

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

### Well Data

Country	Australia	Measured Depth	1870.0m	Current Hole Size	311mm	AFE Cost	\$19,265,000
Field		TVD	1744.2m	Casing OD	340mm	AFE No.	5738085
Drill Contractor	DOGC	Progress	396.0m	Shoe MD	642.2m	Daily Cost	\$886,266
Rig	Ocean Patriot	Days from spud	9.71	Shoe TVD	642.2m	Cum Cost	\$12,213,831
Water Depth (LAT)	65.4m	Days on well	10.48	F.I.T. / L.O.T.	/ 2.12sg	Planned TD	2503.0m
RT-SL(LAT)	21.5m	Current Op @ 0600	Pulled out of hole to 1287mRT.				
RT-ML	86.9m	Planned Op	Continue POH, lay out FEWD tools and 311mm (12-1/4") bit. Rig up Schlumberger and log the well.				
Rig Heading	215.0deg						

### Summary of Period 0000 to 2400 Hrs

Drilled 311mm (12-1/4") hole from 1474m to total depth 1870m RT (1744.6 mTVD).  
 Circulated until shakers clear.

### Formations

Name	Top (MD)	Top (TVD)	Comment
Skull Creek Mudstone	1560.0m	1490.7m	15.7m low
K85 Unconformity	1783.0m	1673.6m	38.6m low
Waarre A	1792.0m	1683.1m	48.1m low
Eumeralla Formation	1820.0m	1705.2m	43.2m low

### Operations For Period 0000 Hrs to 2400 Hrs on 24 Jul 2008

Phse	Cls (RC)	Op	From	To	Hrs	Depth	Activity Description
PH	P	DA	0000	0430	4.50	1523.0m	Continued to drill ahead from 1474m to 1522 mRT (1460 mTVD). Reamed and surveyed on connections. Parameters: WOB 4.4-17.8 t (10-40 klbs), 130-150rpm, 3785 L/min (1000gpm), 19.3 MPa (2800psi) , torq 5.4 - 8.1 kNm (4-6 kft/lbs). Mud weight 1.32 sg (11.0 ppg) from 1515 mRT.
PH	P	DA	0430	0600	1.50	1524.0m	Continued to drill ahead from 1522m to 1524mRT (1463 mTVD). Varied parameters for max ROP. Last survey: 1494mMD, 1436 mTVD, Incl 35.09°, Azi 116.37°.
PH	P	DA	0600	1200	6.00	1661.0m	Continued to drill 311mm (12-1/4") hole from 1524 m to 1661m (1558mTVD). Reamed and surveyed connections.
PH	P	DA	1200	1800	6.00	1803.0m	Continued to drill 311mm (12-1/4") hole from 1661 m to 1803 m (1718mTVD). Reamed and surveyed connections.
PH	P	FC	1800	1815	0.25	1803.0m	Flow checked drilling break at 1803m - Static.
PH	P	DA	1815	2300	4.75	1870.0m	Continued to drill 311mm (12-1/4") hole from 1803 m to 1870 m (1744.2mTVD). Maximum background gas 15%. Geologist called total depth at 1870 mRT. Projected Survey: 1870mRT, 1744.2 mTVD, Inc 35.38°, Azi 119.23°
PH	P	CHC	2300	2400	1.00	1870.0m	Reciprocated and circulated until shakers were clear at 3785 L/min (1000gpm) and 120 rpm.

### Operations For Period 0000 Hrs to 0600 Hrs on 25 Jul 2008

Phse	Cls (RC)	Op	From	To	Hrs	Depth	Activity Description
PH	P	CHC	0000	0100	1.00	1870.0m	Continued circulating until shakers cleared. Circulated 3 x bottoms up volumes at 3785 L/min (1000gpm), 120rpm.
PH	P	FC	0100	0115	0.25	1870.0m	Flow checked the well - Static. Prepared the floor for tripping.
EP	P	TO	0115	0300	1.75	1870.0m	POH from 1870m to 1575m. Worked pipe to 26.7 kdaNm (60klbs), the pipe started swabbing in.
EP	P	CHC	0300	0400	1.00	1870.0m	Made up TDS, circulated and worked the stand from 1575m to 1546m at 3785 L/min, 120 rpm, torq 13 - 38 kNm (10-28 kft/lbs). Cutting returns observed over the shakers, circulated 2 x bottoms up volumes until the shakers cleared.
EP	P	WTH	0400	0600	2.00	1870.0m	Attempted to pull the next stand on elevators, overpull observed. Made up TDS and back reamed out from 1546m to 1287m.

WBM Data		Cost Today \$ 57500							
Mud Type:	KGLY	API FL:	4cm <sup>3</sup> /30m	KCl:	9%	Solids:	10.75	Viscosity:	0sec/L
Sample-From:	FL	Filter-Cake:	1mm	Hard/Ca:	800	H <sub>2</sub> O:	89%	PV:	0.026Pa/s
Time:	23:30	HTHP-FL:		MBT:	5	Oil:		YP:	0.196MPa
Weight:	1.32sg	HTHP-Cake:		PM:	0.1	Sand:	00.6	Gels 10s:	0.053
Temp:	60.0C°			PF:	0.1	pH:	9	Gels 10m:	0.110
						PHPA:	Oppb	Fann 003:	11
								Fann 006:	14
								Fann 100:	40
								Fann 200:	55
								Fann 300:	67
								Fann 600:	93
Comment Add KCL/Flowzan directly to the active as required to maintain good inhibition and hole cleaning properties. Bleed Premix into active to maintain volume and mud specifications. Stock adjustment on 757 bbl Brine received from earlier in the interval. Receive 80 sx Flowzan from Nor Captain. Screen up to 230 mesh to minimise LGS contamination in Active system. Add Sodium Sulphite to active. Treat hole volume with Idcide 20 on the last BUP before POOH for logging. USED 4 x 200HC mesh, 12 x 230HC mesh screens. Centrifuges stayed off line due to no increase in MW.									

Bit # 4				Wear	I	O1	D	L	B	G	O2	R
Size:	311mm	IADC#	M422	Nozzles		Drilled over last 24 hrs			Calculated over Bit Run			
Mfr:	REED	WOB(avg)	13.61mt	No.	Size	Progress	396.0m	Cum. Progress	449.0m			
Type:	Rock	RPM(avg)	160	6	16/32nd"	On Bottom Hrs	15.80h	Cum. On Btm Hrs	17.40h			
Serial No.:	215850	F.Rate	3623lpm			IADC Drill Hrs	23.00h	Cum IADC Drill Hrs	25.00h			
Bit Model	RSX616-A16	SPP	19995kPa			Total Revs	159700	Cum Total Revs	174700			
Depth In	1421.0m	TFA	1.178			ROP(avg)	25.06 m/hr	ROP(avg)	25.80 m/hr			
Depth Out	1870.0m											
Daily Comment Total depth 1870m (1744.6mTVD) reached at 23:00hrs 24th July 08.												

BHA # 4							
Weight(Wet)	36.29mt	Length	278.1m	Torque(max)	38080.0Nm	D.C. (1) Ann Velocity	83.07mpm
Wt Below Jar(Wet)	20.41mt	String	117.93mt	Torque(Off.Btm)	14960.0Nm	D.C. (2) Ann Velocity	0mpm
		Pick-Up	122.47mt	Torque(On.Btm)	5440.0Nm	H.W.D.P. Ann Velocity	69.59mpm
		Slack-Off	122.47mt			D.P. Ann Velocity	57.17mpm

BHA Run Description Directional / FEWD							
Equipment	Length	OD	ID	Serial #	Comment		
Bit	0.27m	311mm		2158520	6 x 16 nozzles		
Powerdrive 900	8.18m	311mm	127mm	CR5058	Xceed directional survey = 3.33m from the bit.		
Saver Sub	0.46m	229mm	127mm	CR59-015			
Saver Sub	0.36m	210mm	108mm	ASQ8058			
ARC-8	5.48m	213mm	76mm	1106	Resistivity & Gama = 11.1m from the bit.		
Saver Sub	0.34m	210mm	111mm	ASQ8012			
Power Pulse	7.69m	229mm	76mm	E0005	Powerpulse directional survey = 18.40m from the bit.		
Saver Sub	0.48m	210mm	111mm	ASQ8065			
NMDC	9.30m	213mm	83mm	SBD5552			
NMDC	9.30m	213mm	83mm	SBD5553			
Drill Collar	65.65m	203mm	73mm				
8in Jar	10.11m	210mm	76mm	718096			
Drill Collar	18.91m	203mm	73mm				
X/O	1.09m	203mm	67mm	GUD1231-6			
HWDP	140.40m	175mm	76mm				

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
1725.28	34.9	120.3	1625.83	-183.69	1.81	-183.69	337.45	MWD
1753.73	35.0	120.9	1649.15	-191.99	1.21	-191.99	351.47	MWD
1781.62	35.1	120.7	1671.99	-200.18	0.55	-200.18	365.22	MWD
1811.05	35.2	120.2	1696.06	-208.76	1.03	-208.76	379.83	MWD
1838.59	35.2	119.4	1718.56	-216.65	1.68	-216.65	393.60	MWD
1870.00	35.4	119.2	1744.21	-225.54	0.72	-225.54	409.42	MWD

Bulk Stocks						Personnel On Board		
Name	Unit	In	Used	Adjust	Balance	Company		Pax
Barite	MT	0	0	0	73.0	Santos		4
Gel	MT	0	0	0	53.0	Santos		2
Cement	MT	40	0	0	140.0	DOGC		46
Fuel	M3	0	21.6	0	509.0	ESS		7
Potable Water	M3	37	25	0	395.0	BHI		6
Drill Water	M3	324	5	0	1,047.0	Dowell		2
						Rheochem		2
						TMT		3
						Cameron		3
						Santos		1
						Anadrill		2
						Anadrill		2
						Schlumberger Wireline		9
						MI Swaco		1
						<b>Total</b>		<b>90</b>

Casing			
OD	L.O.T. / F.I.T.	Casing Shoe (MD/TVD)	Cementing
762mm	/	130.90/130.90	As per cement data.
340mm	2.12 /	642.20/642.20	Class G lead slurry to surface. Class G tail TOC at ± 492m (150m).

HSE Summary				
Events	Num Events	Date of Last	Days Since	Remarks
Abandon Drill	1	20 Jul 2008	4 Days	Abandonment drill completed after the fire drill. Completed full muster at lifeboat stations 2 and 3 in 6 minutes.
Fire Drill	1	20 Jul 2008	4 Days	Simulated a fire in the paint locker room. Muster complete within 8 minutes and incident under control in 7 minutes.
First Aid	1	23 Jun 2008	31 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	20	24 Jul 2008	0 Days	Drill crew - 3 Deck Crew - 12 Welder - 2 Mech - 3
Lost Time Incident	1	30 May 2008	55 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	72 Days	No MTI since start of campaign
Medical Treatment Incident	1	24 Jul 2008	0 Days	IP sustained a deep cut to his left leg. This was caused by his foot slipping off a timber support and hitting his shin. The IP will be flown out on crew chopper. Note: IP received 7 stitches and has been given clearance to return to work. Resumed duties 25th Jul 08.
Pre-Tour Meeting	4	24 Jul 2008	0 Days	Discussed upcoming operations and associated hazards
PTW Issued	14	24 Jul 2008	0 Days	6 x hot work permits 8 x cold work permits
Rig Inspection	1	02 Jul 2008	22 Days	Conducted hazard hunt checking for flammable liquids in containers secured properly and in correct place with signage.
Safety Meeting	3	20 Jul 2008	4 Days	Reviewed stop cards for the week and awarded Santos best stop card to Brendon Hayward. Discussed fire and abandonment drill and muster times. Played the Dodi Induction video.
Santos Induction	0	24 Jul 2008	0 Days	Completed Santos induction with new personnel to site.
Stop Observations	48	24 Jul 2008	0 Days	26 - Safe 22 - Corrective Actions
STOP Tour	1	24 Jul 2008	0 Days	1 x Dodi audits last 24hrs. Santos conducted a STOP audit of the welding room. All PPE worn during cutting/welding operations. Good ventilation. Hot work permit in place (14 Jul).
Trip/Pit Drill	1	24 Jul 2008	0 Days	Sounded the alarm on the drill floor for a kick drill. Crew reacted and had the FOBV in place within 40 seconds.

Shakers, Volumes and Losses Data				Engineer : Carissa Thompson / Wojciech Czarny			
Available	433.4m <sup>3</sup>	Losses	51.8m <sup>3</sup>	Equip.	Descr.	Mesh Size	Hours
Active	104.6m <sup>3</sup>	Downhole		Centrifuge 1	MI Swaco		0
Mixing	0.0m <sup>3</sup>	Surf+ Equip	51.8m <sup>3</sup>	Centrifuge 1	MI Swaco		0
Hole	143.2m <sup>3</sup>	Dumped		Centrifuge 2	MI Swaco		0
Slug		De-Sander		Centrifuge 2	MI Swaco		0
Reserve	115.6m <sup>3</sup>	De-Silter		Shaker 3	Bem 650 - MI Swac20/20/165/165/200/200		14
Kill		Centrifuge		Shaker 3	Bem 650 - MI Swac20/20/165/165/200/200		24
Brine	70.0m <sup>3</sup>			Shaker 4	Bem 650 - MI Swac20/20/165/165/200/200		14
				Shaker 4	Bem 650 - MI Swac20/20/165/165/200/200		24
				Shaker 5	Bem 650 - MI Swac20/20/165/165/200/200		14
				Shaker 5	Bem 650 - MI Swac20/20/165/165/200/200		24
				Shaker 6	Bem 650 - MI Swac20/20/165/165/200/200		14
				Shaker 6	Bem 650 - MI Swac20/20/165/165/200/200		24

Comment #2 Centrifuge needs repair done (awaiting spare parts).

Marine								Rig Support		
Weather check on 24 Jul 2008 at 24:00										
Visibility	Wind Speed	Wind Dir.	Pressure	Air Temp.	Wave Height	Wave Dir.	Wave Period	Anchors	Chain out (m)	Tension (mt)
18.5km	31km/h	45.0deg	1026.00bar	12.0C°	0.3m	0.0deg	3sec	1	1382.9	99.79
Roll	Pitch	Heave	Swell Height	Swell Dir.	Swell Period	Weather Comments				
1.0deg	0.7deg	1.50m	1.5m	235.0deg	12sec					
Rig Dir.	Ris. Tension	VDL	Comments							
215.0deg	120.20mt	955.72mt								
								8	1414.0	120.20

Boats	Arrived (date/time)	Departed (date/time)	Status	Bulks		
Far Grip		22:15 23 Jul 08	Dockside Portland	<b>Item</b>	<b>Unit</b>	<b>Quantity</b>
				Fuel	m3	375
				Potable Water	m3	134
				Drill Water	m3	166
				Cement	mt	0
				Barite	mt	42
				Gel	mt	59
				KCl Brine	m3	141
				Mud	m3	0
				Mud	m3	0
Nor Captain	21:40 23 Jul 2008		On location.	<b>Item</b>	<b>Unit</b>	<b>Quantity</b>
				Fuel	m3	581
				Potable Water	m3	324
				Drill Water	m3	289
				Cement	mt	42
				Barite	mt	84
				Gel	mt	42
				Mud	m3	140
				KCl Brine	m3	0

Helicopter Movement					
Flight #	Time	Destination	Comment	Pax	
GYJ	11:09	Ocean Patriot		3	
GYJ	11:21	Essendon		8	