DRILLING MORNING REPORT # 2 Henry-2 (25 Aug 2008)

		From :	Chris Roots	/ Nathan Peri			
		OIM :	Rod Dotson				
Well Data							
Country	Australia	Measured Depth	131.7m	Current Hole Size	476mm	AFE Cost	\$41,512,831
Field		TVD	131.7m	Casing OD	762mm	AFE No.	5746043
Drill Contractor	DOGC	Progress	43.9m	Shoe MD	131.7m	Daily Cost	\$820,599
Rig	Ocean Patriot	Days from spud	0.87	Shoe TVD	131.7m	Cum Cost	\$7,774,697
Water Depth (LAT)	66.3m	Days on well	1.58	F.I.T. / L.O.T.	/	Planned TD	2552.0m
RT-SL(LAT)	21.5m	Current Op @ 0600	Continue m	naking 445mm (17-1/2'	' BHA).		
RT-ML	87.8m	Planned Op	TIH 445mn	n (17-1/2") BHA, tag ce	ement and dr	ill ahead to section	TD.
Rig Heading	217.0deg						
Summary of Pe	eriod 0000 to	2400 Hrs					
Soud the well and d	rillad from 07 9m	(mudling) to 121 7m B	T. Diaplaced to DI				

Spud the well and drilled from 87.8m (mudline) to 131.7m RT. Displaced to PHG mud and POH. Run and cemented the 762mm (30") casing. WOC.

Phse	Cls (RC)	Ор	From	То	Hrs	Depth	Activity Description
PS	Р	HBHA	0000	0130	1.50	0.0m	Continued making up 914mm (36") BHA to 85m (3m off bottom). Continued mixing PHG mud. Built 35m ³ (210bbls) of 1.2sg (10ppg) Kill Mud.
СН	TP (RE)	DA	0130	0245	1.25	0.0m	Waited on PHG mud mixing volume to be built prior to spudding the well.
СН	P	SM	0245	0300	0.25	0.0m	Held a pre-spud meeting on the drill floor with all parties. Discussed shallow gas procedures.
СН	Р	SM	0300	0315	0.25	87.8m	Tagged the sea bed at 87.82 mRT (LAT) with 4.4 t (10klbs). Observed the tag with ROV assistance. Confirmed BHA vertical with Anderdrift survey.
СН	Ρ	DA	0315	0600	2.75	127.0m	Drilled 914 mm (36") hole to 127 mRT. Pumped 7.9 m3 (50 bbl) sweeps mid stand and 15.9 m3 (100 bbl) sweep at connection. Drilling parameters: 0-2.2 mt (0-5 klbs) WOB, 90 RPM, 2271 l/min - 3785 l/min (600 - 1000 GPM)
СН	Р	DA	0600	0700	1.00	131.7m	Continued drilling 914mm (36") hole to section TD 131.7 mRT (LAT). Anderdrift surveyed on bottom 0.5°.
СН	Ρ	WТ	0700	0730	0.50	131.7m	Displaced the well to PHG mud. Made a wiper trip to 97m, no drag or fill.
СН	Ρ	DIS	0730	0830	1.00	131.7m	Displaced drill string 10 bbl PHG mud. Dropped Totco survey barrel on bottom.
СН	Ρ	HBHA	0830	0900	0.50	131.7m	POH racking back BHA. Miss run on the Totco survey.
СН	Р	SM	0900	0915	0.25	131.7m	Held casing running JSA on the drill floor.
СН	Ρ	CRN	0915	1000	0.75	131.7m	Rigged up to run 762mm (30") casing. Moved the PGB c/w guide posts to well center.
СН	Ρ	CRN	1000	1300	3.00	131.7m	 Picked up the Shoe and flow checked the float, continued picking up 2 x Intermediate Jts and the 762mm (30") Housing. Landed the 762mm (30") housing on the rotary table. PU the 762mm (30") R/Tool and made up to the 762mm Housing, lowered the casing down and landed/latched into the PGB. Backed out the R/Tool and pulled back and racked. Picked up 1 x std of drill pipe stinger, made up the R/Tool and lowered the stinger into the casing and landed and latched the R/Tool.
СН	Ρ	CRN	1300	1600	3.00	131.7m	Installed the Inclinometer to the landing string. Circulated sea water until returns through the Housing ball valve, closed valve. Continued circulating while picking up the PGB/casing off the skate, lowered the PGB/casing through the splash zone, stopped pumping and made connection.
СН	Ρ	CRN	1600	1900	3.00	131.7m	Continued running PGB/casing on drill pipe. ROV observed the conductor entering the hole. Lowered casing 10m into hole, ROV rechecked bullseye 0.5° and PGB heading of 217°. Unable to read the Inclinometer due to visibility / inability to manouevre the ROV close Continued running the conductor to bottom on drill pipe.Washed from 130m to bottom at 131.7 mRT, tagged bottom with 18.1 mt (40 klbs). Bullseye reading on bottom 0.25°.
СН	Р	CMD	1900	1930	0.50	131.7m	Made up cement hoses. Circulated 16 m ³ (100 bbls) of sea water. Held cementing JSA during circulating.
СН	Р	СМС	1930	2000	0.50	131.7m	Circulated 3.2 m ³ (20bbls) of sea water. Pressure tested the surface lines to 6.8 MPa (1000psi). Pumped 3.1 m ³ (20bbls) fluorescene dye spacer.
СН	Р	СМС	2000	2100	1.00	131.7m	Mixed and pumped 30.8 m3 (194 bbls) of 1.9 SG (15.8 ppg) class G cement slurry, 38 mT (916 sks). Displaced cement with 5.4 m3 (34 bbls) sea water. Bled off pressure,floats holding. ROV noted slight fluorescene colouration during cementing.

DRILLING MORNING REPORT # 2 Henry-2 (25 Aug 2008)

Phse	Cls (RC)	Ор	From	То	Hrs	Depth	١	Activity Description								
							R	OV PH n	neter no	ot functio	oning.					
СН	Р	WOC	2100	2400	3.00	131.7m	m Waited on cement.									
								oncurren HA.	t Ops: I	Broke ou	ut cement	hoses, con	nmenced	picking up	445mm	ı (17-1/2")
Opera	tions Fo	or Peri	od 000	0 Hrs	to 060) Hrs o			008							
Phse	Cls (RC)	Ор	From	То	Hrs	Depth		<u></u>			Ad	ctivity Desc	ription			
СН	Р	WOC	0000	0230	2.50	131.7m	W	aited on	cemen	t.						
												hoses, rea	died 445n	nm (17-1/2	2") BHA.	ROV
СН	Ρ	то	0230	0400	1.50	131.7m	Ba ar	cleared the base of the PGB. Backed out 762mm (30") running to and sub, laid out running tool and ra PGB reading 0.25° at 140° (aft bulls								clinometer
СН	Р	HBHA	0400	0530	1.50	131.7m	La	Laid out the cement stand. Broke out the 914mm (36") Hole opener and 660mm bit and bit sub.						60mm (26")		
SH	Р	HBHA	0530	0600	0.50	131.7m	Co	ontinued	picking	up 445	mm (17-1/	2") BHA.				
WBM	Data						Cos	t Toda	y \$ 80	000						
Mud Typ	e:	PH	IG API	FL:			KCI:		-		Solids:		3	Viscosity:		0sec/L
Sample	-From:		Pit Filte	er-Cake:			Hard/	Ca:		100	H2O:		97%	PV: YP:		0.005Pa/s 0.388MPa
Time:		22:	00 нтн	HP-FL:			MBT:				Oil:			Gels 10s:		0.230
Weight:		1.05	sg HTI	-IP-Cake:			PM:			0.6	Sand:			Gels 10m: Fann 003:		0.259
Temp:							PF:			0.3	pH:			Fann 006:		78
											PHPA:			Fann 100: Fann 200:		81 84
														Fann 300: Fann 600:		86 91
Comme	ent		At 7	D displa ed PHG f	ll of 220 b ced the he for 17.5" s	ole to 28 p	opb unf	flocculate	d PHĠ.		ext section.	CaCl2 use	d for mix	1 4 000.		
Bit #	1						Wea	ar		01	D	L	В	G	O2 NO	R
Size:			660m	m IADO	C#	111		Nozzles Drilled				ast 24 hrs	(Calculated over Bit Run		
Mfr:			REE		3(avg)172	23.65mt	No.	Siz	е	Progre	ess	43.9	m Cum.	Progress		43.9m
Туре:			Ro	ck RPN	l(avg)	93	1	16	/32nd"	On Bo	ttom Hrs	2.70	h Cum.	On Btm H	rs	2.70h
Serial N	lo.:		M266	90 F.Ra	ate 3	566lpm	3		/32nd"	IADC I	Drill Hrs	4.00	h Cum I	ADC Drill	Hrs	4.00h
Bit Mod	lel		Y	11 SPP	4	702kPa				Total F	Revs	1510	0 Cum 1	Total Reve	;	15100
Depth I	n		87.8	m TFA		1.522				ROP(a	avg)	16.26 m/l	nr ROP(a	avg)		16.26 m/hr
Depth C			131.7													
Bitwear	Comment	t		Reru	ın Bit fror	n Pecten	East-	1 & Neth	erby-1							
BHA	# 1															
Weight	(Wet)		86.18	nt Leng	gth			210.2m	Torqu	e(max)		8160.0N	m D.C. (1) Ann Ve	locity	12.01mpm
Wt Belo	ow Jar(We	t)	0.00	nt Strin	ng		ε	36.18mt	Torqu	e(Off.Bt	m)	1360.0Ni	1360.0Nm D.C. (locity	11.58mpm
				Pick	-Up		8	36.18mt	Torqu	e(On.Bt	m)	4080.0Ni	m H.W.E	D.P. Ann V	elocity	10.81mpm
				Slac	k-Off		8	36.18mt					D.P. A	Ann Veloci	ty	10.81mpm
	un Descrip	tion		26"	Hole Ope	nor			1				I			

DRILLING MORNING REPORT # 2 Henry-2 (25 Aug 2008)

	Length	0	DD	ID)	Se	erial #			Comment					
Bit				0.65m	66	60mm	90	mm	M26690		3 x 24, 1				
Hole Opener				2.38m		14mm			11120000		4 x 24 no				
Float Sub				0.91m		29mm	76	mm			Blank Flo				
Anderdrift					3.10m 245mm			mm	ADB995	5	Totco Ri		Standa		
17.5in String S	Stabilisor				2.42m 438mm			mm	ADD33	5	10100 111	ng			
NMDC	DIADIIISEI			8.93m		41mm		mm	6613						
17.5in String S	Stabilizar			2.42m				mm	XM774						
						AIVI774									
Drill Collar		18.61m		41mm		imm		~							
X/O				1.08m		41mm		mm	GUD12	31-5					
Drill Collar				28.20m		10mm		mm							
X/O				1.09m)3mm		mm	GUD12	31-6					
HWDP				140.40m	17	75mm	78	mm							
Survey															
MD (m)	MD Incl Deg Corr. Az TV (m) (deg) (deg) (m					ct	Dogl (deg/3	eg 30m)		/S m)	E/W (m)		Tool	ol Type	
131.70	0.5	0.0	131.70		(m)		(***)	,		,	()	Δr	nderdrift		
Bulk Stock		0.0	101.70									7.4	laciant		
BUIK STOCK															
	Name			Unit		I	n	U	Jsed	Adjust	Balaı		Co	mment	
Barite			m				0		3			81.0			
Gel			m				0		20			66.0			
Cement			m	Г			38		36			72.0			
Fuel			m	3			200		19.2		0 5	20.7			
Potable Water			m	3			30		30		0 3	54.0			
Drill Water			m	3			991		347		0 9	74.0			
Personnel	On Board														
	Company							Со	mment					Pax	
Santos														4	
DOGC														46	
ESS														8	
BHI														4	
Dowell														3	
Rheochem														2	
TMT														6	
Premium Casi	na Services													7	
Cameron	ing Oct VICES													2	
RPS															
														1	
Fugro														2	
Schlumberger	Drilling & Meas	surements											Total	2 87	
Casing													TUIA	01	
Casing															
OD	L.O.T. / F.	I.T. Cas	ing Shoe (
762mm	/		131.70/13	916sxs 15.8ppg Class G											

DRILLING MORNING REPORT # 2 Henry-2 (25 Aug 2008)

Santos

Events	Num	Date of Last	Days	Remarks								
	Events		Since									
Abandon Drill	1	24 Aug 2008	1 Day	andonment drill completed after the fire drill. npleted full muster after emergency under control in 25 minutes, initial ster completed in 11 min.								
Fire Drill	1	24 Aug 2008	1 Day	Simulated fire in the paint locker. Emergency alarm sounded at 22:20hrs, emergency under control at 22:35hrs.								
First Aid	1	13 Aug 2008	12 Days	During the relocation of a container on the port pipe deck, IP located hand on corner of a container to assist another roustabout to steady for placement. IP looked at the base of the container when it swung and caugh his hand between the container and wall resulting in a bruised hand.								
JHA	31	25 Aug 2008	0 Days	Drill crew - 15 Deck Crew - 11 Welder - 2 Subsea - 3								
Lost Time Incident	1	30 May 2008	87 Days	Man had his left hand caught between an 8" drill collar and the casing tongs when he was trying to secure the tong. Preliminary checks on the rig deemed only stitches required and the hand was not broken. The person was medivac'd off the rig @ 23:00hrs. Man was released from Royal Hobart hospital with 12 stitches to the hand (no broken bones).								
Medical Treatment Incident	1	13 Aug 2008	12 Days	During lifting operations of 3rd party tooling on the pipe deck, IP was assisting the dogman in attaching slings to the whip-line hook. During this process the hook swung and hit the IP in the side of the hardhat resulting in an injury to the IPs neck. The IP was immobilised as a precautionary measure, treated as per symptoms and in readiness for medivac to hospital for further assessment.								
Pre-Tour Meeting	4	25 Aug 2008	0 Days	Discussed upcoming operations and associated hazards prior to each shift starting.								
PTW Issued	13	25 Aug 2008	0 Days	4 x hot work permits 9 x cold work permits								
Rig Inspection	2	20 Aug 2008	5 Days	Conducted 2 by Santos STOP audits. 1 in moonpool: found several housekeeping issues with wire rope and hose causing potential trip hazards. Wrapped blue pod line with caution tape and removed grease cans no longer required. 2 in sack room: conducted STOP audit during glycol handling operations. Good understanding of hazards, PPE and operations throughout job. Completed safely and efficiently.								
Safety Audit	1	29 Jul 2008	27 Days	Santos environment audit conducted.								
Safety Audit	1	30 Jul 2008	26 Days	EHSMS audit conducted onboard.								
Safety Meeting	1	13 Aug 2008	12 Days	Held 'Time Out for Safety' meeting on the rig floor with senior DODI and Santos personnel, drill crew, deck crew and third party. Reviewed 2 incidents which occurred on the previous tour and associated safety outcomes. Opened the floor and discussed safe acts and feedback.								
Safety Meeting	3	24 Aug 2008	1 Day	Reviewed stop cards for the week and awarded Santos best stop card to Craig Richards. Reviewed the Lifeboat stations, lifeboat equipment and discussed hand awareness. Discussed the fire drill in the paint locker.								
Safety Meeting	1	25 Aug 2008	0 Days	Held a pre-spud meeting with all parties on the drill floor. Discussed the operation and also the shallow gas procedures.								
Santos Induction	0	25 Aug 2008	0 Days	Gave Santos induction to new personnel to site after DODI induction.								
Stop Observations	51	25 Aug 2008	0 Days	30 - Safe 21 - Corrective Actions								
STOP Tour	2	25 Aug 2008	0 Days	Submitted Diamond supervisor audits.								
Shakers, Volumes and	d Losses D	ata	Engineer : k	Kellie Jericho / Wojciech Czarmy								
Available 75.8m ³	Losses	80.8m ³	Equ	•								
Active 42.9m ³	Downhole		Centrifuge 2									
Mixing	Surf+ Equip	80.8m ³	Shaker 3	Bem 650 - MI SW								
Hole	Dumped		Shaker 4	Bem 650 - MI SW								
Slug	De-Sander		Shaker 5	Bem 650 - MI SW								
Reserve	De-Silter		Shaker 6	Bem 650 - MI SW								
	Centrifuge		1									

DRILLING MORNING REPORT # 2 Henry-2 (25 Aug 2008)

Marine											
Weather che	eck on 25 Aug	2008 at 24:0	00					Rig Support			
Visibility	Wind Speed	Wind Dir.	Pressure	essure Air Temp. Wa		Wave Height Wave Dir. Wave		Anchors	Chain out	(m) T	ension (mt)
18.5km	37km/h	320.0deg	1028.00b	ar 10.0C°	1.0m	320.0deg	320.0deg 4sec		1353.0		130.18
Roll	Pitch	Heave	Swell Heig	ht Swell Dir.	Swell Peri	ę	Comments	2	1372.8		127.91
								- 3	1386.8		127.01
0.4deg	0.4deg	0.80m	2.5m	240.0deg	13sec			4	1414.0		127.91
Rig Dir.	Ris. Tension	VDL		Comments				5	1365.8		138.80
217.0deg	0.00mt	939.39mt						6	1389.9		130.18
3								7	1393.9		132.90
								8	1389.9		133.81
Boats	Arrived (date/time) Departed (date/time) Status								Bulks		
Far Grip				04:30 hrs		Transit to Ocean	Patriot from	ltem		Unit	Quantity
						Portland.		Fuel		m3	
								Potable Water		m3	455
								Drill Water Gel		m3 mt	340 59
								Cement		mt	43.5
								Barite		mt	84
								KCI Brine		m3	137
								NaCl Brine		m3	231
										m3	117
Nor Captain		23:45 hrs 19.	08.08			Standby Ocean P	atriot	ltem		Unit	Quantity
								Fuel		m3	
								Potable Water		m3	
								Drill Water		m3	
								Gel Cement		mt mt	
								Barite		mt	
								KCI Brine		m3	
								NaCl Brine		m3	-
								Mud		m3	
Helicopte	r Moveme	nt									
Flight #	Time		De	estination			Com	iment			Pax
1						No flights today	1				
GYJ	11:07	Ocean F	Patriot			<u> </u>					7
GYJ	11:15	Essendo								1	5