog RSX616M-A16 PDC bit, RIH to 93 m. Powerdrive X5 directional tool was hot shot to rig and required special make up on drill floor due to being delivered in separate segments. Reprogrammed LWD/MWD assembly for new DD tools.
IC	TU (MIS)	OA	0330	0430	1.00	1050.0m	Attempted to pass swage at 93 m, unsuccessful. Continued to vary parameters, attempted to work past with left hand rotation and engaged DD tool pads, unable to pass obstruction. POOH to change assembly, hung up on wellhead. Passed wellhead after 5 min with slight rotation and low flow rate.
IC	TU (MIS)	НВНА	0430	0530	1.00	1050.0m	POOH to change bit.
IC	TU (MIS)	НВНА	0530	0630	1.00	1050.0m	Made up BHA#11 with Bit#11 Reed T11C (115) rock bit and RIH to 93 m.
IC	TU (MIS)	TI	0630	0700	0.50	1050.0m	Attempted to pass casing swage restriction at 93 m, unsuccessful.
IC	U (MIS)	НВНА	0700	0900	2.00	1050.0m	POOH, worked DD tool and bit past wellhead at 86.5 m with low flow rate and 10 RPM. Continued to POOH and rack back BHA, flushed directional assembly with sea water when pulled through rotary.
IC	TU (MIS)	НВНА	0900	1000	1.00	1050.0m	Picked up a stand of 203 mm (8 ") DC, made up used 117 rock bit and attempted to work past swage, unsuccessful.
							Simultaneous Operations: Mobilised milling assembly to rig via Portland.
IC	TU (MIS)	НВНА	1000	1130	1.50	1050.0m	POOH and racked back assembly.
IC	TU (MIS)	WOE	1130	1800	6.50	1050.0m	Wait on milling assembly.
	- /						Simultaneous Operations: Serviced TDS, completed preventative maintenance on travelling block assembly and casing stabbing arm. Completed a crown block inspection and adjusted TDS alignment cylinder.
IC	TU (MIS)	НВНА	1800	2100	3.00	1050.0m	Picked up and made up BHA#12 milling assembly: Milling assembly (inc 311 mm (12 1/4") PDC tapered entry shoe and 2 x 311 mm (12 1/4") melon mills at 0.5 m and 3.4 m behind shoe), 308 mm (12 1/8") near bit stabiliser, 2 x 203 mm (8") DC, 308 mm (12 1/8" IBSS), 1 x 203 mm (8") DC and HWDP to surface.
IC	TU (MIS)	M	2100	2230	1.50	1050.0m	Commenced milling swage from 93 m with 3236 L/min (855 GPM), 4.1-6.8 kNm (3-5 kft.lbs) torque, 2.2 t (5 klbs) WOB, 130 RPM. Worked through swage with PDC tapered entry shoe, high string vibration observed at rotary table. Continued to work first melon mill through swage, pumped Hi-vis sweep and recovered 280 g of steel swarf from ditch magnet after 30 min. Unable to work top melon mill past swage, sat 2.2 t (5 klbs) on swage for 10 min with no movement when correlated off index line. Circulated hi vis sweep and returned 800 g of swarf in ditch magnet with more observed over shakers. Swarf represented 'pigs tail' type from PDC cutters as opposed to tungsten carbide mill 'chip type'. Worked entry shoe and first melon mill up past swage and back down without pumps and rotary, no indication of hang up observed. Attempted to work top mill past swage, unsuccessful.
IC	TU (MIS)	НВНА	2230	2300	0.50	1050.0m	POOH and rack back HWDP and DC.
IC	TU (MIS)	НВНА	2300	2400	1.00	1050.0m	Laid out milling assembly. PDC cutters on entry shoe showed 50% wear along taper and 3.2 mm (1/8") undergauge. First melon mill showed 10% wear and the top mill



DRILLING MORNING REPORT #2 Henry-2 DW1ST1 (04 Oct 2008)

Phse	Cls (RC)	Ор	From	То	Hrs	Depth	Activity Description
							showed minimal.

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Operat	tions	For	Perio	ono bo	በ Hrs 1	to 0600) Hrs on	05 Oct 2008

Phse	Cls (RC)	Ор	From	То	Hrs	Depth	Activity Description
IC	TU (MIS)	НВНА	0000	0400	4.00	1050.0m	Picked up BHA#13 with Bit#10RR 311 mm (12 1/4") ReedHycalog RSX616M-A16 PDC, 308 mm (12 1/8") near bit stabiliser and 203 mm (8") DC assembly and RIH to 93 m. Attempted to work past swage, unsuccessful. Attempted to POOH, unsuccessful, hung up on bottom of wellhead at 86.5 m. RIH and commenced reaming on swage for 20 min. Worked past swage with low flow rate and 20 RPM, continued to POOH and rack back assembly.
IC	TU (MIS)	НВНА	0400	0530	1.50	1050.0m	Picked up and made up BHA#14 milling assembly: Milling assembly (inc 311 mm (12 1/4") Mill tapered entry shoe and 2 x 311 mm (12 1/4") melon mills at 0.5 m and 3.4 m behind shoe), 308 mm (12 1/8") near bit stabiliser, 2 x 203 mm (8") DC, 308 mm (12 1/8" IBSS), 1 x 203 mm (8") DC and HWDP to surface.
IC	TU (MIS)	M	0530	0600	0.50	1050.0m	(IN PROGRESS) Commenced milling swage from 93 m. Worked past with mill shoe and 2 x mills, picked up above swage and attempted to ream down, unsuccessful. Hung up at 93 m with the mill shoe. Continued to mill from 93 m with 3236 L/min (855 GPM), 130 RPM, 4.1-6.8 kNm (3-5 kft.lbs). Once through swage with mill assembly, worked several times until assembly passed with minimal resistance. Pumped Hi-vis sweep, fine swarf returned on ditch magnet. Attempted to POOH, unsuccessful. Hung up on the bottom of the wellhead, attempted to rotate back through, unsuccessful. Worked assembly over swage for 15 min and picked up and worked past wellhead.

WBM Data				Cost Today	\$ 27088				
Mud Type:	KCL/GLY	API FL:	4cm ³ /30m	KCI:	11%	Solids:	7.65	Viscosity:	0sec/L
Sample-From:	Pit	Filter-Cake:		Hard/Ca:	520	H2O:	92%	PV: YP:	0.026Pa/s 0.192MPa
Time:	22:30	HTHP-FL:		MBT:	5	Oil:		Gels 10s: Gels 10m:	0.048 0.072
Weight:	1.25sg	HTHP-Cake:	1mm	PM:	0.2	Sand:	0.9	Fann 003:	9
Temp:				PF:	0.15	pH:	9.2	Fann 006: Fann 100:	12 39
						PHPA:	2ppb	Fann 200:	54
								Fann 300:	66
								Fann 600:	92
Comment		Weight up premi	ix in pit #5 to 11	.3 ppg.				_	

Comment	Weight up premix in pit #5 to 11:	.o ppg.								
Bit # 10		Wear	I	01	D	L	В	G	O2	
1						1				1

Size:	311mm	IADC#		No	zzles	Drille	ed over la	st 24 hrs	Calculate	d over Bit	Run
Mfr:	REED	WOB(avg)		No.	Size	Progres	SS		Cum. Progress		0.0m
Type:	PDC	RPM(avg)				On Bot	tom Hrs		Cum. On Btm H	Irs	0.00h
Serial No.:	218713	F.Rate				IADC D	rill Hrs		Cum IADC Drill	Hrs	0.00h
Bit Model	RSX616M-A16	SPP				Total R	evs		Cum Total Reve	3	0
Depth In	1050.0m	TFA	0.000			ROP(av	vg)	N/A	ROP(avg)		0.00 m/hr
Depth Out	1050.0m										
Run Comment		Unable to pa	ss throug	h casing s	swage						

Run Comment	Unable to pass through casing swage
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Bit # 11				Wear	I	01	D	L	В	G	02	R
Size:	311mm	IADC#	115	No	zzles	Drill	ed over la	ast 24 hrs		Calculated	d over Bi	t Run
Mfr:	REED	WOB(avg)		No.	Size	Progre	ess		Cum.	Progress		0.0m
Type:	Rock	RPM(avg)				On Bo	ttom Hrs		Cum.	On Btm H	rs	0.00h
Serial No.:	YD7530	F.Rate				IADC I	Drill Hrs		Cum I	ADC Drill	Hrs	0.00h
Bit Model	T11C	SPP				Total F	Revs		Cum ⁻	Total Revs	;	0
Depth In	1050.0m	TFA	0.000			ROP(a	avg)	N/A	ROP(avg)		0.00 m/hr
Depth Out	1050.0m											
Run Comment		Unable to pa	ss throug	h casing s	wage							

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DRILLING MORNING REPORT # 2 Henry-2 DW1ST1 (04 Oct 2008)

BHA # 10							
Weight(Wet)	19.05mt	Length		212.0m	Torque(max))	D.C. (1) Ann Velocity 0m
Wt Below Jar(Wet)	17.24mt	String		95.25mt	Torque(Off.E	3tm)	D.C. (2) Ann Velocity 0m
		Pick-Up			Torque(On.E	3tm)	H.W.D.P. Ann Velocity 0m
		Slack-Off			1(-	,	D.P. Ann Velocity 0m
BHA Run Description		Directional / F	EWD				D.I : Ailii Velocity oil
•	ipment	Directional / I	Length	OD	ID	Serial #	Comment
Bit	ipinioni		0.29m	311mm		218713	ReedHycalog RSX616M-A16
Powerdrive 900			9.05m	308mm		090	X5 assy (float, receiver sub and flex s
ARC-8			5.87m	231mm		1854	75 assy (lloat, receiver sub and liex s
In-Line Stabiliser			0.88m	291mm		242230733	
Telescope HF			8.13m	213mm		E1158	
NMDC			9.37m	226mm		SBD4466	
NMDC			8.55m	213mm		N688	
X/O			0.70m	203mm		ASQ8065	
HWDP			121.38m	175mm			
6.375in Jars			9.73m	162mm	70mm	DAH01628	
HWDP			37.30m				
BHA # 11							
Weight(Wet)	19.05mt	Length		212.0m	Torque(max))	D.C. (1) Ann Velocity 0m
Wt Below Jar(Wet)	17.24mt	String		95.25mt	Torque(Off.E	3tm)	D.C. (2) Ann Velocity 0m
, ,		Pick-Up			Torque(On.E		H.W.D.P. Ann Velocity 0m
					rorquo(On.E	Sany	·
		Slack-Off					D.P. Ann Velocity 0m
BHA Run Description		Directional / F				1	
Equi	ipment		Length	OD	ID	Serial #	Comment
Bit			0.30m	311mm		yd7530	T11C
Powerdrive 900			9.05m	308mm		090	X5 assy (float, receiver sub and flex s
ARC-8			5.87m	231mm		1854	
In-Line Stabiliser			0.88m	291mm		242230733	
Telescope HF			8.13m	213mm		E1158	
NMDC NMDC			9.37m	226mm 213mm		SBD4466 N688	
X/O			8.55m 0.70m				
				203mm		ASQ8065	
HWDP 6.375in Jars			121.38m 9.73m	175mm 162mm		DAH01628	
HWDP			37.30m	10211111	7011111	DAI 10 1020	
BHA # 12							
Weight(Wet)	19.05mt	Length		122.1m	Torque(max))	D.C. (1) Ann Velocity 0m
Wt Below Jar(Wet)	17.24mt	String		95.25mt	Torque(Off.E		D.C. (2) Ann Velocity 0m
Tre Bolow Gal (Trot)	17.2 mil	Pick-Up		00.20111	Torque(On.E		H.W.D.P. Ann Velocity 0m
		Slack-Off			. 5. 445(011.1		D.P. Ann Velocity 0m
BHA Run Comment		Milled casing	swage				2 Volocky 011
	ipment		Length	OD	ID	Serial #	Comment
Bit	-		4.41m	311mm		51267D	Melon Mill
X/O			0.44m	207mm		646886	
Near Bit Stabiliser			1.80m	210mm		XM785	12 1/8"
8in DC			9.42m	203mm		186-0051	
8in DC			9.32m	203mm		186-0054	
- 							
String Stabiliser			2.45m	213mm	213mm	E1158	12 1/8"
String Stabiliser 8in DC			2.45m 9.08m	213mm 203mm		186-008	12 1/8"
String Stabiliser 8in DC X/O					73mm		12 1/8"



DRILLING MORNING REPORT # 2 Henry-2 DW1ST1 (04 Oct 2008)

Bulk Stocks										
Name	Unit	In	Used	Adjust	Balance	Comment				
Barite	mT	0	28	0	153.0					
Gel	mT	0	0	0	33.0					
Cement	mT	0	0	0	46.0					
Fuel	m3	0	10.8	0	522.9					
Potable Water	m3	31	30	0	344.0					
Drill Water	m3	0	59	0	581.0					

Personnel On Board						
Company	Comment	Pax				
Santos		4				
DOGC		50				
ESS		8				
BHI		6				
Dowell		2				
Rheochem		2				
MI Swaco		1				
TMT		6				
Cameron		1				
Santos	Geologist	2				
Schlumberger Drilling & Measurements	Directional	6				
Premium Casing Services		6				
	Total	94				





HSE Summary				
Events	Num Events	Date of Last	Days Since	Remarks
Abandon Drill	1	28 Sep 2008	6 Days	Abandon drill completed after the simulated fire drill under control. Alarm sounded at 10:31 hrs, initial muster completed at 10:41 hrs, full muster completed at 10:49 hrs.
Environmental Audit	1	03 Sep 2008	31 Days	Rig visit by DPI. Conducted an environmental audit on Santos operation.
Fire Drill	1	28 Sep 2008	6 Days	Simulated a fire in the emergency generator room. Alarm sounded at 10:31 hrs, emergency under control at 10:42 hrs. Rescue and fire teams discussed scenario and resolution.
First Aid	1	01 Oct 2008	3 Days	IP struck on upper lip when removing float valve from float sub.
JHA	22	04 Oct 2008	0 Days	Drill crew - 5 Deck Crew - 10 Welder - 3 Mechanic - 4
Lost Time Incident	1	30 May 2008	127 Days	Man had his left hand caught between an 8" drill collar and the casing tongs when he was trying to secure the tong. Preliminary checks on the rig deemed only stitches required and the hand was not broken. The person was medivac'd off the rig @ 23:00hrs. Man was released from Royal Hobart hospital with 12 stitches to the hand (no broken bones).
Medical Treatment Incident	1	13 Aug 2008	52 Days	During lifting operations of 3rd party tooling on the pipe deck, IP was assisting the dogman in attaching slings to the whip-line hook. During this process the hook swung and hit the IP in the side of the hardhat resulting in an injury to the IPs neck. The IP was immobilised as a precautionary measure, treated as per symptoms and in readiness for medivac to hospital for further assessment.
Pre-Tour Meeting	4	04 Oct 2008	0 Days	Discussed upcoming operations and associated hazards prior to each shift starting.
PTW Issued	4	04 Oct 2008	0 Days	2 x hot work 2 x cold work
Safety Audit	1	29 Jul 2008	67 Days	Santos environment audit conducted.
Safety Audit	1	30 Jul 2008	66 Days	EHSMS audit conducted onboard.
Safety Meeting	3	29 Sep 2008	5 Days	Reviewed stop cards for the week and awarded Santos Stop card winner to B Parker. Discussed the fire drill and the scenario of a fire in the emergency engine room. Reviewed abandon rig scenario.
Santos Induction	1	03 Oct 2008	1 Day	Inducted new personnel to site after DODI rig wide induction.
Stop Observations	81	04 Oct 2008	0 Days	54 - Safe 27 - Corrective Actions
STOP Tour	5	04 Oct 2008	0 Days	Submitted 5 by Diamond supervisor Stop audit.

Shakers, V	olumes and	d Losses Data	a	Engineer : Kellie Jericho / Carissa Thompson					
Available	414.2m³	Losses	12.9m³	Equip.	Descr.	Mesh Size	Hours		
Active	76.6m³	Downhole		Centrifuge 1	MI SW FVS 518		3		
Mixing		Surf+ Equip	12.9m³	Centrifuge 1	MI SW FVS 518		0		
Hole	92.1m³	Dumped		Centrifuge 2 Centrifuge 2	MI SW FVS 518 MI SW FVS 518				
Slug	0.0m³	De-Sander		Shaker 3	MI SW - BEM 650	30/10 270/200	20		
Reserve	163.0m³	De-Silter		Shaker 3	MI SW - BEM 650	30/10 270/200	7		
Kill	0.0m ³	Centrifuge		Shaker 4	MI SW - BEM 650	30/10 200HC x 4	20		
		S		Shaker 4	MI SW - BEM 650	30/10 200HC x 4	7		
Storage 82.5m ³			Shaker 5	MI SW - BEM 650	30/10 200HC x 4	20			
				Shaker 5	MI SW - BEM 650	30/10 200HC x 4	7		
				Shaker 6	MI SW - BEM 650	30/10 270/200	20		
				Shaker 6	MI SW - BEM 650	30/10 270/200	7		



DRILLING MORNING REPORT # 2 Henry-2 DW1ST1 (04 Oct 2008)

Marine										
Weather ch	eck on 04 Oct	2008 at 24:0	0					Rig Support		
Visibility	Wind Speed	Wind Dir.	Pressure	Air Temp.	Wave Height	Wave Dir.	Wave Period	Anchors	Chain out (m)	Tension (mt)
18.5km	20km/h	260.0deg	1016.00bar	12.0C°	0.5m	260.0deg	3sec	1	1353.0	104.78
Roll	Pitch	Heave	Swell Height	Swell Dir.	Swell Period	Weather	Comments	2	1372.8	97.98
								3	1386.8	96.16
0.4deg	0.3deg	0.50m	1.5m	230.0deg	12sec			4	1414.0	135.17
Rig Dir.	Ris. Tension	VDL		Comments				5	1365.8	115.21
217.0deg	122.47mt	1065.04mt						6	1389.9	102.06
217.0dcg	122.771111	1000.04111						7	1393.9	140.16
								8	1389.9	141.97

Boats	Arrived (date/time)	Departed (date/time)	Status		Bulks	
Far Grip	17:00 hrs 04/10/03		Portland	Item	Unit	Quantity
				Fuel	m3	456
				Potable Water	m3	266
				Drill Water	m3	740
				Gel	mt	59
				Cement	mt	84
				Barite	mt	84
				KCI Brine	m3	9
				NaCl Brine	m3	0
					m3	131
				Mud	m3	0
Nor Captain		17:30 hrs 04/10/08	On steam to Portland, ETA 08:00 hrs 05/10/08	Item	Unit	Quantity
				Fuel	m3	470
				Potable Water	m3	335
				Drill Water	m3	319
				Gel	mt	42
				Cement	mt	0
				Barite	mt	42
				KCI Brine	m3	41.8
				NaCl Brine	m3	0
				Mud	m3	104
Helicopter I	Movement					
Flight #	Time	Destination	Co	omment		Pax
BYV	Essendon		No helicopter on weekend			
BYV	Ocean Patriot		No helicopter on weekend			