

**From : Chris Roots / Nathan Peri**  
**OIM : Dennis Gore**

**Well Data**

Country	Australia	Measured Depth	177.0m	Current Hole Size	445mm	AFE Cost	\$19,265,000
Field		TVD	177.0m	Casing OD	762mm	AFE No.	5738085
Drill Contractor	DOGC	Progress	46.0m	Shoe MD	130.9m	Daily Cost	\$947,714
Rig	Ocean Patriot	Days from spud	1.71	Shoe TVD	130.9m	Cum Cost	\$5,714,066
Water Depth (LAT)	65.4m	Days on well	2.48	F.I.T. / L.O.T.	/	Planned TD	2503.0m
RT-SL(LAT)	21.5m	Current Op @ 0600	Drilled ahead 445mm (17-1/2") hole from 319.6 mRT .				
RT-ML	86.9m	Planned Op	Continue drilling to 445mm (17-1/2") section TD. POH. Rig up and run 340mm (13-3/8") casing to bottom and cement. Run the Subsea Tree.				
Rig Heading	215.0deg						

**Summary of Period 0000 to 2400 Hrs**

Mixed and pumped 30.8 m<sup>3</sup> (194bbl), class G, 1.89 sg (15.8ppg) cement slurry and displaced with 5.7 m<sup>3</sup> (36bbls) of sea water. WOC to set. POH running tool. Made up 445mm (17-1/2") BHA. RIH and stabbed into wellhead, tagged cement at 128 mRT. Drilled from 128m to 177 mRT, POH to 123m, racked back 2 x HWDP stands, picked up remaining drill collars. TIH.

**Operations For Period 0000 Hrs to 2400 Hrs on 16 Jul 2008**

Phse	Cls (RC)	Op	From	To	Hrs	Depth	Activity Description
CH	P	TI	0000	0130	1.50	130.9m	Continued moving the rig over hole center using sonar. Unable to stab conductor. Repositioned ROV to observe conductor over hole center.
CH	P	TI	0130	0230	1.00	130.9m	ROV observed the conductor entering the hole. Run the conductor down to 100m (13m into hole), ROV rechecked bullseye 0.75° and PGB heading of 217°. Continued running the conductor to bottom on drill pipe. Washed the last 10m to bottom at 130.9 mRT, tagged bottom with 2.2 mt (5 klbs). Circulated 24 m <sup>3</sup> (150 bbls) of sea water.
CH	P	TI	0230	0530	3.00	130.9m	Rechecked PGB heading 200° with a bullseye reading of 1.0° @ 100°. Rotated the PGB to a heading of 215°. Reciprocated the conductor and rechecked the bullseye reading, no change.
CH	P	CMC	0530	0600	0.50	130.9m	Held a cementing JSA. Made up the cement lines and circulated 4.7 m <sup>3</sup> (30bbls) of sea water. Pressure tested the surface lines to 6.8 MPa (1000psi). Pumped 3.1 m <sup>3</sup> (20bbls) fluorescene dye spacer.
CH	P	CMC	0600	0700	1.00	130.9m	Mixed and pumped 30.8 m <sup>3</sup> (194 bbls) of 1.9 SG (15.8 ppg) class G cement slurry, 39 mT (913 sks). Displaced cement with 5.7 m <sup>3</sup> (36 bbls) sea water. Bled back 0.08 m <sup>3</sup> (0.5 bbls), floats holding. ROV noted slight fluorescene colouration during cementing. Confirmed cement to surface with pH reading of 11.9 at the end of the displacement.
CH	P	WOC	0700	1130	4.50	130.9m	Waited on cement. ROV reported PGB heading of 204° (magnetic), bullseye reading 1.0° at 100°. Ran and installed guide wires.
CH	P	TO	1130	1330	2.00	130.9m	Backed out 762mm (30") running tool from housing. Repositioned the rig over hole center, POH. Laid out running tool and racked back the drill pipe stinger.
CH	P	HT	1330	1430	1.00	130.9m	Picked up and made up a drill pipe single and 1.5m pup to the bottom of the 18-3/4" running tool, made up a 3m pup on top.
CH	P	HBHA	1430	1530	1.00	130.9m	Laid out 660mm (26") Bit, 914mm (36") hole opener and float sub.
SH	P	HBHA	1530	1730	2.00	130.9m	Picked up 445mm (17-1/2") Bit and bit sub, attached guide ropes, TIH 445mm (17-1/2") BHA.
SH	P	HBHA	1730	1800	0.50	130.9m	Stabbed BHA into wellhead with assistance from ROV, broke off guide ropes as BHA was run in.
SH	P	RS	1800	1830	0.50	130.9m	Serviced Top Drive and blocks.
SH	P	SM	1830	1845	0.25	130.9m	Held shallow gas meeting on the drill floor.
SH	P	DFS	1845	2030	1.75	130.9m	Washed down to tag TOC at 128 m. Drilled out cement and float shoe to 130.9 mRT.
SH	P	DA	2030	2230	2.00	177.0m	Drilled ahead 445mm (17-1/2") hole from 130.9m to 177 mRT. Reamed connections and surveyed every second stand with Anderdrift. Pumped 12 m <sup>3</sup> (75bbl) sweep on connections and 7.9m <sup>3</sup> (50bbl) midstand. Parameters: 75rpm, 3028 L/min (800gpm), 0-2.2 kdaN (0-5 klbs).
SH	P	HBHA	2230	2400	1.50	177.0m	Pulled out and racked back 2 x HWDP stands, picked up the remaining 203mm (8") drill collars and jar. TIH.  Concurrent Ops: Moved the rig over hole center while monitoring drill stem in the wellhead (0.5m to Stbd/Fwd) Reconnected guide wire #1.

**Operations For Period 0000 Hrs to 0600 Hrs on 17 Jul 2008**

Phse	Cls (RC)	Op	From	To	Hrs	Depth	Activity Description
SH	P	DA	0000	0600	6.00	319.0m	Drilled ahead 445mm (17-1/2") hole from 177.0m to 319 mRT. Reamed connections and surveyed every second stand with Anderdrift. Pumped 12

Phse	Cls (RC)	Op	From	To	Hrs	Depth	Activity Description
							m <sup>3</sup> (75bbl) sweep on connections and 7.9m <sup>3</sup> (50bbl) midstand. Parameters: 120rpm, 4542 L/min (1200gpm), WOB 2.2 - 6.6 kdaN (5-15 klbs), torq 6.7 - 10.8 kNm (5-8 kft/lbs).

WBM Data		Cost Today \$ 8011					
Mud Type:	PHG	API FL:	KCl:	Solids:	3.13	Viscosity:	0sec/L
Sample-From:	Pit	Filter-Cake:	Hard/Ca:	H2O:	97%	PV:	0.006Pa/s
Time:	22:00	HTHP-FL:	MBT:	Oil:		YP:	0.273MPa
Weight:	1.05sg	HTHP-Cake:	PM:	Sand:		Gels 10s:	0.153
Temp:			PF:	pH:	9.5	Gels 10m:	0.182
				PHPA:		Fann 003:	31
						Fann 006:	43
						Fann 100:	57
						Fann 200:	62
						Fann 300:	64
						Fann 600:	70
Comment	Built 311 bbl of causticized 27 ppb PHG in Pit 2. Accounted for all prepared PHG mentioned in yesterday's report. Mix more PHG for sweeps in Pit 5.Used 75 bbl connection/50 bbl midstand sweeps as per Co.Man request.						

Bit # 2				Wear	I	O1	D	L	B	G	O2	R
Size:	445mm	IADC#	111	Nozzles		Drilled over last 24 hrs			Calculated over Bit Run			
Mfr:	HUGHES	WOB(avg)		No.	Size	Progress	46.0m	Cum. Progress	46.0m			
Type:	Rock	RPM(avg)	60	4	18/32nd"	On Bottom Hrs	2.00h	Cum. On Btm Hrs	2.00h			
Serial No.:	6062681	F.Rate	3070lpm			IADC Drill Hrs	3.00h	Cum IADC Drill Hrs	3.00h			
Bit Model	MXL-1V	SPP	7674kPa			Total Revs	7700	Cum Total Revs	7700			
Depth In	130.9m	TFA	0.994			ROP(avg)	23.00 m/hr	ROP(avg)	23.00 m/hr			
Depth Out												
Daily Comment	Rerun bit from Pecten East-1											

BHA # 2		Length	294.4m	Torque(max)	11696.0Nm	D.C. (1) Ann Velocity	25.23mpm
Weight(Wet)		String	90.72mt	Torque(Off.Btm)	0.0Nm	D.C. (2) Ann Velocity	28.05mpm
Wt Below Jar(Wet)	29.48mt	Pick-Up	90.72mt	Torque(On.Btm)	5984.0Nm	H.W.D.P. Ann Velocity	21.54mpm
		Slack-Off	90.72mt			D.P. Ann Velocity	21.54mpm

BHA Run Description Packed assembly.

Equipment	Length	OD	ID	Serial #	Comment
Bit	0.41m	445mm		6062681	
17.5in Near Bit Stabiliser	2.55m	438mm	76mm	XM771	
Anderdrift	3.00m	245mm	76mm	ADB995	
17.5in String Stabiliser	2.43m	438mm	76mm	XM773	
NMDC	8.93m	241mm	76mm	6613	
17.5in String Stabiliser	2.43m	438mm	76mm	XM775	
Drill Collar	18.61m	241mm	76mm		
X/O	1.09m	241mm	76mm	GUD1231-5	
Drill Collar	84.48m	210mm	73mm		
8in Hydraulic Jars	10.11m	210mm	76mm	71809E	
Drill Collar	18.91m	210mm	73mm		
X/O	1.09m	203mm	65mm	GUD1231-6	
HWDP	140.40m	175mm	78mm		

Survey								
MD (m)	Incl Deg (deg)	Corr. Az (deg)	TVD (m)	'V' Sect (m)	Dogleg (deg/30m)	N/S (m)	E/W (m)	Tool Type
193.00	0.0		193.00					Anderdrift

Bulk Stocks						Personnel On Board	
Name	Unit	In	Used	Adjust	Balance	Company	Pax
Barite	MT	0	0	0	104.0	Santos	4
Gel	MT	0	9	0	71.0	DOGC	47
Cement	MT	0	38	0	108.0	ESS	8
Fuel	M3	200	15.7	0	621.6	BHI	4
Potable Water	M3	31	31	0	349.0	Dowell	2
Drill Water	M3	381	152	0	944.0	Rheochem	2
KCl Brine	M3	0	0	0	0.0	TMT	6
						Cameron	5
						DOGC Service	7
						Fugro - Surveyor	1
						RPS	1
						DOGC Service	5
						Santos	2
						Premium Casing Services	5
						Anadrill	1
						<b>Total</b>	<b>100</b>

Casing			
OD	L.O.T. / F.I.T.	Casing Shoe (MD/TVD)	Cementing
762mm	/	130.90/130.90	As per cement data.

HSE Summary				
Events	Num Events	Date of Last	Days Since	Remarks
Abandon Drill	1	13 Jul 2008	3 Days	Abandonment drill completed after the fire drill. Completed full muster at lifeboat stations 2 and 3 in 6 minutes.
BOP Drill	1	01 Jul 2008	15 Days	Performed a choke manifold drill with all drill crew prior to drill out 340 mm (13 3/8") casing
Fire Drill	1	13 Jul 2008	3 Days	Simulated a fire in the cement unit room. Muster complete within 10 minutes and incident under control after 14 minutes.
First Aid	1	23 Jun 2008	23 Days	IP was opening PPE locker in the sack room to exchange a dirty dust mask with a new mask. IP opened locker door harder than he expected and locker door swung open and struck him on the safety glasses. Safety glasses cut left eye brow (2.5 cm) from the impact. Hard hat had been taken off to exchange dust masks.
JHA	29	16 Jul 2008	0 Days	Deck Crew - 13 Drill crew - 11 Welder - 3 Subsea - 2
Lost Time Incident	1	30 May 2008	47 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	0	13 May 2008	64 Days	No MTI since start of campaign
Pre-Tour Meeting	4	16 Jul 2008	0 Days	Discussed upcoming operations and associated hazards
PTW Issued	15	16 Jul 2008	0 Days	8 x cold work permits 6 x hot work permits
Rig Inspection	1	02 Jul 2008	14 Days	Conducted hazard hunt checking for flammable liquids in containers secured properly and in correct place with signage.
Safety Meeting	3	13 Jul 2008	3 Days	Reviewed stop cards for the week and awarded Santos best stop card to Peter Olm. Safety topic: Fire Extinguishers. Reviewed incident with Drill Press. Also discussed Craft Locks wrt LTT procedures..
Santos Induction	0	16 Jul 2008	0 Days	Completed Santos induction with new personnel to site.
Stop Observations	57	16 Jul 2008	0 Days	41 - Safe 16 - Corrective Actions
STOP Tour	0	14 Jul 2008	2 Days	Santos conducted a STOP audit of the welding room. All PPE worn during cutting/welding operations. Good ventilation. Hot work permit in place.

Shakers, Volumes and Losses Data				Engineer : Kellie Jericho / Wojciech Czarny			
Available	321.6m <sup>3</sup>	Losses	37.4m <sup>3</sup>	Equip.	Descr.	Mesh Size	Hours
Active	61.2m <sup>3</sup>	Downhole					
Mixing		Surf+ Equip	37.4m <sup>3</sup>				
Hole	0.0m <sup>3</sup>	Dumped					
Slug		De-Sander					
Reserve	227.0m <sup>3</sup>	De-Silter					
Kill	33.4m <sup>3</sup>	Centrifuge					
Comment Mixed PHG in active pits. Mixed 10ppg x 210bbbls Kill mud. Pumped 75bbl sweep at connection and 50bbl midstand.							

Marine										
Weather check on 16 Jul 2008 at 24:00							Rig Support			
Visibility	Wind Speed	Wind Dir.	Pressure	Air Temp.	Wave Height	Wave Dir.	Wave Period	Anchor	Chain out (m)	Tension (mt)
18.5km	33km/h	0.0deg	1017.00bar	18.0C°	0.5m	0.0deg	3sec	1	1382.9	106.14
								2	1382.9	106.14
								3	1399.9	108.86
								4	1372.8	111.13
								5	1410.9	108.86
								6	1421.0	107.05
								7	1410.9	112.94
								8	1414.0	116.12
Roll Pitch Heave Swell Height Swell Dir. Swell Period Weather Comments 0.3deg 0.2deg 0.30m 1.0m 225.0deg 11sec Calm seas and good weather conditions.										
Rig Dir.		Ris. Tension		VDL		Comments				
215.0deg		0.00mt		992.01mt						

Boats	Arrived (date/time)	Departed (date/time)	Status	Bulks		
Far Grip		19:20 15 Jul 08	Transit to Ocean Patriot.  Note: 97m3 of 10.95ppg mud and 32m3 of 8.9ppg mud onboard.	Item	Unit	Quantity
				Fuel	m3	453
				Potable Water	m3	190
				Drill Water	m3	550
				Cement	mt	0
				Barite	mt	124
				Gel	mt	59
				KCl Brine	m3	213
				Mud	m3	97
Mud	m3	32				
Nor Captain	01:00 hrs 11/07/08		On location Ocean Patriot.	Item	Unit	Quantity
				Fuel	m3	227
				Potable Water	m3	158
				Drill Water	m3	100
				Cement	mt	
				Barite	mt	
				Gel	mt	
				KCl Brine	m3	
				Mud	m3	140

Helicopter Movement				
Flight #	Time	Destination	Comment	Pax
GYJ	11:31	Ocean Patriot		8
GYJ	11:44	Essendon		2