

**Anzon Australia**

LIMITED

Last BOP Test: 03 May 2006

10 May 2006

From: Simon Rodda/Geoff Webster
To: John Ah-Cann**DRILLING MORNING REPORT # 14**
Basker-4

Well Data							
Country	Australia	MDBRT	2738.0m	Cur. Hole Size	12.250	AFE Cost	\$18,202,687
Field	Basker and Manta	TVDBRT	2576.0m	Last Casing OD	13 3/8"	AFE No.	3426-1600
Drill Co.	DOGC	Progress	93.0m	Shoe TVDBRT	987.2m	Daily Cost	\$0
Rlg	OCEAN PATRIOT	Days from spud	72.50	Shoe MDBRT	998.5m	Cum Cost	\$3,223,476
Wtr Dpth(LAT)	154.5m	Days on well	12.44	FIT/LOT:	12.50ppg /	Days Since Last LTI	1086
RT-ASL(LAT)	21.5m	Planned TD MD	3636.0m				
RT-ML	176.0m	Planned TD TVDRT	3366.0m				
Current Op @ 0600		Drilling ahead 311mm (12 1/4") hole at 2764m MDRT					
Planned Op		Continue to drill and survey 311mm (12 1/4") hole					

Summary of Period 0000 to 2400 Hrs

POOH, change bit, RIH with rotary steerable BHA. Drill ahead and survey 311mm (12 1/4") hole from 2645m MDRT to 2738m MDRT

FORMATION

Name	Top
Reservoir Zone 6.2 Sand	
Reservoir Zone 7 Sand	
Volcanics (Unit 1)	
Reservoir Zone 8 Sand	
Total Depth	

Operations for Period 0000 Hrs to 2400 Hrs on 10 May 2006

Phse	Cls (RC)	Op	From	To	Hrs	Depth	Activity Description
IH	P	HBHA	0000	0100	1.00	2645.0m	Continue to POOH with BHA from 200m MDRT
IH	P	HBHA	0100	0230	1.50	2645.0m	Service GeoPilot. One stand off block assembly (pizza cutters) missing from GeoPilot tool. Attempt to break out bit with no success. Excessive torque, bit breaker twisted in rotary table around bit. Cut off bit breaker from bit. Make up single to BHA assembly and rack back in derrick
IH	P	OA	0230	0330	1.00	2645.0m	Pick up and make up Dowell cementing head assembly from catwalk and make up to 2 X HWDP. Rack back in derrick.
IH	TP (OTH)	HBHA	0330	0430	1.00	2645.0m	Install new bit breaker on bit. Welder installing strap across bit breaker opening
IH	P	HBHA	0430	0600	1.50	2645.0m	Install strap across bit breaker opening and pre heat bit box Break out bit from GeoPilot tool. (Graded 1-3-CT-H-X-IN-LT-PR)
IH	P	TI	0600	0800	2.00	2645.0m	Make up new bit and NB X/O to GeoPilot. Make up 12 1/4" rotary steerable BHA. Initialise MWD and RIH with BHA
IH	P	RS	0800	0800	1.00	2645.0m	Continue to RIH with BHA and 5 stands DP to 475m MDRT
IH	P	TI	0800	0900	1.00	2645.0m	Service top drive. Check and tighten bolts on rotating head
IH	P	WIN	0900	1300	4.00	2645.0m	Continue to RIH with 5" DP from 475m MDRT to 2626m MDRT
IH	P	WIN	1300	1500	2.00	2645.0m	Wash in from 2626m MDRT to 2639m MDRT. Hit ledge at 2626m MDRT with 40 klbs down weight. Work past ledge and work junk to 2645m MDRT
IH	P	DA	1500	2400	9.00	2738.0m	Drill ahead and survey 311mm (12 1/4") hole with rotary steerable assembly from 2645m MDRT to 2738m MDRT with 30-35 klbs WOB, 900-950 GPM, 2900-3350 psi 100-130 RPM, 15-20,000 ftlbs torque. Average ROP = 10.3 m/hr

Operations for Period 0000 Hrs to 0600 Hrs on 11 May 2006

Phse	Cls (RC)	Op	From	To	Hrs	Depth	Activity Description
IH	P	DA	0000	0600	6.00	2764.0m	Drill ahead and survey 311mm (12 1/4") hole with rotary steerable assembly from 2738m MDRT to 2764m MDRT with 30-40 klbs WOB, 900-950 GPM, 3200-3500 psi 90-130 RPM, 15-20,000 ftlbs torque. Average ROP = 4.3 m/hr 2738m-2753m = 10m/hr 2753m-2761m = 2m/hr 2761m-2764m = 8-10m/hr



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Phase Data to 2400hrs, 10 May 2006						
Phase	Phase Hrs	Start On	Finish On	Cum Hrs	Cum Days	Max Depth
CONDUCTOR HOLE(CH)	21	27 Feb 2006	28 Feb 2006	21.00	0.875	210.0m
CONDUCTOR CASING(CC)	15.5	28 Feb 2006	05 Mar 2006	36.50	1.521	210.0m
SURFACE CASING(SC)	18	05 Mar 2006	07 Mar 2006	54.50	2.271	1010.0m
SURFACE HOLE(SH)	47	05 Mar 2006	07 Mar 2006	101.50	4.229	1010.0m
INTERMEDIATE HOLE(IH)	197	02 May 2006	10 May 2006	298.50	12.438	2738.0m

WBM Data		Cost Today \$ 15491	
Mud Type: PHPA/KCL/Glycol	API FL: 4.3cc/30min	Cl: 42500mg/l	Solids(%vol): 9%
Sample-From: Active pit	Filter-Cake: 1/32nd"	K+C*1000: 8%	H2O: 91%
Time: 19:30	HHP-FL: 12.8cc/30min	Hard/Ca: 400mg/l	Oil(%): 0%
Weight: 9.50ppg	HHP-cake: 1/32nd"	MBT: 5	Sand: .25
Temp: 49C°		PM: 0.3	pH: 8.8
		PF: 0.1	PHPA:
Comment	Ditch Magnet recovery 24 hrs = 140g Total = 3840g		Viscosity PV YP Gels 10s Gels 10m Fann 003 Fann 008 Fann 100 Fann 200 Fann 300 Fann 600

Bit # 3RR1				Wear	I	O1	D	L	B	G	O2	R
				1		3	CT	H1	X	I	LT	PR
Bitwear Comments: Bit was partly balled. Minor junk damage was present												
Size ("):	12.250in	IADC#	M422	Nozzles		Drilled over last 24 hrs			Calculated over Bit Run			
Mfr:	REED HYCLOG	WOB(avg)		No.	Size	Progress	0.0m	Cum. Progress	27.0m			
Type:	PDC	RPM(avg)		3	18/32nd"	On Bottom Hrs	0.0h	Cum. On Btm Hrs	9.9h			
Serial No.:	212369	F.Rate		3	20/32nd"	IADC Drill Hrs	0.0h	Cum IADC Drill Hrs	15.0h			
Bit Model	RSX616M-A9	SPP				Total Revs	115000	Cum Total Revs	285000			
Depth In	2618.0m	HSI				ROP(avg)	N/A	ROP(avg)	2.73 m/hr			
Depth Out	2645.0m	TFA	1.666									
Bit Comment												

Bit # 5				Wear	I	O1	D	L	B	G	O2	R
Bitwear Comments:												
Size ("):	12.250in	IADC#	4-3-7	Nozzles		Drilled over last 24 hrs			Calculated over Bit Run			
Mfr:	SMITH BITS	WOB(avg)	32.00klb	No.	Size	Progress	93.0m	Cum. Progress	93.0m			
Type:	Rock	RPM(avg)	114	1	19/32nd"	On Bottom Hrs	7.7h	Cum. On Btm Hrs	7.7h			
Serial No.:	MX7979	F.Rate	937.00gpm	3	24/32nd"	IADC Drill Hrs	9.0h	Cum IADC Drill Hrs	9.0h			
Bit Model	GF 10B0DVCP5	SPP	3333psi			Total Revs	58000	Cum Total Revs	58000			
Depth In	2645.0m	HSI	1.40HSI			ROP(avg)	12.08 m/hr	ROP(avg)	12.08 m/hr			
Depth Out		TFA	1.6022									
Bit Comment												



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BHA # 6									
Weight(Wet)	50.00klb	Length	274.2m	Torque(max)	27000ft-lbs	D.C. (1) Ann Velocity	286fpm		
Wt Below Jar(Wet)	20.00klb	String	290.00klb	Torque(Off.Btm)	10000ft-lbs	D.C. (2) Ann Velocity			
Drilling Jar Hours	99	Pick-Up	315.00klb	Torque(On.Btm)	18000ft-lbs	H.W.D.P. Ann Velocity	197fpm		
		Slack-Off	270.00klb			D.P. Ann Velocity	197fpm		
BHA Run Description Rotary steerable assembly.									
BHA Run Comment									
Equipment	Length	OD	ID	Top Conn	Serial #	Comment			
Bit	0.60m	12.250in		6 5/8 Reg Box	212369	RSX616M-A9			
Geo_Pilot	6.60m	9.500in	3.000in	6 5/8 Reg	GP1225026	12 1/8" stab			
Non-Mag Flex collar	2.80m	9.500in	2.810in	6 5/8 Reg	CP938745				
DGR-EWD-PWD-XHCIM	9.69m	8.000in	1.938in	6 5/8 Reg	DM90099426	12 1/16" stabilizer			
HOC	3.10m	8.000in	1.938in	6 5/8 Reg	106450				
Float Sub	0.68m	8.000in	2.813in	6 5/8 Reg	DA8011				
8in DC	26.78m	7.813in	2.875in	6 5/8 Reg					
Drilling Jars	9.86m	8.250in	3.000in	6 5/8 Reg	48907C				
8in DC	17.80m	7.813in	3.000in	6 5/8 Reg					
X/O	1.17m	8.250in	2.938in	4 1/2 IF	MSO205602				
5in HWDP	195.13m	5.000in	3.000in	4 1/2 IF					
BHA # 7									
Weight(Wet)	50.00klb	Length	274.4m	Torque(max)	27000ft-lbs	D.C. (1) Ann Velocity	286fpm		
Wt Below Jar(Wet)	20.00klb	String	290.00klb	Torque(Off.Btm)	10000ft-lbs	D.C. (2) Ann Velocity			
Drilling Jar Hours	110	Pick-Up	315.00klb	Torque(On.Btm)	18000ft-lbs	H.W.D.P. Ann Velocity	197fpm		
		Slack-Off	270.00klb			D.P. Ann Velocity	197fpm		
BHA Run Description Rotary steerable assembly.									
BHA Run Comment									
Equipment	Length	OD	ID	Top Conn	Serial #	Comment			
Bit	0.30m	12.250in		6 5/8 Reg Box	MX7979	GF 10BCDV/CPS			
X/O	0.48m	12.125in	3.000in	6 5/8 Reg	10625820				
Geo_Pilot	6.60m	9.500in	3.000in	6 5/8 Reg	GP1225026	12 1/8" stab			
Non-Mag Flex collar	2.80m	9.500in	2.810in	6 5/8 Reg	CP938745				
DGR-EWD-PWD-XHCIM	9.69m	8.000in	1.938in	6 5/8 Reg	DM90099426	12 1/16" stabilizer			
HOC	3.10m	8.000in	1.938in	6 5/8 Reg	106450				
Float Sub	0.68m	8.000in	2.813in	6 5/8 Reg	DA8011				
8in DC	26.78m	7.813in	2.875in	6 5/8 Reg					
Drilling Jars	9.86m	8.250in	3.000in	6 5/8 Reg	48907C				
8in DC	17.80m	7.813in	3.000in	6 5/8 Reg					
X/O	1.17m	8.250in	2.938in	4 1/2 IF	MSO205602				
5in HWDP	195.13m	5.000in	3.000in	4 1/2 IF					
Survey									
MD (m)	Incl (deg)	Azlm (deg)	TVD (m)	Vsec (deg)	N/S (m)	E/W (m)	DLS (deg/30m)	Tool Type	
2640.94	27.8	265.8	2489.15	749.9	-57.3	-747.7	0.9	MWD	
2669.25	27.2	265.6	2514.26	762.9	-58.3	-760.7	0.7	MWD	
2697.86	24.9	266.0	2539.99	775.5	-59.2	-773.3	2.4	MWD	
2727.14	22.3	267.4	2566.80	787.2	-59.9	-785.0	2.6	MWD	


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Bulk Stocks						
Name	Unit	In	Used	Adjust	Balance	
Barite Bulk	MT			-1.9	63.3	
Bentonite Bulk	MT	0	0	0	42.6	
Cement G	MT		0	0	5.7	
Cement HT (Silica)	MT	0	0	0	165.9	
Diesel	m3		13.9		296.3	
Fresh Water	m3	34	25.7	0	403.6	
Drill Water	m3	0	108.5	0.2	631.3	

Pumps																	
Pump Data - Last 24 Hrs									Slow Pump Data								
No.	Type	Liner (in)	MW (ppg)	Eff (%)	SPM (SPM)	SPP (psi)	Flow (bpm)	Depth (m)	SPM1 (SPM)	SPP1 (psi)	Flow1 (bpm)	SPM2 (SPM)	SPP2 (psi)	Flow2 (bpm)	SPM3 (SPM)	SPP3 (psi)	Flow3 (bpm)
1	A1700PT	6.000	9.50	97	72	3400	7.33	2543.0	30	375	3.05	40	430	4.07	50	500	5.09
2	12P160	6.000	9.50	97	72	3400	7.33	2543.0	30	350	3.05	40	465	4.07	50	560	5.09
3	12P160	6.000	9.50	97	72	3400	7.33	2142.0	30	425	3.05	40	465	4.07	50	550	5.09

Casing						
OD (in)	Csg Shoe MD (m)	Csg Shoe TVD (m)	Csg Landing Depth MD (m)	Csg Landing Depth TVD (m)	LOT/FIT (ppg)	
30"	208.60	208.60	208.60	208.60		
13 3/8"	998.85	987.20	998.85	987.20		

Personnel On Board		
Company	Pax	Comment
ANZON AUSTRALIA LIMITED	5	
DOGC	48	
ESS	8	
DOWELL SCHLUMBERGER	2	
FUGRO SURVEY LTD	3	
MI AUSTRALIA PTY LTD	2	
HALLIBURTON AUSTRALIA PTY LTD - SPERRY SUN	4	
GEOSERVICES OVERSEAS S.A.	6	
Total	78	

HSE Summary					
Events	Date of last	Days Since	Descr.	Remarks	
Last BOP Test	03 May 2006				
Abandon Drill	07 May 2006	3 Days			
Fire Drill	07 May 2006	3 Days			
JSA	10 May 2006	0 Days	Drill crew=7, Deck=7, Mechanical=2		
Man Overboard Drill	05 Apr 2006	35 Days			
Safety Meeting	07 May 2006	3 Days	Weekly safety meetings	Hold safety meetings at 1300/1900/0100hrs	
STOP Card	10 May 2006	0 Days	Safe=6 Un-safe=11		

Shakers, Volumes and Losses Data						
Available	2,985bbbl	Losses	426bbbl	Equip.	Descr.	Mesh Size
Active	408.6bbbl	Equipment	181bbbl	Shaker1	VSM 100	200/200/200/200
Hole	1,435.4bbbl	Dumped	135bbbl	Shaker2	VSM 100	200/200/200/200
Reserve	1,141bbbl	Desander	110bbbl	Shaker3	VSM 100	200/200/200/200
				Shaker4	VSM 100	200/200/165/165



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Marine								Rig Support	
Weather on 10 May 2006								Anchors	
Visibility	Wind Speed	Wind Dir.	Pressure	Air Temp.	Wave Height	Wave Dir.	Wave Period	Tension (klb)	
10.0nm	15kn	230.0deg	1028.0mbar	15C°	2.0m	230.0deg	4s	1	216.0
Rig Dir.	Ris. Tension	VDL	Swell Height	Swell Dir.	Swell Period	Weather Comments			
253.0deg	478.00klb	4903.00klb	4.0m	230.0deg	8s				
Comments									
								2	229.0
								3	238.0
								4	267.0
								5	251.0
								6	326.0
								7	207.0
								8	209.0
Vessel Name	Arrived (Date/Time)	Departed (Date/Time)	Status	Bulks					
Far Grp	16:40 10 May 2006		Running Standby	Item	Unit	Used	Quantity		
				Diesel	m3		257		
				Fresh Water	m3		395		
				Drill Water	m3		860		
				Cement G	mt		82		
				Cement HT (Silica)	mt		0		
				Brine	bbls		1000		
				Banite Bulk	mt		0		
				Bentonite Bulk	mt		22.5		
Pacific Wrangler	13:45 5 May 2006		Running Standby	Item	Unit	Used	Quantity		
				Diesel	m3		443.2		
				Fresh Water	m3		203		
				Drill Water	m3		154		
				Cement G	mt		74		
				Bentonite Bulk	mt		19		
				Banite Bulk	mt		0		
				Brine	bbls		341		
				Cement HT (Silica)	mt		60.2		
Helicopter Movement									
Flight #	Company	Arr/Dep. Time	Pax In/Out	Comment					
1	BRISTOW HELICOPTERS AUSTRALIA PTY LTD	/	/	Fuel on board 1551 litres					