

		From:	Peter Devine	/ Nathan Peri			
		OIM:	Dennis Gore				
Well Data							
Country	Australia	Measured Depth	1870.0m	Current Hole Size	315mm	AFE Cost	\$19,265,000
Field		TVD	1744.6m	Casing OD	340mm	AFE No.	5738085
Drill Contractor	DOGC	Progress	0.0m	Shoe MD	642.2m	Daily Cost	\$1,077,682
Rig	Ocean Patriot	Days from spud	10.71	Shoe TVD	642.2m	Cum Cost	\$13,291,513
Water Depth (LAT)	65.4m	Days on well	11.48	F.I.T. / L.O.T.	/ 2.12sg	Planned TD	2503.0m
RT-SL(LAT)	21.5m	Current Op @ 0600	Continued	running wiper trip dow	n to 642 mR1	-	
RT-ML	86.9m	Planned Op		er trip to 1365m, recipr			
Rig Heading	215.0deg		circulate be	ottoms up. POH. Run I	ogging tools	as per programme	ı.

Summary of Period 0000 to 2400 Hrs

Circulated 3 x bottoms up volumes until the shakers were clean. POH to tight hole at 1575m. Back reamed to the shoe at 642m. Circulated until shakers clean. POH and laid out FEWD.

Rigged up wireline. Run logging tool run #1 down to 1365m. Unable to pass this depth. POH and change bottom configuration of tools. Rerun the log down to 990m.

Formations			
Name	Top (MD)	Top (TVD)	Comment
K85 Unconformity	1783.0m	1673.6m	38.6m low
Waarre A	1792.0m	1683.1m	48.1m low
Eumeralla Formation	1820.0m	1705.2m	43.2m low
Total Depth	1870.0m	1744.0m	

Operations For Period 0000 Hrs to 2400 Hrs on 25 Jul 2008

Phse	Cls (RC)	Ор	From	То	Hrs	Depth	Activity Description
EP	Р	CHC	0000	0100	1.00	1870.0m	Continued circulating until shakers cleared. Circulated 3 x bottoms up volumes at 3785 L/min (1000gpm), 120rpm.
EP	Р	FC	0100	0115	0.25	1870.0m	Flow checked the well. Prepared the floor for tripping.
EP	Р	то	0115	0300	1.75	1870.0m	POH from 1870m to 1575m. Worked pipe to 26.7 kdaNm (60klbs), the pipe started swabbing in.
EP	P	CHC	0300	0400	1.00	1870.0m	Made up TDS, circulated and worked the stand from 1575m to 1546m at 3785 L/min, 120 rpm, torq 13 - 38 kNm (10-28 kft/lbs). Cutting returns observed over the shakers, circulated 2 x bottoms up volumes until the shakers cleared.
EP	Р	WTH	0400	0600	2.00	1870.0m	Attempted to pull the next stand on elevators, overpull observed. Made up TDS and back reamed out from 1546m to 1287m.
EP	Р	WTH	0600	1030	4.50	1870.0m	Continued back reaming from 1287m to the casing shoe at 642m. Parameters: 120rpm, 3785 L/min (1000gpm), torq 13 - 38 kNm (10-28 kft/lbs)
EP	Р	CHC	1030	1100	0.50	1870.0m	Circulated at the shoe until shakers clear (2 x BU).
EP	Р	FC	1100	1115	0.25	1870.0m	Flow checked the well, pumped 1.6 m³ (10bbl), 1.5 sg (13ppg) slug.
EP	Р	TO	1115	1230	1.25	1870.0m	POH to the BHA at 270m
EP	Р	НВНА	1230	1500	2.50	1870.0m	Pulled and racked back the BHA. Unable to break out the ARC-8 from the Powerpulse (galled). Laid out both pieces as one.
EP	Р	LOG	1500	1530	0.50	1870.0m	Held Wireline JSA. Rigged up to run wireline logging tools.
EP	Р	LOG	1530	1800	2.50	1870.0m	Made up logging run #1 tools: PEX-HRLA-MSIP.
EP	Р	LOG	1800	2100	3.00	1870.0m	Run logging tool #1, unable to pass through at 1365 mRT. Attempted to pass tight spot varying speeds.
EP	P (HC)	LOG	2100	2300	2.00	1870.0m	Pulled out to change the tool configuration. Tools at surface. Laid out tools and nuclear source. Changed out the bottom bull nose sub for an extended tapered nose sub. Picked up the tools and rerun.
EP	TP (HC)	LOG	2300	2400	1.00	1870.0m	Continued to run new bottom configuration logging tool #1.

Operations For Period 0000 Hrs to 0600 Hrs on 26 Jul 2008

o po. a		0 0	-			0 0 0	20 041 2000
Phse	Cls (RC)	Ор	From	То	Hrs	Depth	Activity Description
EP	TP (HC)	LOG	0000	0200	2.00	1870.0m	Continued running logging tool run #1: PEX-HRLA-MSIP. Tagged up again at 1365m, unable to pass this depth after several attempts. POH.
EP	TP (HC)	LOG	0200	0300	1.00	1870.0m	Rigged down wireline. Static mud losses of 0.25 m³/hr (1.5 bbl/hr).
EP	TP (HC)	НВНА	0300	0500	2.00	1870.0m	Picked up new 311mm (12-1/4") bit and BHA to 230 mRT. Note: Tagged casing swedge at 92m, slow rotation and the bit passed through.



DRILLING MORNING REPORT # 12 Netherby-1 (25 Jul 2008)

Phse	Cls (RC)	Ор	Fro	om	То	Hrs	Depth	າ ,				A	ctivity De	scription			
EP	TP (HC)	TI	050	0 0	600 1	.00	1870.0r	n Co	ontinued 3	311mm	(12-1/	4") wiper t	rip to 642	mRT.			
WBM	Data							Cost	t Today	\$ 15	000						
Mud Type	ə:	KG	SLY ,	API FL	:	4c	m³/30m	KCI:			9%	Solids:		11.81			0sec/L
Sample-	From:		Pit	Filter-C	Cake:		1mm	Hard/0	Ca:		800	H2O:		88%	PV: YP:		0.022Pa/s 0.201MPa
Time:		18	3:00	HTHP-	FL:			MBT:			5	Oil:			Gels 10s:		0.048
Weight:		1.34	4sg	HTHP-	Cake:			PM:			0.1	Sand:		0.2	Gels 10m: Fann 003:		0.110
Temp:								PF:			0.07			9	F 000:		13
											0.01	PHPA:		0ppb	Fann 100:		38 51
												T T T T		орри	Fann 300:		64
0	-4			NI - 4		1-154		- 0 -45				0011 0		a la alla a	Fann 600:		86
Commer			; (shaker contam Losses	to 230 m nination. during le	nesh wh MW incogging	nile backı rease ob 10 bbl.	reaming	g OOH, to	minism GS inva	ise LĞ	OOH. Scre S hile reamin	•	lamung			
Bit # 4	ļ							Wea	r I		O1	D	L	В	G	O2	R
					1				3		4	CT	Α	Х	1	ER	TD
Size:				1mm	IADC#		M422		Nozzles			lled over l	ast 24 hr	-	Calculated	over B	
Mfr:				REED	WOB(a			No.	Size	!	Progr				Progress		449.0m
Type:				Rock	RPM(a	0,	160	6	16/	32nd"		ottom Hrs	0.0		On Btm Hrs		17.40h
Serial N	0.:			5850	F.Rate		623lpm				_	Drill Hrs	0.0		IADC Drill H	Irs	25.00h
Bit Mode		RS	SX616		SPP	199	995kPa				Total				Total Revs		174700
Depth In				21.0m	TFA		1.178				ROP(avg)	ı	N/A ROP	(avg)		25.80 m/hr
Depth O			187	'0.0m													
Daily Co									the casin							_	
	Commen	t			Severa	l chipp	ed teeth	on the	bit in all	areas.	Some	erosion ins	side the b	it by the no	zzle fluid er	ntrance.	
BHA #	‡ 4				1												
Weight(Wet)		36.	29mt	Length			2	278.1m	Torque	e(max)		38080.0	Nm D.C.	(1) Ann Velo	ocity	83.07mpm
Wt Belo	w Jar(We	t)	20.	41mt	String			11	7.93mt	Torque	e(Off.B	tm)	14960.0	Nm D.C.	(2) Ann Velo	ocity	0mpm
					Pick-U	þ		12	22.47mt	Torque	e(On.B	tm)	5440.0	Nm H.W.	D.P. Ann Ve	elocity	69.59mpm
					Slack-0	Off		12	2.47mt					D.P.	Ann Velocity	y	57.17mpm
BHA Ru	ın Descrip	tion			Direction	onal / F	EWD							l .			
BHA Ru	ın Comme	ent			ACR-8	and P	owerdriv	e tools	galled w	hen try	ing to b	oreakout ai	nd lay out	t. Laid out	the pieces a	s one.	
		Equip	pmen	t			Leng	ıth	OD	I	D	Seria	al#		Comn	nent	
Bit							0.2	7m	311mm			2158520		6 x 16 no	zzles		
Powerd	rive 900						8.1	8m	311mm	12	7mm	CR5058		Xceed dir the bit.	ectional surv	vey = 3.	.33m from
Saver S								6m	229mm		7mm	CR59-015					
Saver S	ub						0.3		210mm			ASQ8058	1				
ARC-8	la							8m	213mm		6mm	1106		Resistivity	/ & Gama =	11.1m	from the bit.
Saver S Power F							7.6	4m 9m	210mm 229mm			ASQ8012 E0005		Powerpul	se directiona	al surve	v = 18.40m
														from the b			,
Saver S	ub							8m	210mm			ASQ8065					
NMDC								0m	213mm		3mm	SBD5552					
NMDC Drill Col	lar						9.3 65.6	0m	213mm 203mm		3mm 3mm	SBD5553					
8in Jar	ıaı						10.1		210mm		6mm	718096					
Drill Col	lar						18.9		203mm		3mm	. 10000					
X/O								9m	203mm		7mm	GUD1231	-6				
HWDP							140.4	0m	175mm	7	6mm						



DRILLING MORNING REPORT # 12 Netherby-1 (25 Jul 2008)

Bulk Stocks						Personnel On Board	
Name	Unit	In	Used	Adjust	Balance	Company	Pax
Barite	MT	0	65	0	8.0	Santos	4
Gel	MT	0	0	0	53.0	Santos	2
Cement	MT	0	0	0	140.0	DOGC	48
Fuel	M3	0	16.2	0	492.8	ESS	8
Potable Water	M3	19	23	0	391.0	BHI	6
Drill Water	M3	0	42	0	1,005.0	Dowell	2
						Rheochem	2
						TMT	3
						Cameron	3
						Anadrill	2
						Anadrill	2
						Schlumberger Wireline	9
						MI Swaco	1
						Schlumberger Testing	1
						Total	93

Casing			
OD	L.O.T. / F.I.T.	Casing Shoe (MD/TVD)	Cementing
762mm	/	130.90/130.90	As per cement data.
340mm	2.12 /	642.20/642.20	Class G lead slurry to surface. Class G tail TOC at ± 492m (150m).



HSE Summary				
Events	Num Events	Date of Last	Days Since	Remarks
Abandon Drill	1	20 Jul 2008	5 Days	Abandonment drill completed after the fire drill. Completed full muster at lifeboat stations 2 and 3 in 6 minutes.
Fire Drill	1	20 Jul 2008	5 Days	Simulated a fire in the paint locker room. Muster complete within 8 minutes and incident under control in 7 minutes.
First Aid	1	23 Jun 2008	32 Days	IP was opening PPE locker in the sack room to exchange a dirty dust mask with a new mask. IP opened locker door harder than he expected and locker door swung open and struck him on the safety glasses. Safety glasses cut left eye brow (2.5 cm) from the impact. Hard hat had been taken off to exchange dust masks.
JHA	22	25 Jul 2008	0 Days	Drill crew - 6 Deck Crew - 13 Welder - 0 Mech - 3
Lost Time Incident	1	30 May 2008	56 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	0	13 May 2008	73 Days	No MTI since start of campaign
Medical Treatment Incident	1	24 Jul 2008	1 Day	IP sustained a deep cut to his left leg. This was caused by his foot slipping off a timber support and hitting his shin. The IP will be flown out on crew chopper. Note: IP received 7 stitches and has been given clearance to return to work. Resumed duties 25th Jul 08.
Pre-Tour Meeting	4	25 Jul 2008	0 Days	Discussed upcoming operations and associated hazards
PTW Issued	13	25 Jul 2008	0 Days	7 x hot work permits 6 x cold work permits
Rig Inspection	1	02 Jul 2008	23 Days	Conducted hazard hunt checking for flamable liquids in containers secuered properly and in correct place with signage.
Safety Meeting	3	20 Jul 2008	5 Days	Reviewed stop cards for the week and awarded Santos best stop card to Brendon Hayward. Discussed fire and abandonment drill and muster times. Played the Dodi Induction video.
Santos Induction	4	25 Jul 2008	0 Days	Completed Santos induction with new personnel to site.
Stop Observations	67	25 Jul 2008	0 Days	43 - Safe 24 - Corrective Actions
STOP Tour	1	24 Jul 2008	1 Day	1 x Dodi audits last 24hrs. Santos conducted a STOP audit of the welding room. All PPE worn during cutting/welding operations. Good ventilation. Hot work permit in place (14 Jul).
Trip/Pit Drill	1	24 Jul 2008	1 Day	Sounded the alram on the drill floor for a kick drill. Crew reacted and had the FOBV in place within 40 seconds.

Shakers, V	olumes and	d Losses Data		Engineer : Carissa	a Thompson / Wojciech Cz	zarny		
Available	415.4m³	Losses	15.3m³	Equip.	Descr.	Mesh Size	Hours	
Active	91.4m³	Downhole	1.6m³	Centrifuge 1	MI Swaco			0
Mixing	0.0m³	Surf+ Equip	13.7m³	Centrifuge 1	MI Swaco			0
Mixing		Suri+ Equip	13.7111	Centrifuge 2	MI Swaco			0
Hole	143.2m³	Dumped		Centrifuge 2	MI Swaco			0
Slug		De-Sander		Shaker 3	Bem 650 - MI Swac@	20/20/165/165/200/200		24
Reserve	110.8m³	De-Silter		Shaker 3	Bem 650 - MI Swacd	0/20/230/230/230/230		12
Kill		Centrifuge		Shaker 4	Bem 650 - MI Swac@	20/20/165/165/200/200		24
	70.0.0	Centinuge		Shaker 4	Bem 650 - MI Swacd	0/20/230/230/230/230		12
Brine	70.0m³			Shaker 5	Bem 650 - MI Swac@	20/20/165/165/200/200		24
				Shaker 5	Bem 650 - MI Swacd	0/20/230/230/230/230		12
				Shaker 6	Bem 650 - MI Swac@	20/20/165/165/200/200		24
				Shaker 6	Bem 650 - MI Swacd	0/20/230/230/230/230		12
Comment	#2 Centrifuge	needs repair done	(awaiting s	pare parts).				



DRILLING MORNING REPORT # 12 Netherby-1 (25 Jul 2008)

Marine										
Weather ch	eck on 25 Jul 2	2008 at 24:00)					Rig Support		
Visibility	Wind Speed	Wind Dir.	Pressure	Air Temp.	Wave Height	Wave Dir.	Wave Period	Anchors	Chain out (m)	Tension (mt)
18.5km	33km/h	0.0deg	1019.00bar	14.0C°	0.5m	0.0deg	3sec	1	1382.9	99.79
Roll	Pitch	Heave	Swell Height	Swell Dir.	Swell Period	Weather	Comments	2	1382.9	103.87
					1			3	1399.9	112.04
1.0deg	0.7deg	1.50m	2.5m	235.0deg	12sec			4	1376.8	103.87
Rig Dir.	Ris. Tension	VDL		Comments				5	1410.9	112.04
215.0deg	120.20mt	945.29mt						6	1421.0	103.87
2.0.0009	120.20111	0 10.2011t						7	1410.9	117.93
								8	1414.0	120.20

Boats	Arrived (date/time)	Departed (date/time)	Status	_	Bulks	•
Far Grip		22:15 23 Jul 08	Transit to Portland	Item	Unit	Quantity
				Fuel	m3	698
				Potable Water	m3	190
				Drill Water	m3	450
				Cement	mt	43.5
				Barite	mt	84
				Gel	mt	59
				KCI Brine	m3	140
				NaCl Brine	m3	185
				Mud	m3	0
Nor Captain	21:40 23 Jul 2008		On location.	Item	Unit	Quantity
				Fuel	m3	581
				Potable Water	m3	324
				Drill Water	m3	289
				Cement	mt	42
				Barite	mt	84
				Gel	mt	42
				Mud	m3	140
				KCI Brine	m3	0

Helicopter Movement

Flight #	Time	Destination	Comment	Pax
GYJ	11:29	Ocean Patriot		13
GYJ	11:46	Essendon		10