

		From:	Peter Devine	/ Nathan Peri				
		OIM:	Dennis Gore					
Well Data								
Country	Australia	Measured Depth	1870.0m	Current Hole Size	315mm	AFE Cost	\$19,265,000	
Field		TVD	1744.6m	Casing OD	340mm	AFE No.	5738085	
Drill Contractor	DOGC	Progress	0.0m	Shoe MD	642.2m	Daily Cost	\$716,436	
Rig	Ocean Patriot	Days from spud	12.71	Shoe TVD	642.2m	Cum Cost	\$15,016,225	
Water Depth (LAT)	65.4m	Days on well	13.48	F.I.T. / L.O.T.	/ 2.12sg	Planned TD	2503.0m	
RT-SL(LAT)	21.5m	Current Op @ 0600	POH loggir	ng tools.				
RT-ML	86.9m	Planned Op	Rig down wireline.					
Rig Heading	215.0deg		Prepare ar	d run Tubing Conveye	ed Logging to	ols on drill pipe.		

Summary of Period 0000 to 2400 Hrs

POH logging tools and rigged down wireline equipment.

Picked up Wiper BHA and ran in hole to tight hole section at 1783m on elevators. Washed and reamed from 1783m to 1870m until slick. Circulated bottoms up. POH.

Rigged up wireline and rerun logging tools #1. Unable to pass 1792m. Logged from 1792m.

Formations			
Name	Top (MD)	Top (TVD)	Comment
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
Total Depth	1870.0m	1744.0m	

Operations For Period 0000 Hrs to 2400 Hrs on 27 Jul 2008

Phse	Cls (RC)	Ор	From	То	Hrs	Depth	Activity Description
EP	TP (HC)	LOG	0000	0030	0.50	1870.0m	Continued to run the logging tools #1 past an obstruction at 1763 mRT. Unable to make progress.
EP	TP (HC)	LOG	0030	0230	2.00	1870.0m	POH logging tools. Static mud losses of 0.25 m³/hr (1.5 bbl/hr).
EP	TP (HC)	LOG	0230	0300	0.50	1870.0m	Rigged down wireline.
EP	TP (HC)	НВНА	0300	0430	1.50	1870.0m	Picked up Wiper BHA and ran in hole to 230m. Note: Tagged the 340mm (13-3/8") casing swedge at 92m, rotated BHA through.
EP	TP (HC)	TI	0430	0730	3.00	1870.0m	Continued RIH Wiper BHA on drill pipe to 1700m. Maximum dragged observed was 8.9 kdaNm (20 klbs).
EP	TP (HC)	WTH	0730	0830	1.00	1870.0m	Washed and reamed through tight hole section from 1700m to 1870m. Parameters: 150rpm, 3400 L/min (900gpm), 21 MPa (3100psi).
EP	TP (HC)	CHC	0830	1100	2.50	1870.0m	Circulated hole clean (2 x BU) including a 11.0 m³ (70bbl) Hi-Vis sweep. Parameters: 150rpm, 3400 L/min (900gpm), 21 MPa (3100psi). Max BG gas = 34 units.
EP	TP (HC)	FC	1100	1115	0.25	1870.0m	Flow checked the well, static.
EP	TP (HC)	ТОТ	1115	1200	0.75	1870.0m	Pumped the first 5 stands out from 1870m to 1730m 2270 L/min (600 gpm), with no rotation. Pulled on elevators from 1730m to 1556m. Pumped a slug.
EP	TP (HC)	ТО	1200	1430	2.50	1870.0m	POH, good hole conditions observed to the shoe at 642m.
EP	TP (HC)	FC	1430	1445	0.25	1870.0m	Flow checked at the Shoe.
EP	TP (HC)	то	1445	1530	0.75	1870.0m	Continued POH.
EP	TP (HC)	НВНА	1530	1630	1.00	1870.0m	Pulled and racked the BHA.
EP	TP (HC)	LOG	1630	1800	1.50	1870.0m	Held JHA, rigged up wireline. Made up logging tool run #1: PEX-DSI-HNGS
EP	TP (HC)	LOG	1800	2000	2.00	1870.0m	Run logging tools #1: PEX-DSI-HNGS Static mud losses = 159 L/hr (1 bbl/hr).
EP	TP (HC)	LOG	2000	2400	4.00	1870.0m	Tagged up high at 1792.5 mRT. Varied running speeds to pass tight hole section, unable to pass deeper. Logged up from 1792.5m.

Operations For Period 0000 Hrs to 0600 Hrs on 28 Jul 2008

Phse	Cls (RC)	Ор	From	То	Hrs	Depth	Activity Description
PH	TP	LOG	0000	0230	2.50	1870.0m	Continued logging up with log run #1: PEX-DSI-HNGS



Phse	Cls (RC)	Ор	From	То	Hrs	Depth	Activity Description
	(HC)						
PH	TP (HC)	LOG	0230	0400	1.50	1870.0m	Tools at surface, break down tools and reconfigure the toolstring to include a centraliser and a knuckle joint on bottom of the tool string.
PH	TP (HC)	LOG	0400	0500	1.00	1870.0m	RIH logging tools #1: PEX-DSI-HNGS
PH	TP (HC)	LOG	0500	0530	0.50	1870.0m	Tagged obstruction at 1792.5m, worked the logging tools to try and pass this depth. Unable to pass.
PH	TP (HC)	LOG	0530	0600	0.50	1870.0m	POH logging tools.

WBM Data				Cost Today	\$ 4000				
Mud Type:	KGLY	API FL:	4cm³/30m	KCI:	8%	Solids:	11.31	Viscosity:	0sec/L
Sample-From:	FL	Filter-Cake:	1mm	Hard/Ca:	800	H2O:	88%	PV: YP:	0.024Pa/s 0.187MPa
Time:	10:30	HTHP-FL:		MBT:	7.5	Oil:		Gels 10s:	0.053
Weight:	1.33sg	HTHP-Cake:		PM:	0.1	Sand:		Gels 10m: Fann 003:	0.096
Temp:	46.0C°			PF:	0.04	pH:	8.7	Fann 006: Fann 100:	13 38
						PHPA:		Fann 200:	51
								Fann 300:	63
								Fann 600:	87

Comment No treatment to active system. Operate 1 x 518 FVS centrifuge to reduce MW and LGS while

washing to bottom and circ BU. Some losses at

shakers observed due to fine sand/cuttings and filter cake returns. Build Hivis pill. Pump 70bbl

11.0ppg Hivis Pill.

Operate 1 x centrifuge to reduce surface pits to 11.0ppg. Glychem MC. Inventory adjustment on Glychem MC.

Tripping Losses 29bbl reported as OTHER. Wireline Losses 9bbl (aver= 1.2 bbl/hr).

****Mud check #2 active mud while circ BU.

Bit # 5RR				Wear	I	01	D	L	В	G	O2	R
					0	0	NO	Α	Χ	- 1	NO	LOG
Size:	311mm	IADC#	117	No	zzles	Dril	led over la	ast 24 hrs	(Calculated	d over Bit	Run
Mfr:	HUGHES	WOB(avg)	0.00mt	No.	Size	Progre	ess	0.0m	Cum.	Progress		0.0m
Type:	Rock	RPM(avg)	158	1	14/32nd	On Bo	ttom Hrs	0.00h	Cum.	On Btm H	rs	0.00h
Serial No.:	5119202	F.Rate	3623lpm	3	20/32nd	J" IADC	Drill Hrs	0.00h	Cum	ADC Drill	Hrs	0.00h
Bit Model	MXL-1X	SPP	13500kPa			Total I	Revs	(Cum	Total Revs		0
Depth In	1870.0m	TFA	1.071			ROP(a	avg)	N/A	ROP(avg)		0.00 m/hr
Depth Out	1870.0m											
Daily Comment		Second wi	per trip with	this bit to	clear obst	ruction at	1783m. W	ashed and	reamed	the last 5 s	stands to	bottom.
D': 0 .		A 1.11										

Bitwear Comment Green bit, good for rerun.

BHA # 5RR							
Weight(Wet)	24.49mt	Length	230.0m	Torque(max)	34000.0Nm	D.C. (1) Ann Velocity	83.07mpm
Wt Below Jar(Wet)	13.61mt	String	104.33mt	Torque(Off.Btm)	13600.0Nm	D.C. (2) Ann Velocity	0mpm
		Pick-Up	104.33mt	Torque(On.Btm)	2720.0Nm	H.W.D.P. Ann Velocity	69.59mpm
		Slack-Off	104.33mt			D.P. Ann Velocity	57.17mpm
BHA Run Description		Wiper Trip					

BHA Run Comment Second wiper trip run to clear the obstruction at 1783m.

Equipment	Length	OD	ID	Serial #	Comment
Bit	0.33m	311mm		5119202	3x20, 1x14 nozzles
12.25in Near Bit Stabiliser	1.25m	311mm	127mm	50204	
8in DC	9.08m	203mm	73mm	186-008	
8in DC	9.46m	203mm	73mm	186-0059	
12.125in String Stab	1.68m	308mm	73mm	XM778	
Drill Collar	37.65m	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		



DRILLING MORNING REPORT # 14 Netherby-1 (27 Jul 2008)

Bulk Stocks						Personnel On Board		
Name	Unit	In	Used	Adjust	Balance	Company	Pax	
Barite	MT	0	0	0	8.0	Santos	4	
Gel	MT	0	0	0	53.0	Santos	2	
Cement	MT	0	0	0	140.0	DOGC	48	
Fuel	M3	150	20.2	0	606.4	ESS	8	
Potable Water	М3	0	19	0	347.0	BHI	6	
Drill Water	M3	0	24	0	945.0	Dowell	2	
						Rheochem	2	
						TMT	3	
						Cameron	3	
						Anadrill	2	
						Anadrill	2	
						Schlumberger Wireline	9	
						MI Swaco	1	
						Schlumberger Testing	1	
						Schlumberger Wireline	1	
						Total	94	

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	27 Jul 2008	0 Days	Abandonment drill completed after the fire drill. Completed full muster at lifeboat stations 1 and 2 in 10 minutes.
Fire Drill	1	27 Jul 2008	0 Days	Simulated a fire on the stbd crane at 10:22. Fire under control at 10:30 (full lifeboat muster also completed).
First Aid	1	23 Jun 2008	34 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.
First Aid	1	27 Jul 2008	0 Days	An IP on the supply vessel complained of chest pains and dizzyness. He was assisted off the boat to the rig and checked over by the medic. All clear given by medic with consultation with doctor. IP returned to the boat, boat headed for its scheduled trip to Portland. IP cleared to work after visit to Portland hospital.
JHA	33	27 Jul 2008	0 Days	Drill crew - 18 Deck Crew - 12 Mech - 3
Lost Time Incident	1	30 May 2008	58 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	75 Days	No MTI since start of campaign
Medical Treatment Incident	1	24 Jul 2008	3 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	27 Jul 2008	0 Days	Discussed upcoming operations and associated hazards
PTW Issued	12	27 Jul 2008	0 Days	8 x hot work permits 4 x cold work permits
Rig Inspection	1	02 Jul 2008	25 Days	Conducted hazard hunt checking for flamable liquids in containers secuered properly and in correct place with signage.
Safety Meeting	3	27 Jul 2008	0 Days	Reviewed stop cards for the week and awarded Santos best stop card to Tim Stone. Discussed fire and abandonment drill and muster times. Reviewed open water Rescue techiques.
Santos Induction	0	27 Jul 2008	0 Days	Completed Santos induction with new personnel to site.
Stop Observations	51	27 Jul 2008	0 Days	32 - Safe 19 - Corrective Actions
STOP Tour	2	27 Jul 2008	0 Days	3 x Dodi audits last 24hrs. Santos conducted a STOP audit of the mud pump room. Person working on the mud pumps had all PPE on and permit in place. Discussed what fluid isolations he had in place. No procedure available to determine what valves should be closed while working on the pumps. Reviewed the area and all valves were closed. JSA will be updated and Dodi informed of the findings.
Trip/Pit Drill	1	24 Jul 2008	3 Days	Sounded the alram 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	359.8m³	Losses	24.8m³	Equip.	Descr.	Mesh Size	Hours
Active	79.5m³	Downhole	3.2m³	Centrifuge 1	MI Swaco		(
Mixing	0.0m ³	Surf+ Equip	16.2m³	Centrifuge 2	MI Swaco		Ę
J		Suit+ Equip	10.2111	Shaker 3	Bem 650 - MI Swaco	10/20/230/230/230/230	12
Hole	154.2m³	Dumped		Shaker 4	Bem 650 - MI Swaco	10/20/230/230/230	12
Slug		De-Sander		Shaker 5	Bem 650 - MI Swaco	10/20/230/230/230	12
Reserve	56.1m³	De-Silter		Shaker 6	Bem 650 - MI Swaco	10/20/230/230/230	12
Kill		Centrifuge	5.4m³				
Brine	70.0m³						
Comment	#2 Centrifuge	needs repair don	e (awaiting s	pare parts).			

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



<u>DRILLING MORNING REPORT # 14</u> <u>Netherby-1</u> (27 Jul 2008)

Marine										
Weather ch	eck on 27 Jul	2008 at 24:00)					Rig Support		
Visibility	Wind Speed	Wind Dir.	Pressure	Air Temp.	Wave Height	Wave Dir.	Wave Period	Anchors	Chain out (m)	Tension (mt)
18.5km	22km/h	90.0deg	1015.00bar	10.0C°	0.5m	90.0deg	3sec	1	1382.9	103.87
Roll	Pitch	Heave	Swell Height	Swell Dir.	Swell Period	Weather	Comments	2	1382.9	106.14
0.4deg	0.3deg	0.40m	0.5m	90.0deg	3sec			3	1399.9	112.04
0.4009	0.0dog	0.40111	0.0111	00.0009	0000			4	1376.8	103.87
Rig Dir.	Ris. Tension	VDL		Comments				5	1410.9	113.85
215.0deg	124.74mt	1005.62mt						6	1421.0	104.78
								7	1410.9	118.84
								8	1414.0	121.11

Boats	Arrived (date/time)	Departed (date/time)	Status	Bulks		
Far Grip	22:30 26 Jul 08		On Location	Item	Unit	Quantity
				Fuel	m3	536
			Note: Mud volume is for the 8-1/2" section.	Potable Water	m3	176
				Drill Water	m3	450
			6-1/2 Section.	Cement	mt	43.5
				Barite	mt	84
				Gel	mt	59
				KCI Brine	m3	140
				NaCl Brine	m3	185
				Mud	m3	127
Nor Captain		05:00 27 Jul 08	Dockside Portland	Item	Unit	Quantity
				Fuel	m3	532
				Potable Water	m3	374
				Drill Water	m3	193
				Cement	mt	42
				Barite	mt	84
				Gel	mt	42
				KCI Brine	m3	0
				Mud	m3	69

Helicopter Movement

Flight #	Time	Destination	Comment	Pax
GYJ	11:32	Ocean Patriot		1
GYJ	11:40	Essendon		0