01 Nov 2009
DRILLING MORNING REPORT # 18
Somerset-1

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

Well Data

Country	Australia	Total Planned Days	27.60	M. Depth	2912.0m	Current Hole Size	12.250in
Field	Otway Basin	Actual Days	18.00	TVD	2912.0m	Casing OD	13.375in
Rig Contractor	DOGC	Planned Days Completed	16.1	Progress	0.0m	Shoe TVD	1278.5m
Rig	OCEAN PATRIOT	Days +/- Curve	+ 1.9 (Behind)			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	Monitoring static losses. Bit depth 780m				
RT-ML	524.5m	Planned Op	POOH and rack back 311mm (12.25") BHA. RIH with 5" DP to TD. Set barite plugs across the reservoir. Plug and abandon well.				

Cost Data — Daily Cost: $739,015

	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	$ 13,969,153	$ 21,900,000
Completion	$ 0	$ 0	$ 0
Testing	$ 0	$ 0	$ 0
Intervention	$ 0	$ 0	$ 0
Well Total	$ 29,000,000	$ 17,151,439	$ 27,400,000

Summary of Period 0000 to 2400 Hrs

Completed hole displacement to 14.2ppg mud. Flow checked well. Pumped out of hole to 1321m. Lost circulation at 1321m. Pumped 201bbls to re-establish circulation. Continued to pump out of hole after flow check above shoe at 1273m.

Operations For Period 0000 Hrs to 2400 Hrs on 01 Nov 2009

CLS	PHSE	OP	From	To	Hrs	Depth	Activity Description
NPT (DHWC)	IH1	DA	0000	0730	7.50	2912.0m	Continued well displacement to 1.7sg (14.2ppg) mud at 636L/min (4bpm). Rotated and reciprocated pipe 80 rpm, 2 kftlbs torque, 159mt (350klbs) RT weight, 159mt (350klbs) S/O weight, 163mt (360klbs) P/U weight. Pump pressure increased steadily as 1.7sg (14.2ppg) mud circulated up annulus. No losses observed.
NPT (DHWC)	IH1	DA	0730	0830	1.00	2912.0m	Increased pump rate to determine potential dynamic loss rate. 795L/min (5bpm) - no losses; 955L/min (6bpm) - 125L/min (0.8bpm) losses.
NPT (DHWC)	IH1	DA	0830	0900	0.50	2912.0m	Flow checked well - static.
NPT (DHWC)	IH1	DA	0900	1000	1.00	2912.0m	Held pre-job JSA with drill crew on pumping out of the hole. Flushed choke and kill lines with 1.7sg (14.2ppg) mud. Recorded SCRs and CLFLs.
NPT (DHWC)	IH1	DA	1000	2200	12.00	2912.0m	Pumped out of the hole from 2912m to 1321m at 3min/std, 955L/min (6 bpm), 15.2MPa (2200psi). Reamed tight spots at 2612m, 2537m and 1647m.
NPT (DHWC)	IH1	DA	2200	2300	1.00	2912.0m	Lost circulation at 1321m. Pumped total 32m3 (201bbls) mud to re-establish circulation and fill hole.
NPT (DHWC)	IH1	DA	2300	2330	0.50	2912.0m	Continued to pump out of the hole from 1321m to 1273m at 475L/min (3bpm).
NPT (DHWC)	IH1	DA	2330	2345	0.25	2912.0m	Flow checked well at 1273m - static.
NPT (DHWC)	IH1	DA	2345	2400	0.25	2912.0m	Continued to pump out of the hole from 1273m to 1244m.
Total Duration					24		

Operations For Period 0000 Hrs to 0600 Hrs on 02 Nov 2009

CLS	PHSE	OP	From	To	Hrs	Depth	Activity Description
NPT (DHWC)	IH1	DA	0000	0330	3.50	2912.0m	Pumped out of the hole from 1244m to 800m at 3min/std, 955L/min (6 bpm), 4410kPa (640psi).
NPT (DHWC)	IH1	DA	0330	0345	0.25	2912.0m	Flow checked well at 800m with BHA below BOPs - well static.
NPT (DHWC)	IH1	DA	0345	0400	0.25	2912.0m	Commenced pumping out of hole to 780m. Experienced major losses. Pumped 32m3 (203bbls) 1.58sg (13.2ppg) mud down booster line to regain full mud column.
NPT (DHWC)	IH1	DA	0400	0430	0.50	2912.0m	Flow checked well at 780m - well static. (Commenced building additional 1.58sg (13.2ppg) mud).

CLS	PHSE	OP	From	To	Hrs	Depth	Activity Description
NPT (DHWC)	IH1	DA	0430	0600	1.50	2912.0m	While monitoring on trip tank major losses occurred again. Pumped 111m3 (700bbls) 1.5sg (12.5ppg) mud, down riser booster line and simultaneously top-filled riser with seawater from trip tank to fill hole.
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		

Bit # 3

Wear	I	O1	D	L	B	G	O2	R

Size:	12.250in	IADC#	M423	**Nozzles**		**Drilled over last 24 hrs**	**Calculated over Bit Run**
Manf:	SMITH	WOB (avg)		No.	Size	Progress 0.0m	Cum. Progress 1629.0m
Type:	PDC	RPM (avg)		10	12/32nd"	On Bottom Hrs 0.0h	Cum. On Btm Hrs 42.4h
Serial No.:	JD0772	F. Rate	168.00gpm			IADC Drill Hrs 0.0h	Cum IADC Drill Hrs 114.0h
Depth In	1284.0m	SPP				Total Revs	Cum Total Revs 236000
Depth Out		HSI	0.02HSI			ROP (avg) N/A	ROP (avg) 38.42 m/hr
Bit Model	MDSi716	TFA	1.104in²				

BHA # 3

		Parameters					
Weight Below Jar	40.00klb						
BHA Weight	65.00klb	Rot Weight	330.00klb	Torque (max)	2000ft.lbs	D.P. Ann Velocity	0mpm
Bit to G.R Sensor Center	10.1m	Pick-Up Weight	340.00klb	Torque Off Bottom (avg)	2000ft.lbs	D.C. (1) Ann Velocity	0mpm
Bit to Dir. Sensor Center	18.1m	Slack-Off Weight	330.00klb	Torque On Bottom (avg)	2000ft.lbs	D.C. (2) Ann Velocity	0mpm

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:	Ultradril	API FL:	3.6cc/30min	Cl:	46000mg/l	Solids(%vol):	23.0%	Viscosity	76sec/L
Sample-From:	Active	Filter-Cake:	1/32nd"	K+C*1000:	7%	H2O:	77.0%	PV	27cp
Time:	06:00	HTHP-FL:		Hard/Ca:	840mg/l	Oil(%):	0.0%	YP	42lb/100ft²
Weight:	1.70sg	HTHP-cake:		MBT:	3	Sand:	0.5	Gels 10s	8
Temp:		Glycol:		PM:		pH:	8.5	Gels 10m	9
				PF:	0.3	PHPA:		Fann 003	8
								Fann 006	11
								Fann 100	40
								Fann 200	59
								Fann 300	69
								Fann 600	96

Comment: Maintained mud density at 1.70 sg when circulating, dusting in barite as required. Backloaded 424 bbl of dirty KCl brine to L.Emerald for VDL requirements. Weighted up Pit 1 to 1.70 sg to replace active losses. NPT (fluid related) - 0.

WBM Data

Mud Type:	Ultradril	API FL:	3.6cc/30min	Cl:	44000mg/l	Solids(%vol):	23.0%	Viscosity	74sec/L
Sample-From:	Active	Filter-Cake:	1/32nd"	K+C*1000:	7%	H2O:	77.0%	PV	29cp
Time:	21:00	HTHP-FL:		Hard/Ca:	880mg/l	Oil(%):	0.0%	YP	39lb/100ft²
Weight:	1.70sg	HTHP-cake:		MBT:	3	Sand:	0.5	Gels 10s	8
Temp:		Glycol:		PM:		pH:	8.5	Gels 10m	9
				PF:	0.25	PHPA:		Fann 003	8
								Fann 006	11
								Fann 100	42
								Fann 200	60
								Fann 300	68
								Fann 600	97

Comment

Bulk Stock

Name	Unit	In	Used	Balance	Name	Unit	In	Used	Balance
'G' Cmt	MT	0	0	57.0	Drill Water	M3	0	21	321.0
Fuel	M3	0	8.7	243.5	Barite	MT	89	57	122.0
Pot Water	M3	44	27	381.0	Bentonite	MT	0	0	55.0
Fresh water	M3	0	0	0.0					

Supply Vessel

Boats	Status	Bulks			Boats	Status	Bulks		
Lewek Swift	On Standby	**Item**	**Unit**	**Quantity**	**Lewek Emerald**	On route to Portland.	**Item**	**Unit**	**Quantity**
		Fuel	m3	637			Fuel	m3	286.7
		Pot Water	m3	481			Pot Water	m3	140
		Drill Water	m3	511			Drill Water	m3	425
		CEMENT G	mt	0			CEMENT G	mt	40
		CEMENT HT (SILICA)	mt	88			CEMENT HT (SILICA)	mt	0
		Barite	mt	0			Barite	mt	0
		Bentonite	mt	8			Bentonite	mt	0
		BRINE	bbls	0			BRINE	bbls	424

Personnel On Board

Total : 97

Company	Pax	Company	Pax
Diamond Offshore	53	MI Australia PTY LTD	2
ESS	8	Schlumberger DD	2
Woodside	7	Schlumberger MWD/LWD	3
BHI	6	Subsea 7	3
BJ Tubulars	5	Petrotech	2
Dowell Schlumberger	2	Schlumberger (Wireline)	3
Dril-Quip	1		

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	0	0
Well To Date	0	0	0	0	0	1	0	0	1	0	1	0
Month To Date	0	0	0	0	0	0	0	0	0	0	0	0
Year To Date	0	0	0	0	0	1	0	0	1	0	1	0
Comments/ Findings												

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	0	0	0	0	0	0	2	83	0	0
Well To Date	10	4	8	4	1	1	6	1669	1	3
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	0	0	0	0	0	0	2	83	0	0
Year To Date	10	4	8	4	1	1	6	1669	1	3
Comments/ Findings	Drills 2 - Fire and abandon drills held today. Number Observe Cards 83 - Safe/Unsafe: 68/15 (DODI - 37; ESS - 9; 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 01 Nov 2009

Operational Comments	Ditch Magnet Reading: 0 grams. (Section Total: 1349 grams). Hours on Jars: 24 hrs. (Well Total: 146.6hrs). CAR: 86/143 items closed (13 critical) Top Stop Card: While on way from muster for fire alarm, noticed the fire main leaking outside the radio room / barge control office on stbd side. Unable to investigate because of the drill, but advised one of the roustabouts of its location. Non-compliance trends: Mentioned the need for personnel to keep checking clothing for personal items (lefts in pockets) before sending to laundry. DODI Supervisor audits conducted: 1 DODI Interventions conducted: 5 Woodside Interventions conducted: 3 Daily Environmental Checklist findings: Cleaned excess hydraulic oil from anchor machine rooms and moonpool levers. Assisted with cleaning duties around the rig. Conducted hose watch during brine transfer. Observed whale from bulk loading area on stbd side, approximately 1000m from rig for 1hr.

Performance Summary

Daily								Cumulative Well								
P		NPT		SCC		NSC		P		NPT		SCC		NSC		Total
Hrs	%	Hrs	%	Hrs	%	Hrs	%	Hrs	%	Hrs	%	Hrs	%	Hrs	%	Hours
		24	100					290.5	67.25	139.5	32.29			2	0.46	432