Well Site Manager: Dennis Bell / Kevin Monkhouse **OIM: Rod Dotson**

Well Data

Country	Australia	Total Planned Days	27.60	M. Depth	1558.0m	Current Hole Size	12.250in
Field	Otway Basin	Actual Days	11.00	TVD	1557.9m	Casing OD	13.375in
Rig Contractor	DOGC	Planned Days Completed	12.1	Progress	274.0m	Shoe TVD	1278.5m
Rig	OCEAN PATRIOT	Days +/- Curve	-1.1 (Ahead)			FIT/LOT	/ 1.70sg
Water Depth(LAT)	503.0m	Spud Date	19 Oct 2009			Last BOP Test	23 Oct 2009
RT-ASL(LAT)	21.5m	Operations @ 0600	Continue to drill ahead 310mm (12 1/4") hole from 1700m.				
RT-ML	524.5m	Planned Op	Drill ahead in 310mm (12 1/4") hole to section TD.				

Cost Data

Daily Cost: $1,404,846

	AFE (D&C)	Actual Cost to Date (D&C)	EFC (D&C)
Mob/Demob	$ 5,900,000	$ 3,182,286	$ 5,500,000
Drilling	$ 23,100,000	$ 8,722,597	$ 18,400,000
Completion	$ 0	$ 0	$ 0
Testing	$ 0	$ 0	$ 0
Intervention	$ 0	$ 0	$ 0
Well Total	$ 29,000,000	$ 11,904,883	$ 23,900,000

Summary of Period 0000 to 2400 Hrs

Tagged TOC. Displaced to Ultradril mud while drilling out shoe track and 444mm (17 1/2") rat hole. Circulated mud and pulled into shoe. Performed LOT - 1.7sg EMW achieved. Rig placed on down time due to brine lost in ship to rig transfer. Drilled 310mm (12 1/4") hole from 1289m to 1558m.

Operations For Period 0000 Hrs to 2400 Hrs on 25 Oct 2009

CLS	PHSE	OP	From	To	Hrs	Depth	Activity Description
P	IH1	RW	0000	0030	0.50	1284.0m	Washed down from 1216m and tagged TOC at 1240.2m (tide corrected). 1.3m3 (340gpm), 2750kPa (400psi). Tagged with 6.8m3 (15k) weight.
P	IH1	DC	0030	0100	0.50	1284.0m	Drilled cement from 1240.2m to top plug at 1251.3m. 2.3m3/min (600gpm), 10,300kPa (1500psi), 2.2mt (5klbs) to 4.4mt (10klbs) WOB, 60rpm. Concurrent Operations: Displaced hole to 1.25sg Ultradrill mud.
P	IH1	DC	0100	0730	6.50	1284.0m	Drilled cement plugs and float collar from 1251.3m to 1253m. 22.3m3/min (600gpm), 10,300kPa (1500psi), 2.2mt (5klbs) to 4.4mt (10klbs) WOB, 60rpm. Concurrent Operations: Displaced hole to 1.25sg Ultradrill mud. Interface at surface at 01:30.
P	IH1	DC	0730	0830	1.00	1284.0m	Drilled out shoe track and 5m new formation. Cleaned out rat hole. 2.6m3/min (700gpm), 12,400kPa (1800psi), 2.2mt (5klbs) to 4.4mt (10klbs) WOB, 60rpm.
P	IH1	DA	0830	0930	1.00	1289.0m	Drilled 310mm (12 1/4") hole from 1284m to 11289m. 2.3m3/min (600gpm), 9600kPa (1400psi), 6700-13400Nm (5-10kft-lbs) torque, 4.4mt (10klbs) WOB, 80rpm.
P	IH1	CCM	0930	1000	0.50	1289.0m	Worked through shoe and rat hole, circulating at 2.6m3/min (700gpm), 11000kPa (1800psi).
P	IH1	LOT	1000	1030	0.50	1289.0m	Pulled back into shoe. Held Pre job JSA and rigged up to perform LOT.
P	IH1	LOT	1030	1130	1.00	1289.0m	Broke circulation with Dowell. Pressure tested surface lines to 20,600kPa (3000psi) for 5mins - OK. Spaced out drill string, closed MPRs and performed LOT. Mud weight 1.25sg, surface pressure 5600kPa (824psi). LOT result 1.7sg EMW .
P	IH1	LOT	1130	1200	0.50	1289.0m	Rigged down surface equipment.
NPT (SRE)	IH1	DA	1200	1530	3.50	1289.0m	Unable to drill ahead due to loss of Brine during ship to rig transfer (insufficient mud to complete section). Rig placed on downtime. Held Safety Stand Down meeting with rig personnel. Circulated well, flushed kill and choke lines, serviced Top Drive, Blocks and Drawworks while stood down.
P	IH1	DA	1530	2400	8.50	1558.0m	Drilled 310mm (12 1/4") hole from 1289m to 1558m. WOB 4.5mt-13.6mt (10k-30k), pump rate 2.6m3-4m3 (700-1050gpm), pressure 19,300kPa-28,900kPa (2800psi - 4200psi), rotary speed 100-170rpm. (Commenced mud weight increase as per program).
Total Duration					24		

Operations For Period 0000 Hrs to 0600 Hrs on 26 Oct 2009

CLS	PHSE	OP	From	To	Hrs	Depth	Activity Description
P	IH1	DA	0000	0600	6.00	1700.0m	Drilled ahead 310mm (12 1/4") hole from 1558m to 1700m. Wob 4.5mt-13.6mt (10k-30k), pump rate 2.6m3-4m3 (700-1050gpm), pressure 19,300kPa-28,900kPa (2800psi - 4200psi), rotary speed 100-170rpm
Total Duration					6		

Casing

OD(in)	Csg Shoe MD (m)	Csg Shoe TVD (m)	LOT (ppg)	FIT (ppg)	Weight (lbs/ft)	Grade	KPI Score	Top of Liner
30 "	569.44	569.44			310.0	X56		
13 3/8"	1278.57	1278.51	14.20		72.0	N80 BTC		

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
1395.50	0.44	87.23	1395.42	-0.73	0.130	-0.73	11.70	
1423.48	0.35	95.19	1423.40	-0.74	0.110	-0.74	11.89	
1450.69	0.32	100.66	1450.61	-0.76	0.050	-0.76	12.05	

Bit # 3

Wear	I	O1	D	L	B	G	O2	R

				Nozzles		Drilled over last 24 hrs		Calculated over Bit Run	
Size:	12.250in	IADC#	M423	No.	Size	Progress	274.0m	Cum. Progress	274.0m
Manf:	SMITH	WOB (avg)	23.00klb	10	12/32nd"	On Bottom Hrs	7.3h	Cum. On Btm Hrs	7.3h
Type:	PDC	RPM (avg)	152			IADC Drill Hrs	8.5h	Cum IADC Drill Hrs	8.5h
Serial No.:	JD0772	F. Rate	994.00gpm			Total Revs	63	Cum Total Revs	63
Depth In	1284.0m	SPP	4200psi			ROP (avg)	37.53 m/hr	ROP (avg)	37.53 m/hr
Depth Out		HSI	3.86HSI						
Bit Model	MDSi716	TFA	1.104in²						

BHA # 3

		Parameters					
Weight Below Jar	40.00klb						
BHA Weight	60.00klb	Rot Weight	265.00klb	Torque (max)	13000ft.lbs	D.P. Ann Velocity	59mpm
Bit to G.R Sensor Center	10.1m	Pick-Up Weight	265.00klb	Torque Off Bottom (avg)	4400ft.lbs	D.C. (1) Ann Velocity	86mpm
Bit to Dir. Sensor Center	18.1m	Slack-Off Weight	260.00klb	Torque On Bottom (avg)	7000ft.lbs	D.C. (2) Ann Velocity	59mpm

BHA Objective

Equipment	Length	Cum. Length	OD	ID	Comment
Bit	0.33m	0.33 m	12.250in		
Near Bit Stab	2.56m	2.89 m	12.250in	2.875in	w/ Ported Float
Pony NMDC	2.90m	5.79 m	8.000in	2.188in	
Stabilizer	1.75m	7.54 m	12.250in	2.875in	
Saver Sub	0.38m	7.92 m	8.250in	3.000in	
ARC8	5.44m	13.36 m	9.000in	2.813in	
ILS	0.91m	14.27 m	12.125in	4.250in	
Telescope	7.68m	21.95 m	8.250in	5.938in	
Saver Sub	0.38m	22.33 m	8.250in	3.000in	
Stabilizer	0.98m	23.31 m	12.125in	3.000in	
Sonic 6	6.88m	30.19 m	9.063in	4.000in	
Saver Sub	0.32m	30.51 m	8.313in	4.250in	
ADN 8	6.37m	36.88 m	12.125in	3.250in	
Saver Sub	2.48m	39.36 m	9.125in	3.000in	
8in DC	54.68m	94.04 m	8.000in	2.750in	
Jars	9.75m	103.79 m	8.063in	3.000in	
8in DC	18.65m	122.44 m	8.500in	2.188in	
X/O	1.11m	123.55 m	8.250in	2.750in	
HWDP	142.17m	265.72 m	5.000in	3.000in	

WBM Data

Mud Type:	Ultrdril	API FL:	3.2cc/30min	Cl:	64000mg/l	Solids(%vol):	9.8%	Viscosity	77sec/L
Sample-From:	Active	Filter-Cake:	1/32nd"	K+C*1000:	11%	H2O:	90.0%	PV	20cp
Time:	18:00	HTHP-FL:	10.2cc/30min	Hard/Ca:	760mg/l	Oil(%):	0.0%	YP	29lb/100ft²
Weight:	1.26sg	HTHP-cake:	1/32nd"	MBT:	1	Sand:	0.5	Gels 10s	6
Temp:	30C°	Glycol:		PM:		pH:	10.5	Gels 10m	9
				PF:	3.2	PHPA:		Fann 003	6
								Fann 006	8
								Fann 100	29
								Fann 200	41
								Fann 300	49
								Fann 600	69

Comment: Ditch Magnet recovery 860gms

WBM Data

Mud Type:	Ultrdril	API FL:	4.0cc/30min	Cl:	65000mg/l	Solids(%vol):	11.2%	Viscosity	74sec/L
Sample-From:	Active	Filter-Cake:	1/32nd"	K+C*1000:	11%	H2O:	89.0%	PV	20cp
Time:	21:00	HTHP-FL:	10.8cc/30min	Hard/Ca:	440mg/l	Oil(%):	0.0%	YP	28lb/100ft²
Weight:	1.26sg	HTHP-cake:	1/32nd"	MBT:	1	Sand:		Gels 10s	6
Temp:	30C°	Glycol:		PM:		pH:	10.2	Gels 10m	9
				PF:	3	PHPA:		Fann 003	6
								Fann 006	8
								Fann 100	29
								Fann 200	40
								Fann 300	48
								Fann 600	68

Comment: Received 109 bbl brine off Lewek Swift. Remainder of 1500 bbl brine on board lost via burst delivery hose. (Cost of lost brine included on todays report). Took on 367 bbl brine off Emerald. Built premixes for volume. Cuttings integrity - very good, well defined, non-sticky, dry inside. Shakers running 120 x 100 API screens. Most cuttings removed by scalpers (20 mesh). Desander and desilter run. Used 11 x API 120 shaker screens from Swaco stock. NPT (fluid related) - 0.

Bulk Stock

Name	Unit	In	Used	Balance	Name	Unit	In	Used	Balance
'G' Cmt	MT	0	0	57.0	Drill Water	M3	0	36	294.0
Fuel	M3	0	10.8	319.3	Barite	MT	0	37	156.0
Pot Water	M3	36	22	276.0	Bentonite	MT	0	0	55.0
Fresh water	M3	0	0	0.0					

Supply Vessel

Boats	Status	Bulks		
		Item	Unit	Quantity
Lewek Swift	In Portland Accidental discharge of ~1350bbl brine during ship transfer to rig.	Fuel	m3	455
		Pot Water	m3	313
		Drill Water	m3	511
		CEMENT G	mt	0
		CEMENT HT (SILICA)	mt	88
		Barite	mt	31
		Bentonite	mt	8
		BRINE	bbls	0

Boats	Status	Bulks		
		Item	Unit	Quantity
Lewek Emerald	On Standby	Fuel	m3	376.7
		Pot Water	m3	144
		Drill Water	m3	275
		CEMENT G	mt	40
		CEMENT HT (SILICA)	mt	0
		Barite	mt	67
		Bentonite	mt	0
		BRINE	bbls	224

Personnel On Board — Total : 93

Company	Pax	Company	Pax
Diamond Offshore	51	Dril-Quip	1
ESS	8	MI Australia PTY LTD	2
Woodside	7	Schlumberger DD	2
BHI	6	Schlumberger MWD/LWD	3
BJ Tubulars	3	Subsea 7	6
Dowell Schlumberger	2	Petrotech	2

Lagging Indicators

	HPI	LTI	RWC	MTC	TROI	FAC	Env Cat C	Env Non Comp	Dropped Objects	HPH	Env Cat D	Env Cat E
24hr	0	0	0	0	0	0	0	0	0	0	1	0
Well To Date	0	0	0	0	0	1	0	0	1	0	1	0
Month To Date	0	0	0	0	0	1	0	0	1	0	1	0
Year To Date	0	0	0	0	0	1	0	0	1	0	1	0
Comments/ Findings	Loss of Containment: Approximately 1350bbls of KCl brine lost to ocean during bulk transfer from the Lewek Swift between 01:30hrs and 3:30hrs.											

Leading Indicators

	GSR Comp Checks	JSA Comp Checks	PTW Audit	Area Inspection	3rd Party Company Check	Mgt Visits	Drills	Number Observe Cards	ER Exercises	Env Insp Check
24hr	2	0	3	1	0	0	0	86	0	0
Well To Date	7	4	5	4	0	0	2	1050	1	2
Planned Targets per month	10/m	4/m	8/m	4/m	1/qtr	1/qtr	8	N/A	1 first month start up, 6 month after	1/m
Month Actual	7	4	5	4	0	0	2	1050	1	2
Year To Date	7	4	5	4	0	0	2	1050	1	2
Comments/ Findings	GSR Comp Checks 2 - #1-Driving Forklift: compliant. #2-Electrical Isolation for rig air compressor: compliant. PTW Audit 3 - #1-Clean, Inspect & Test AC Motor on Anchor Winches. #2-Pressure Test from Cement Unit to Rig Floor. #3-Welding top rail of new walkway. All compliant, but JSAs not attached, located where JSA held. Area Inspection 1 - Cement Unit - Good housekeeping, maintained well by cementers. Number Observe Cards 86 - Safe/Unsafe: 47/39 (DODI - 36; ESS - 13; TPC - 30; WEL - 7).									

Leading Indicators

	H&S INC/NM	Env NM							
24hr	0	0							
Well To Date	0	0							
Month To Date	0	0							
Year To Date	0	0							
Comments / Findings									

General Comments

00:00 to 24:00 Hrs on 25 Oct 2009

Operational Comments	Ditch Magnet Reading: 860 grams. CAR: 47/143 items closed (11 critical) Top Stop Cards: #1 - Found someone had placed clothing on top of an electric motor, blocking the vent for motor cooling. Removed the obstruction to ensure electric motor could cool down. #2 - Found forklift parked with forks still raised off the ground. Explained to driver that this is a bad practice and trip hazard even if only for a short time while he was to mount or dismount. Non-compliance trends: No hands on handrails continue to be a problem. Obstructing safety equipment. Unsecured tubulars on pipedeck. Whipchecks and safety "R" clips rig-up. Requested all personnel take time to check all equipment before use, especially hoses. Check of rig hose equipment found "Jubilee Clips" are outlawed on this rig and proper clamps are used. DODI Supervisor audits conducted: 2 DODI Interventions conducted: 5 Woodside Interventions conducted: 4 Daily Environmental Checklist findings: Cleaned anchor winchs. Replaced soaker pads around the rig and continued general rig cleaning.

Performance Summary

Daily								Cumulative Well								
P		NPT		SCC		NSC		P		NPT		SCC		NSC		Total
Hrs	%	Hrs	%	Hrs	%	Hrs	%	Hrs	%	Hrs	%	Hrs	%	Hrs	%	Hours
20.5	85.42	3.5	14.58					245	92.8	17	6.44			2	0.76	264