Australian Drilling Associates Pty Ltd ADA

27 Sep 2008

From: B. Openshaw / R. Rossouw
To: R. Oliver135000

DRILLING MORNING REPORT # 10
BAZZARD-1

Well Data

Country	Australia	MDBRT	1088.0m	Cur. Hole Size	12.250in	AFE Cost	AUD$16,336,000
Field	Bazzard	TVDBRT	1088.0m	Last Casing OD	13.375in	AFE No.	53007D01
Drill Co.	Seadrill	Progress	238.0m	Shoe TVDBRT	841.0m	Daily Cost	AUD$634,649
Rig	West Triton	Days from spud	7.02	Shoe MDBRT	841.0m	Cum Cost	AUD$7,376,153
Wtr Dpth (MSL)	67.900m	Days on well	9.21	FIT/LOT:	/ 1.80sg		
RT-MSL	38.500m	Planned TD MD	3500.000m	Current Op @ 0600	Drilling ahead 12.25in hole at 1270m.		
RT-ML	106.400m	Planned TD TVDRT	3500.000m	Planned Op	Drill ahead 12.25in hole.		

Summary of Period 0000 to 2400 Hrs

Rigged up and picked up 21 stands of DP. Slipped and cut drill line. Tagged plug at 828m, drilled plug, float, shoe at 841m and cement to 850m. Drilled 3m of new formation and performed LOT to 15.06 ppg EMW. Drilled ahead 12.25in hole from 853m to 1088m.

HSE Summary

Events	Num. Events	Days Since	Descr.	Remarks
Abandon Drill		0 Days	Held at 10.40 hours.	Abandon ship drill prior to rig move. Good response by all crews.
BOP Test	1	6 Days	Pressure tested BOPs.	21 Days - 12 Oct 08
First Aid Case		2 Days	Third Party received a knock on the mouth.	While rigging up ROV unit to operations condition, IP was tightening an electrical cable tie to secure equipment. He slipped and struck himself in the mouth with the pliers. He immediately reported to the Medic for check-up. No intervention required.
Incident		6 Days	Pinion gear on TDS fell to rig floor.	A pinion gear, weighing 14kg, off the rotating head on the TDS sheared its shaft and fell 3m to the rig floor. Nobody on rig floor at the time.
Pre-Tour Meetings	2	0 Days	Pre-tow meeting.	Pre-tow meeting to discuss towing operations with related parties.
PTW issued	10	0 Days		Permit to work issued for the day.
Safety Meeting		7 Days	Weekly safety meeting.	Weekly safety meeting.
STOP Card	21	0 Days		Stop cards submitted for the day.

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

Phse	Cls (RC)	Op	From	To	Hrs	Depth	Activity Description
P11	P	G1	0000	0030	0.50	850.0m	Continued rigging up to pick up 5.5in DP from deck.
P11	P	G2	0030	0530	5.00	850.0m	Picked up 21 stands of 5.5in DP from deck and RIH same to 791m - racked back 3 stands to allow all pipe to be picked up. Rigged down zip elevators.
P11	P	G11	0530	0900	3.50	850.0m	Held PJSM and slipped and cut drill line. Lubricated TDS.
P11	P	D1	0900	1330	4.50	853.0m	RIH and tagged plug at 828m. Drilled out plug, float at 829m, shoe at 841m and cement to 850m. Drilled 3m new formation to 853m.
P11	P	F4	1330	1400	0.50	853.0m	Circulated and conditioned mud to 8.8 ppg.
P11	P	E1	1400	1430	0.50	853.0m	Lined up and performed LOT. Formation broke down at 900 psi - EMW 15.06 ppg.
P11	P	D2	1430	2400	9.50	1088.0m	Continued drilling 12.25in hole from 853m to 1088m. Max gas 0.5%. No real-time data being transmitted from Schlumberger ADN tool. Tool still recording data downhole. Battery life of tool may be limited to 72hrs.

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

Phse	Cls (RC)	Op	From	To	Hrs	Depth	Activity Description
P11	P	D2	0000	0600	6.00	1890.0m	(IN PROGRESS) Drilled ahead 12.25in hole from 1088m to 1890m.

Operations For Period Hrs to Hrs on

Phase Data to 2400hrs, 27 Sep 2008

Phase	Phase Hrs	Start On	Finish On	Cum Hrs	Cum Days	Max Depth
Mob/Demob(P1)	43	18 Sep 2008	20 Sep 2008	43.00	1.792	0.0m
Conductor Hole(P2)	18.5	20 Sep 2008	21 Sep 2008	61.50	2.563	154.0m
Conductor Casing(P3)	21	21 Sep 2008	22 Sep 2008	82.50	3.438	154.0m

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Phase Data to 2400hrs, 27 Sep 2008

Phase	Phase Hrs	Start On	Finish On	Cum Hrs	Cum Days	Max Depth
Surface Hole(P4)	58.5	22 Sep 2008	24 Sep 2008	141.00	5.875	850.0m
Surface Casing(P5)	26.5	24 Sep 2008	25 Sep 2008	167.50	6.979	850.0m
BOPs/Risers(P6)	14	25 Sep 2008	26 Sep 2008	181.50	7.563	850.0m
Intermediate Hole (1)(P7)	1	26 Sep 2008	26 Sep 2008	182.50	7.604	850.0m
Production Hole (1)(P11)	38.5	26 Sep 2008	27 Sep 2008	221.00	9.208	1088.0m

General Comments

00:00 TO 24:00 Hrs ON 27 Sep 2008

Operational Comments	Hours on Jar serial No. 1762 1371 WT: 40.5 hrs
Operational Comments	West Triton Rig Equipment Concerns 1) Top drive rotating head has operating problems, to be able to rotate the IBOP must be operated first. This is impacting operational efficiency. Pinion gear has sheared its shaft and broken off. 2) CTU control panel has leaking valves, pressure regulator valve inoperable. Parts on order. 3) Link tilt clamps slipping on bails - need to rectify this issue. 4) Number 4 main generator down. Exciter and generator sent ashore. 5) Emergency generator fuel tank requires modification to drain line (no communication with tank through drain line). 6) Cyber chair pressure guages for the standpipe & choke manifolds require calibration. 7) Remote controller for Iron Roughneck not operational _ new one on order. 8) Battery charger on Port crane not operational. 9) Need to investigate possible misalignment of dolly beams and dolly rollers on Top Drive System. Requires shimming. A derrick alignment survey has been completed. Shims have been ordered to rectify alignment problem and these will be fitted as soon as they arrive. 10) Lo-torque valve on cement manifold are of poor quality and cannot be relied on when pressure testing. These valves should be replaced.

WBM Data

Cost Today AUD$ 4637

Mud Type:	KCl/Polymer	API FL:	4.2cc/30min	Cl:	34000mg/l	Solids(%vol):	1%	Viscosity	70sec/qt
Sample-From:	Pit #6	Filter-Cake:	1/32nd"	K+C*1000:	8%	H2O:	96%	PV	16cp
Time:	21:20	HTHP-FL:	9.0cc/30min	Hard/Ca:	2000mg/l	Oil(%):		YP	36lb/100ft²
Weight:	73.44ppg	HTHP-cake:	2/32nd"	MBT:	5	Sand:		Gels 10s	13
Temp:	33C°			PM:	0.2	pH:	8.5	Gels 10m	20
				PF:	0.05	PHPA:	36ppb	Fann 003	12
								Fann 006	15
								Fann 100	34
								Fann 200	44
								Fann 300	52
								Fann 600	68

Comment: Some evidence of cement contamination after displacement - treating with Sodium Bicarb. Added additional Barazan D+ to increase 6rpm reading to 12+ as per programme. Increased total hardness due to cement contamination and possible contamination by residual Calcium Chloride brine in rig and boat brine storage tanks. No adverse effect on fluid loss or rheology. Added Soda Ash to active to attempt to treat excess hardness when pH level allows. Added EZ-Mud to active to increase concentration. Unable to upgrade shaker screens due to relatively high ROP and addition of unsheared PHPA to active.

Bit # 3

Wear	I	O1	D	L	B	G	O2	R

Bitwear Comments:

				Nozzles		**Drilled over last 24 hrs**		**Calculated over Bit Run**	
Size ("):	12.25in	IADC#	M432	No.	Size	Progress	238.0m	Cum. Progress	238.0m
Mfr:	REED-HYCALOG	WOB(avg)	25.00klb	3	13/32nd"	On Bottom Hrs	7.5h	Cum. On Btm Hrs	7.5h
Type:	PDC	RPM(avg)	150	3	14/32nd"	IADC Drill Hrs	9.5h	Cum IADC Drill Hrs	9.5h
Serial No.:	211760	F.Rate	1100gpm			Total Revs		Cum Total Revs	0
Bit Model	RSR616M-A10	SPP	2400psi			ROP(avg)	31.73 m/hr	ROP(avg)	31.73 m/hr
Depth In	850.0m	HSI							
Depth Out		TFA	0.840						

Bit Comment

BHA # 3

Weight(Wet)	54.00klb	Length	230.0m	Torque(max)	11000ft-lbs	D.C. (1) Ann Velocity	329fpm
Wt Below Jar(Wet)	27.00klb	String	166.00klb	Torque(Off.Btm)		D.C. (2) Ann Velocity	0fpm
		Pick-Up	170.00klb	Torque(On.Btm)	9000ft-lbs	H.W.D.P. Ann Velocity	225fpm
		Slack-Off	163.00klb			D.P. Ann Velocity	225fpm

BHA Run Description	12.25" bit, bit sub c/w float, ARC-8, Power pulse c/w 12.12" stab, Sonic Vision 825, ADN-8 c/w 12" stab, 4 x 8.5" DC, Jar, 8" DC, X/O, 15 x HWDP.
BHA Run Comment	

Equipment	Length	OD	ID	Serial #	Comment
Bit	0.28m	12.25in		211760	
Bit Sub	1.22m	8.25in	2.80in		
ARC8	5.92m	8.31in		YA81	
Power Pulse	8.48m	8.37in		VR52	
SonicVISION 825	7.72m	8.31in		VE75	
ADN 8	8.21m	8.12in		42736	
Drill Collar	37.75m	8.25in	3.00in		
Jar	9.68m	8.00in	3.37in		
Drill Collar	9.44m	8.00in	3.37in		
X/O	0.93m	7.00in	2.80in		
HWDP	140.81m	5.50in	3.66in		

Survey

MD (m)	Incl (deg)	Azim (deg)	TVD (m)	Vsec (deg)	N/-S (m)	E/-W (m)	DLS (deg/30m)	Tool Type
866.00	0.2							
927.00	0.1							
1016.00	0.1							

Bulk Stocks

Name	Unit	In	Used	Adjust	Balance
Drill Water	MT	0	61	0	213.0
Rig Fuel	m3	0	10	0	170.0
POTABLE WATER	MT	158	28	0	304.0
Cement class G	MT	0	0	0	63.0
Bentonite	MT	0	0	0	39.0
Barite	MT	37	0	0	102.0
Brine	m3	0	40	0	91.0
BLENDED CEMENT	MT	0	0	0	43.0

Pumps

Pump Data - Last 24 Hrs

No.	Type	Liner (in)	MW (ppg)	Eff (%)	SPM (SPM)	SPP (psi)	Flow (gpm)
1	National 14 P-220	6.50	8.76	97	94	2400	550
2	National 14 P-220	6.50	8.76	97	94	2400	550
3	National 14 P-220	6.50	8.51	97			

Slow Pump Data

Depth (m)	SPM1 (SPM)	SPP1 (psi)	Flow1(gpm)	SPM2 (SPM)	SPP2 (psi)	Flow2 (gpm)	SPM3 (SPM)	SPP3 (psi)	Flow3 (gpm)
909.0	30	150	176	40	190	234	50	210	293
909.0	30	110	176	40	190	234	50	210	293
	20		117	30		176	40		234

Casing

OD	LOT / FIT	Csg Shoe (MD/TVD)	Cementing
30 "	/	151.00m / 151.00m	
13.38	15.02ppg /	841.00m / 841.00m	Utilising MLS hanger for 13.375" casing.

Personnel On Board

Company	Pax

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Personnel On Board

ADA	4
Seadrill	15
Seadrill Services.	33
Catering	9
Halliburton - Sperry	2
Baker Hughes Inteq	7
Halliburton - Sperry	2
Tamboritha	2
Dril-Quip	1
Schlumberger MWD/LWD	3
Ian Brown	2
REED	1
Total	81

Mud Volumes, Mud Losses and Shale Shaker Data

Engineer : Brian Auckram/Tim Waldhuter

Available	**2365.8bbl**	**Losses**	**86.0bbl**
Active	262.0bbl	Downhole	16.0bbl
Mixing		Surf+ Equip	70.0bbl
Hole	426.8bbl	Dumped	
Slug		De-Gasser	
Reserve	1677.0bbl	De-Sander	
Kill		De-Silter	
		Centrifuge	

Equipment	Description	Mesh Size
Shaker 1	VSM-300	89
Shaker 1	VSM-300	89
Shaker 2	VSM-300	89
Shaker 2	VSM-300	89
Shaker 3	VSM-300	89
Shaker 3	VSM-300	89
Shaker 4	VSM-300	89
Shaker 4	VSM-300	89

Comments

Marine

Weather on 27 Sep 2008

Visibility	Wind Speed	Wind Dir.	Pressure	Air Temp.	Wave Height	Wave Dir.	Wave Period
10.0nm	9kn	40.0deg	996.0mbar	15C°	0.7m	240.0deg	3s

Rig Dir.	Ris. Tension	VDL	Swell Height	Swell Dir.	Swell Period	Weather Comments
133.5deg	310.00klb	2578.00klb	1.1m	240.0deg	4s	Wave and swell heights are estimates.

Comments

Vessel Name	Arrived (Date/Time)	Departed (Date/Time)	Status	Bulks
Pacific Battler			En route to rig	

Item	Unit	Used	Quantity
Rig Fuel	m3		593.3
Potable Water	Mt		240
Drill Water	Mt		100
CEMENT G	Mt		42
Barite	Mt		42
Bentonite	Mt		18
SOBM	m3		0
Brine	m3		105

Vessel Name	Arrived (Date/Time)	Departed (Date/Time)	Status	Bulks
Pacific Valkyrie			At rig	

Item	Unit	Used	Quantity
Rig Fuel	m3		522.7
Potable Water	Mt		200
Drill Water	m3		100
CEMENT G	Mt		0
Barite	Mt		35
Bentonite	Mt		0
SOBM	m3		0
Base Oil	m3		0
Brine	m3		0