Australian Drilling Associates Pty Ltd ADA

**10 Oct 2008**

**From:** Sean De Freitas / Peter Dane
**To:** Rob Oliver

**DRILLING MORNING REPORT # 23**
**BAZZARD-1**

## Well Data

| | | | | | | | |
|---|---|---|---|---|---|---|---|
| Country | Australia | MDBRT | 3450.0m | Cur. Hole Size | 12.250in | AFE Cost | AUD$16,336,000 |
| Field | Bazzard | TVDBRT | 3450.0m | Last Casing OD | 13.375in | AFE No. | 53007D01 |
| Drill Co. | Seadrill | Progress | 0.0m | Shoe TVDBRT | 841.0m | Daily Cost | AUD$595,372 |
| Rig | West Triton | Days from spud | 20.02 | Shoe MDBRT | 841.0m | Cum Cost | AUD$16,071,671 |
| Wtr Dpth (MSL) | 67.900m | Days on well | 22.21 | FIT/LOT: | / 1.80sg | | |
| RT-MSL | 38.500m | Planned TD MD | 3500.000m | Current Op @ 0600 | Nipple down diverter system. | | |
| RT-ML | 106.400m | Planned TD TVDRT | 3500.000m | Planned Op | Continue with abandonment program as below:<br><br>Nipple down diverter and BOP.<br>Retrieve wear bushing<br>Make up 13 3/8" casing cutter assembly.<br>Cut 13 3/8" casing at 145mMDRT.<br>POOH and layout casing cutter.<br>Run Dril-Quip 18 3/4" clutch type running tool.<br>Retrieve wellhead and 13 3/8" landing string. | | |

## Summary of Period 0000 to 2400 Hrs

Continued to build mud volume and hi vis pill.
Washed down from 2155m to 2230m .
Circulated bottoms up.
Set a 50 bbl balanced hi-vis pill at 2230m.
Set a 150m cement plug from 2130m to 1980m.
Pulled above and circulated bottoms up at 1892m.
Circulated and conditioned mud whilst WOC.
RIH and tagged top of cement at 2076m.
POOH laying down excess 5.5" drill pipe to 971m.
Set a 50 bbl balanced hi-vis pill at 971m.
Set a 127m cement plug from 868m to 741m.
Pulled above and circulated bottoms up at 601m.
POOH laying down excess 5.5" drill pipe to surface.

## HSE Summary

| Events | Num. Events | Days Since | Descr. | Remarks |
|---|---|---|---|---|
| Abandon Drill | | 13 Days | Held at 10.40 hours. | Abandon ship drill prior to rig move. Good response by all crews. |
| BOP Test | 1 | 14 Days | Pressure tested Bop's. | 21 Days - 17 Oct 08 |
| First Aid Case | | 15 Days | Third Party received knock on mouth. | |
| Hazard Observation | 1 | 0 Days | Time out for safwty | Umbilical coming off on the drill floor. Stopped the job and re-attached same. |
| Incident | | 19 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. |
| JSA | 4 | 0 Days | | |
| Muster Drill | 1 | 2 Days | All personnel muster at alternative muster station. | |
| Pre-tour Meeting | 6 | 0 Days | Safety Meeting. | Held Pretour and pre job safety meetings with crews. |
| PTW issued | 5 | 0 Days | | Permit to work issued for the day. |
| Safety Meeting | | 6 Days | Weekly safety meeting | Weekly safety meeting |
| STOP Card | 35 | 0 Days | | Stop cards submitted for the day. |

## Operations For Period 0000 Hrs to 2400 Hrs on 10 Oct 2008

| Phse | Cls (RC) | Op | From | To | Hrs | Depth | Activity Description |
|---|---|---|---|---|---|---|---|
| P21 | TP (WB) | F4 | 0000 | 0030 | 0.50 | 3450.0m | Continued to build mud volume and Hi Vis pill. |
| P21 | TP (WB) | F1 | 0030 | 0130 | 1.00 | 3450.0m | Washed down from 2155m to 2230m. |
| P21 | TP (WB) | F4 | 0130 | 0230 | 1.00 | 3450.0m | Circulated bottoms up at 1000 gpm (1300 psi), pumped 50 bbls hi vis pill and displaced with 143 bbls of 10.0 ppg mud. |
| P21 | TP | G8 | 0230 | 0300 | 0.50 | 3450.0m | POOH from 2230m to 2130m. |

| Phse | Cls (RC) | Op | From | To | Hrs | Depth | Activity Description |
|---|---|---|---|---|---|---|---|
| | (WB) | | | | | | |
| P21 | TP (WB) | F2 | 0300 | 0330 | 0.50 | 3450.0m | Spaced out and made up cement circulating head assembly. Rigged up cement hose line. Cement unit pumped 5 bbls of drill water ahead. Tested surface lines to 1000 psi - good test. Followed by another 17 bbls of drill water ahead. |
| P21 | TP (WB) | F2 | 0330 | 0430 | 1.00 | 3450.0m | Cement Plug #1A: 2130m to 1980m (150m).<br>Cement unit mixed and pumped 79 bbls (382 sx) of 15.8 ppg cement slurry at 6 bpm with 47 bbls of mix water. (16 MT class G cement without Halad-413L).<br>Cement unit pumped 4 bbls drill water spacer behind and displaced with 124 bbls of 10.0 ppg mud at 6 bpm. Cement in place at 04:30 hrs. |
| P21 | TP (WB) | G8 | 0430 | 0530 | 1.00 | 3450.0m | Rigged down cement circulating head assembly and cement hose line. POOH (dry) slowly from 2130m to 1892m |
| P21 | TP (WB) | F4 | 0530 | 0630 | 1.00 | 3450.0m | Engaged TDS and circulated bottoms up at 1000 gpm, 1000 psi, 5 rpm. |
| P21 | TP (WB) | F4 | 0630 | 0830 | 2.00 | 3450.0m | Circulated and conditioned mud at 500 gpm, 400 psi, whilst waiting on cement. Concurrently installed hydraulic pump for rotating head on TDS. |
| P21 | TP (WB) | F1 | 0830 | 1000 | 1.50 | 3450.0m | Washed down from 1892m to 2076m and tagged top of cement with 5 klbs. |
| P21 | TP (WB) | G8 | 1000 | 1100 | 1.00 | 3450.0m | POOH from 2076m to 2069m and circulated bottoms up at 1000 gpm, 1200 psi. |
| P21 | P | G1 | 1100 | 1200 | 1.00 | 3450.0m | Rigged up handling equipment in preparation for laying down excess 5.5" drill pipe. Reset link tilt clamp for mousehole and commenced laying down 5.5" drill pipe from 2069m to 2030m. |
| P21 | P | G2 | 1200 | 1500 | 3.00 | 3450.0m | POOH laying down excess 5.5" drill pipe from 2030m to 1262m. |
| P21 | TP (RE) | G1 | 1500 | 1530 | 0.50 | 3450.0m | Replaced damaged hose on iron roughneck. |
| P21 | P | G2 | 1530 | 1700 | 1.50 | 3450.0m | Continued POOH laying down excess 5.5" drill pipe from 1262m to 971m. |
| P21 | P | F3 | 1700 | 1730 | 0.50 | 3450.0m | Set a 50 bbl balanced hi-vis pill at 971m. Pumped 50 bbls hi-vis and displaced with 59 bbls 10.0 ppg mud. |
| P21 | P | G2 | 1730 | 1800 | 0.50 | 3450.0m | POOH from 971m to 871m. Spaced out and made up cement circulating head assembly and cement hose. |
| P21 | P | G2 | 1800 | 1830 | 0.50 | 3450.0m | Circulated bottoms up at 1100 gpm, 1500 psi. |
| P21 | P | F3 | 1830 | 1930 | 1.00 | 3450.0m | Cement unit pumped 10 bbls of drill water ahead. Tested surface lines to 1000 psi - good test. Followed by another 20 bbls of drill water ahead.<br>Cement unit mixed and pumped 73 bbls (354 sx) of 15.9 ppg cement slurry at 6 bpm with 42.5 bbls of mix water. (15 MT class G cement).<br>Cement unit pumped 6 bbls drill water spacer behind and displaced with 40 bbls of 10.0 ppg mud at 6 bpm. Cement in place at 19:15 hrs. |
| P21 | P | G8 | 1930 | 2030 | 1.00 | 3450.0m | Rigged down cement circulating head assembly and cement hose line. POOH (dry) slowly from 871m to 601m |
| P21 | P | F4 | 2030 | 2100 | 0.50 | 3450.0m | Circulated bottoms up at 1050 gpm, 500 psi. Dumped 18 bbls of cement contaminated mud. |
| P21 | P | G2 | 2100 | 2400 | 3.00 | 3450.0m | Rigged up for laying down drill pipe. POOH laying down excess drill pipe from 601m to 118m. |

## Operations For Period 0000 Hrs to 0600 Hrs on 11 Oct 2008

| Phse | Cls (RC) | Op | From | To | Hrs | Depth | Activity Description |
|---|---|---|---|---|---|---|---|
| P21 | P | G2 | 0000 | 0130 | 1.50 | 3450.0m | POOH laying down excess 5.5" drill pipe from 118m to surface. |
| P21 | P | G13 | 0130 | 0400 | 2.50 | 3450.0m | Rigged up to nipple down diverter system. Pulled diverter housing and laid down same. |
| P21 | P | P1 | 0400 | 0500 | 1.00 | 3450.0m | Pressure tested 13 3/8" casing to 1250 psi against blind / shear rams. Held same for 10 minutes. Good test. Used 2.3 bbls to pressure up the casing. Bled back the same volume. |
| P21 | P | G13 | 0500 | 0600 | 1.00 | 3450.0m | (IN PROGRESS) Nipple down diverter riser mandrel, choke line. Nippled down BOP and setback same on test stump. |

## Operations For Period Hrs to Hrs on

### Phase Data to 2400hrs, 10 Oct 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 |
| Surface Hole(P4) | 58.5 | 22 Sep 2008 | 24 Sep 2008 | 141.00 | 5.875 | 850.0m |
| Surface Casing(P5) | 20 | 24 Sep 2008 | 25 Sep 2008 | 161.00 | 6.708 | 850.0m |
| BOPs/Risers(P6) | 29 | 25 Sep 2008 | 26 Sep 2008 | 190.00 | 7.917 | 850.0m |
| Production Hole (1)(P11) | 299 | 26 Sep 2008 | 09 Oct 2008 | 489.00 | 20.375 | 3450.0m |



Printed on 12 Oct 2008

## Phase Data to 2400hrs, 10 Oct 2008

| Phase | Phase Hrs | Start On | Finish On | Cum Hrs | Cum Days | Max Depth |
|---|---|---|---|---|---|---|
| Suspend and Abandon(P21) | 44 | 09 Oct 2008 | 10 Oct 2008 | 533.00 | 22.208 | 3450.0m |

## General Comments

00:00 TO 24:00 Hrs ON 10 Oct 2008

| | |
|---|---|
| **Operational Comments** | Hours on Jar serial No. 1762 1371 WT: 87 hrs |
| **Operational Comments** | West Triton Rig Equipment Concerns<br><br>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.<br><br>2) CTU control panel has leaking valves, pressure regulator valve inoperable. Parts on order.<br><br>3) Link tilt clamps slipping on bails - need to rectify this issue.<br><br>4) Number 4 main generator down. Exciter and generator sent ashore.<br><br>5) Emergency generator fuel tank requires modification to drain line (no communication with tank through drain line).<br><br>6) Cyber chair pressure guages for the standpipe & choke manifolds require calibration.<br><br>7) Remote controller for Iron Roughneck not operational _ new one on order.<br><br>8) Battery charger on Port crane not operational.<br><br>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.<br><br>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$ 2444**

| | | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|
| Mud Type: | KCl/Polymer | API FL: | 6.8cc/30min | Cl: | 33000mg/l | Solids(%vol): | 7% | Viscosity | 56sec/qt |
| Sample-From: | Pit #6 | Filter-Cake: | 1/32nd" | K+C*1000: | 7% | Low-Gravity Solids: | | PV | 14cp |
| Time: | 23:59 | HTHP-FL: | | Hard/Ca: | 2000mg/l | H2O: | 90% | YP | 39lb/100ft² |
| Weight: | 9.90ppg | HTHP-cake: | | MBT: | 10 | Oil(%): | | Gels 10s | 13 |
| Temp: | | | | PM: | 0.7 | Sand: | | Gels 10m | 20 |
| | | | | PF: | 0.2 | pH: | 10.5 | Fann 003 | 13 |
| | | | | | | PHPA: | 1ppb | Fann 006 | 16 |
| | | | | | | | | Fann 100 | 35 |
| | | | | | | | | Fann 200 | 45 |
| | | | | | | | | Fann 300 | 53 |
| | | | | | | | | Fann 600 | 67 |

Comment: Used Guar Gum for Hi Vis pill. Treated cement contamination with Citric Acid. Dumped 98 bbl of contaminated cement fluid.

## Bit # 5

| Wear | I | O1 | D | L | B | G | O2 | R |
|---|---|---|---|---|---|---|---|---|
| | 2 | 8 | BT | G3 | E | 1 | CT | TD |

Bitwear Comments:

| | | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|
| Size ("): | 12.25in | IADC# | 517 | **Nozzles** | | **Drilled over last 24 hrs** | | **Calculated over Bit Run** | |
| Mfr: | Reed | WOB(avg) | 48.00klb | No. | Size | Progress | 0.0m | Cum. Progress | 163.0m |
| Type: | ins | RPM(avg) | 120 | 3 | 20/32nd" | On Bottom Hrs | 0.0h | Cum. On Btm Hrs | 26.6h |
| Serial No.: | CW7795 | F.Rate | 1000gpm | | | IADC Drill Hrs | 0.0h | Cum IADC Drill Hrs | 26.6h |
| Bit Model | R22APDH | SPP | 3020psi | | | Total Revs | 187000 | Cum Total Revs | 658000 |
| Depth In | 3287.0m | HSI | 5.38HSI | | | ROP(avg) | N/A | ROP(avg) | 6.13 m/hr |
| Depth Out | 3450.0m | TFA | 0.920 | | | | | | |

Bit Comment

## BHA # 5

| | | | | | | | |
|---|---|---|---|---|---|---|---|
| Weight(Wet) | 58.00klb | Length | 258.8m | Torque(max) | 7000ft-lbs | D.C. (1) Ann Velocity | 299fpm |
| Wt Below Jar(Wet) | 34.00klb | String | 321.00klb | Torque(Off.Btm) | 5000ft-lbs | D.C. (2) Ann Velocity | 0fpm |
| | | Pick-Up | 346.00klb | Torque(On.Btm) | 6000ft-lbs | H.W.D.P. Ann Velocity | 205fpm |

| | | | |
|---|---|---|---|
| | Slack-Off 300.00klb | | D.P. Ann Velocity 205fpm |
| 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, 7 x 8.5" DC, Jar, 8" DC, X/O, 15 x HWDP. | | |
| BHA Run Comment | | | |

| Equipment | Length | OD | ID | Serial # | Comment |
|---|---|---|---|---|---|
| Bit | 0.34m | 12.25in | | CW7795 | |
| Bit Sub | 1.22m | 8.25in | 2.80in | 7221 | |
| ARC8 | 5.91m | 8.31in | | 1815 | |
| Power Pulse | 8.48m | 8.37in | | VR53 | |
| SonicVISION 825 | 7.71m | 8.31in | | E-885 | |
| ADN 8 | 8.21m | 8.12in | | 42736 | |
| Drill Collar | 66.08m | 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 | | |

## Bulk Stocks

| Name | Unit | In | Used | Adjust | Balance |
|---|---|---|---|---|---|
| Drill Water | MT | 0 | 24 | 0 | 243.0 |
| Rig Fuel | m3 | 0 | 23 | 0 | 123.0 |
| POTABLE WATER | MT | 8 | 23 | 55 | 264.0 |
| Cement class G | MT | 0 | 0 | 0 | 75.0 |
| Bentonite | MT | 0 | 0 | 0 | 39.0 |
| Barite | MT | 0 | 13 | 0 | 26.0 |
| Brine | m3 | 0 | 0 | 0 | 58.0 |
| BLENDED CEMENT | MT | 0 | 0 | 0 | 43.0 |
| Helifuel | litres | 0 | 0 | 0 | 3,122.0 |

## 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 | 9.51 | 97 | 94 | 3000 | 550 |
| 2 | National 14 P-220 | 6.50 | 9.51 | 97 | | | |
| 3 | National 14 P-220 | 6.50 | 9.51 | 97 | 94 | 3000 | 550 |

**Slow Pump Data**

| Depth (m) | SPM1 (SPM) | SPP1 (psi) | Flow1 (gpm) | SPM2 (SPM) | SPP2 (psi) | Flow2 (gpm) | SPM3 (SPM) | SPP3 (psi) | Flow3 (gpm) |
|---|---|---|---|---|---|---|---|---|---|
| 3271.0 | 30 | 390 | 176 | 40 | 420 | 234 | 50 | 500 | 293 |
| | 30 | | 176 | 40 | | 234 | 50 | | 293 |
| 3271.0 | 30 | 390 | 176 | 40 | 410 | 234 | 50 | 500 | 293 |

## 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 |
|---|---|
| ADA | 4 |
| Seadrill | 15 |
| Seadrill Services. | 30 |
| Catering | 9 |
| Halliburton - Sperry | 2 |
| Baker Hughes Inteq | 2 |
| Halliburton | 2 |
| Tamboritha | 2 |
| Dril-Quip | 1 |
| Schlumberger MWD/LWD | 2 |
| Weatherford | 3 |
| Total | 72 |

## Mud Volumes, Mud Losses and Shale Shaker Data

Engineer : Brian Auckram/Tim Waldhuter

| Available | 2314.5bbl |
|---|---|
| Active | 273.0bbl |
| Mixing | |
| Hole | 1567.8bbl |
| Slug | |
| Reserve | 473.7bbl |
| Kill | |

| Losses | 12.3bbl |
|---|---|
| Downhole | |
| Surf+ Equip | 12.3bbl |
| Dumped | |
| De-Gasser | |
| De-Sander | |
| De-Silter | |
| Centrifuge | |

| Equipment | Description | Mesh Size |
|---|---|---|
| Shaker 1 | VSM-300 | 255 |
| Shaker 1 | VSM-300 | 255 |
| Shaker 2 | VSM-300 | 255 |
| Shaker 2 | VSM-300 | 255 |
| Shaker 3 | VSM-300 | 255 |
| Shaker 3 | VSM-300 | 255 |
| Shaker 4 | VSM-300 | 255 |
| Shaker 4 | VSM-300 | 255 |

Comments

## Marine

Weather on 10 Oct 2008

| Visibility | Wind Speed | Wind Dir. | Pressure | Air Temp. | Wave Height | Wave Dir. | Wave Period |
|---|---|---|---|---|---|---|---|
| 10.0nm | 12kn | 280.0deg | 1021.0mbar | 13C° | 0.7m | 160.0deg | 4s |

| Rig Dir. | Ris. Tension | VDL | Swell Height | Swell Dir. | Swell Period | Weather Comments |
|---|---|---|---|---|---|---|
| 133.5deg | 310.00klb | 2309.00klb | 1.2m | 30.0deg | 6s | Wave and swell heights are estimates. |

Comments

| Vessel Name | Arrived (Date/Time) | Departed (Date/Time) | Status |
|---|---|---|---|
| **Pacific Battler** | | | Enroute to Eden |

**Bulks**

| Item | Unit | In | Used | Transfer to Rig | Adjust | Quantity |
|---|---|---|---|---|---|---|
| Rig Fuel | m3 | | 6.1 | | | 412 |
| Potable Water | m3 | | 5 | | | 385 |
| Drill Water | m3 | | | 274 | | 206 |
| CEMENT G | Mt | | | 42 | | 21 |
| Barite | Mt | | | | | 42 |
| Bentonite | Mt | | | | | 60 |
| SOBM | m3 | | | | | 0 |
| Brine | m3 | | | | | 0 |

ETA Eden Pilot 12:00 hrs 11/10/08

| Vessel Name | Arrived (Date/Time) | Departed (Date/Time) | Status |
|---|---|---|---|
| **Pacific Valkyrie** | | | Rig Site |

**Bulks**

| Item | Unit | In | Used | Transfer to Rig | Adjust | Quantity |
|---|---|---|---|---|---|---|
| Rig Fuel | m3 | | 31 | | | 568 |
| Potable Water | Mt | | 5 | | | 305 |
| Drill Water | m3 | 366 | | | | 499 |
| CEMENT G | Mt | 65 | | | | 65 |
| Barite | Mt | | | | | 35 |
| Bentonite | Mt | 42 | | | | 42 |
| SOBM | m3 | | | | | 0 |
| Base Oil | m3 | | | | | 0 |
| Brine | m3 | | | | | 0 |

## Helicopter Movement

| Flight # | Company | Arr/Dep. Time | Pax In/Out | Comment |
|---|---|---|---|---|
| BWJ | BRISTOW HELICOPTERS AUSTRALIA PTY LTD | 0938 / 0948 | 0 / 3 | Fuel not required |