

		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	\$751,016
Rig	Ocean Patriot	Days from spud	14.71	Shoe TVD	642.2m	Cum Cost	\$16,514,675
Water Depth (LAT)	65.4m	Days on well	15.48	F.I.T. / L.O.T.	/ 2.12sg	Planned TD	2503.0m
RT-SL(LAT)	21.5m	Current Op @ 0600	Waited on	FEWD and personnel.			
RT-ML	86.9m	Planned Op	Pick up and	d run FEWD to bottom	and log the	vell. POH.	
Rig Heading	215.0deg						

#### Summary of Period 0000 to 2400 Hrs

Pulled the TCL tools from 1764m to 1735m. Broke out the SE sub, shear released the Latching tools from the TCL tools. Pulled the wireline out of the drill pipe.Pulled the TCL tools on drill pipe to surface.Broke and laid out same.

RIH wiper trip to bottom. Worked tight hole section from 1760m to 1835m. Circulated on bottom 1870m. Spotted Hi-Vis pill on bottom, attempted to POH, tight hole across 1800m to 1790m, worked through tight section. Run back to bottom and recirculate bottoms up and pill on bottom. POH on elevators through tight section. Continued POH. OK.

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 29 Jul 2008

Phse	Cls (RC)	Ор	From	То	Hrs	Depth	Activity Description
EP	TP (HC)	LOG	0000	0200	2.00	1870.0m	Pulled back to the SE sub at 1730m. Pulled 2.2 kdaNm (5.5 klbs) tension on the wireline and held for ten minutes to shear the latching toolstring from the TCL logging tools. Pulled the latching toolstring back to the SE sub. Broke out the SE sub, pulled the latching toolstring from the drill pipe and laid out. Rigged aside the wireline sheave wheels.
EP	TP (HC)	то	0200	0400	2.00	1870.0m	Pumped slug, POH to the casing shoe at 642m. Good hole conditions observed.
EP	TP (HC)	FC	0400	0415	0.25	1870.0m	Flow checked the well - OK.
EP	TP (HC)	то	0415	0530	1.25	1870.0m	Continued POH to surface.
EP	TP (HC)	LOG	0530	0700	1.50	1870.0m	Logging tools at surface, removed radioactive source. Continued rigging down logging tools. Removed sheave wheel from hang off line.  Note: Hole Finder sub on the bottom of the logging tools had broken off.
EP	TP (HC)	НВНА	0700	0830	1.50	1870.0m	Laid out 311mm (12-1/4"). Near Bit Stabilizer. Picked up 311mm (12-1/4") Bit & float sub and BHA for a wiper trip.  Opened DSC to run through the wellhead, tagged the casing swedge, rotated and continued running BHA to 229m.
EP	TP (HC)	TI	0830	1100	2.50	1870.0m	Continued RIH on drill pipe from 229m to 1757m. Max drag observed 4.4 kdaNm (10 klbs).
EP	TP (HC)	WTH	1100	1230	1.50	1870.0m	Washed and reamed from 1757m to 1870m. Tight hole from 1790 to 1795m with 8.9 - 11.1 kdaNm (20-25 klbs) drag. Parameters: 160rpm, 3785 L/min (1000gpm), 26.9 MPa (3900psi).
EP	TP (HC)	CHC	1230	1330	1.00	1870.0m	Circulated bottoms up, spotted 15.9m³ (100bbl) HI-Vis pill on bottom. Max BG gas = 0.1%. Flow checked-OK.
EP	TP (HC)	CHC	1330	1400	0.50	1870.0m	Pulled on elevators from 1870 to 1835m, no drag.
EP	TP (HC)	WTH	1400	1530	1.50	1870.0m	Drag increased from 1835m 22 kdaNm (50klbs). Made up TDS and back reamed from 1835m to 1786m. While backreaming through this section, the hole packed off at 1830m, the Jars failed to fire down, continued working pipe free and pulling above. Pulled up to 1786m.  Worked back through the tight hole section x 3 until clear.
EP	TP (HC)	WTH	1530	1600	0.50	1870.0m	Pulled from 1786m to 1640m with no rotation or circulation required.
EP	TP (HC)	WTH	1600	1700	1.00	1870.0m	RIH from 1640m, tagged up at 1795m, washed and reamed through tight section, no drag after the first wipe. Continued washing down to 1870m
EP	TP (HC)	CHC	1700	1830	1.50	1870.0m	Circulated bottoms up, circulated to balance 15.9m³ (100bbl) HI-Vis pill on bottom. Flow checked.
EP	TP (HC)	тот	1830	1900	0.50	1870.0m	Pulled on elevators from 1870m to 1700m.  Note: Observed 11.1 kdaNm (25 klbs) drag from 1800m to 1780m (20m)



## DRILLING MORNING REPORT # 16 Netherby-1 ( 29 Jul 2008 )

Phse	Cls (RC)	Ор	From	То	Hrs	Depth	Activity Description
EP	TP (HC)	ТО	1900	2100	2.00	1870.0m	Pumped slug and POH to the casing shoe at 642m. Good hole conditions.
EP	TP (HC)	FC	2100	2115	0.25	1870.0m	Flow checked at the casing shoe.
EP	TP (HC)	ТО	2115	2200	0.75	1870.0m	Continue POH from 642m to 230m.
EP	TP (HC)	НВНА	2200	2400	2.00	1870.0m	Pulled BHA from 230m. Changed out the 203mm (8") Jars.

### Operations For Period 0000 Hrs to 0600 Hrs on 30 Jul 2008

Phse	Cls (RC)	Ор	From	То	Hrs	Depth	Activity Description
PH	TP (HC)	НВНА	0000	0130	1.50	1870.0m	Continued racking back BHA.
PH	TP (HC)	CRF	0130	0230	1.00	1870.0m	Cleared the rig floor.
PH	TP (HC)	WOE	0230	0400	1.50	1870.0m	Waited on FEWD tools to be calibrated and tested. Concurrent Ops: Picked up 24 x drill pipe joints.
PH	TU (PO)	PUP	0400	0600	2.00	1870.0m	Waited on personnel due to work hours being maximised. Concurrent Ops: Continued to pick up drill pipe to reach total depth (total 48Jts).

			Cost Today \$ 5000							
KGLY	API FL:	4cm <sup>3</sup> /30m	KCI:	8%	Solids:	11.31	Viscosity:	0sec/L		
FL	Filter-Cake:	1mm	Hard/Ca:	800	H2O:	89%	PV: YP:	0.023Pa/s 0.153MPa		
21:00	HTHP-FL:		MBT:	7.5	Oil:		Gels 10s: Gels 10m:	0.048 0.091		
1.33sg	HTHP-Cake:		PM:	0.1	Sand:	0.2		9		
30.0C°			PF:	0.04	pH:	8.7	Fann 006: Fann 100:	12 35		
					PHPA:	0ppb	Fann 200:	47		
							Fann 300:	55		
							Fann 600:	78		
	FL 21:00 1.33sg	FL Filter-Cake:  21:00 HTHP-FL:  1.33sg HTHP-Cake:	FL 21:00 HTHP-FL: HTHP-Cake: 30.0C°	KGLY         API FL:         4cm³/30m         KCI:           FL         Filter-Cake:         1mm         Hard/Ca:           21:00         HTHP-FL:         MBT:           1.33sg         HTHP-Cake:         PM:           30.0C°         PF:	KGLY         API FL:         4cm³/30m         KCl:         8%           FL         Filter-Cake:         1mm         Hard/Ca:         800           21:00         HTHP-FL:         MBT:         7.5           1.33sg         HTHP-Cake:         PM:         0.1           9F:         0.04	KGLY         API FL:         4cm³/30m         KCI:         8%         Solids:           FL         Filter-Cake:         1mm         Hard/Ca:         800         H2O:           21:00         HTHP-FL:         MBT:         7.5         Oil:           1.33sg         HTHP-Cake:         PM:         0.1         Sand:           30.0C°         PF:         0.04         pH:           PHPA:         PHPA:         PHPA:	KGLY         API FL:         4cm³/30m         KCl:         8%         Solids:         11.31           FL         Filter-Cake:         1mm         Hard/Ca:         800         H2O:         89%           21:00         HTHP-FL:         MBT:         7.5         Oil:           1.33sg         HTHP-Cake:         PM:         0.1         Sand:         0.2           30.0C°         PF:         0.04         pH:         8.7	KGLY         API FL:         4cm³/30m         KCl:         8%         Solids:         11.31         Viscosity: PV: YP: PV: YP: Gels 10s: Gels 10s: Gels 10m:           21:00         HTHP-FL:         MBT:         7.5         Oil:         Gels 10s: Gels 10m:           1.33sg         HTHP-Cake:         PM:         0.1         Sand:         0.2         Fann 003: Fann 006: Fann 100: Fann 300: Fann 300: Fann 600:		

Comment Build 210bbl Premix in Pit 1, weight up premix to 10.7ppg. Build HiVis/ LCM Pill in Pit 5 (5.8ppb

Calcium Carbonate,

130 sec/qt vis). Spot 100 bbl 11.0 ppg Hivis/LCM Pill on bottom. Build 13 ppg Slug. Build another 100 bbl pumpable HiVis/ LCM Pill in Pit 5 (7ppb Calcium Carbonate 11.0ppg). Pump

2nd 120bbl 11.0ppg Hivis/ LCM pill.

Operate 1 x Centrifuge to reduce LGS/MW while reaming and circulating.

Barite usage to be charge on tomorrows report.

Bit # 5RR1	# 5RR1					O1	D	L	В	G	02	R
					0	0	NO	Α	E	1	NO	BHA
Size:	311mm	IADC#	117	No	Di	Drilled over last 24 hrs			Calculated over Bit Run			
Mfr:	HUGHES	WOB(avg)		No.	Size	Prog	ress	0.0	m Cum	. Progress		0.0m
Type:	Rock	RPM(avg)	208	1	14/32nd	d" On I	Bottom H	rs 0.0	Oh Cum	. On Btm H	rs	0.00h
Serial No.:	5119202	F.Rate	2574lpm	3	20/32nd	d" IAD	Drill Hrs	s 0.0	Oh Cum	IADC Drill	Hrs	0.00h
Bit Model	MXL-1X	SPP	20064kPa			Tota	l Revs		0 Cum	Total Reve	3	0
Depth In	1870.0m	TFA	1.071			ROF	(avg)	N	/A ROF	(avg)		0.00 m/hr
Depth Out	1870.0m											
Daily Comment	Third wiper trip with this bit to clear obstruction at 1792m.											
Bitwear Comment		Green bit,	good for rei	un.								

BHA # 6										
Weight(Wet)	Length	34.4m	Torque(max)	D.C. (1) Ann Velocity	NaNmpm					
Wt Below Jar(Wet)	String	104.33mt	Torque(Off.Btm)	D.C. (2) Ann Velocity	NaNmpm					
	Pick-Up	104.33mt	Torque(On.Btm)	H.W.D.P. Ann Velocity	NaNmpm					
	Slack-Off	104.33mt		D.P. Ann Velocity	NaNmpm					
BHA Run Description	Tubing Conveyed	Logging Tools: PE	X-HNGS	,						
BHA Run Comment	indications from the	TCL tools were run in on 5" drill pipe. Tagged up at 1790m, unable to push past this depth due to compression indications from the logging tools (2-10 klbs). POH.  NOTE: The bottom Hole Finder had broken off.								



# DRILLING MORNING REPORT # 16 Netherby-1 ( 29 Jul 2008 )

Equipr	ment		L	ength	OD	ID	Serial #	Comment
Logging Tool				0.61m	86mm			HF
Logging Tool				3.20m	86mm			AH
Logging Tool				7.38m	92mm			HRLT/W Rubber Stab
Logging Tool				6.60m	122mm			HILTH
Logging Tool				0.60m	86mm			AH-107
Logging Tool				1.07m	86mm			HNGC-B
Logging Tool				2.50m	86mm			HNGS-BA
Logging Tool				1.98m	92mm			EDTC-B/w Rub Stab
Logging Tool				0.44m	86mm			AH-369
Logging Tool				0.43m	86mm			SPA-A
Logging Tool				1.16m	86mm			HTCS-A
Logging Tool				1.48m	86mm			SAH-F
Logging Tool				0.61m	86mm			AH-107-2840
Logging Tool				5.18m	86mm			DWCH
X/O				1.11m	168mm			4-1/2" x 3-1/2" IF
BHA # 7		Т						
Weight(Wet)	24.49mt	Length			230.0m	Torque(max)	)	D.C. (1) Ann Velocity 59.03m
Wt Below Jar(Wet)	13.61mt	String		1	102.06mt	Torque(Off.E	Btm)	D.C. (2) Ann Velocity 0m
		Pick-Up		1	108.86mt	Torque(On.E	Stm)	H.W.D.P. Ann Velocity 49.45m
				,		101400(01112	2011)	•
		Slack-Off			99.79mt			D.P. Ann Velocity 40.62m
BHA Run Description		Wiper Trip	#3.					
BHA Run Comment			not fire					ed back through, hole packed off at 1790 ar, 25klbs drag when pulled back throug
Equipr	ment			ength	OD	ID	Serial #	Comment
Bit	110111						5119202	
Bit Sub				0.33m	311mm		GUD 1231-2	3x20, 1x14 nozzles
8in DC				0.90m 9.08m	203mm 203mm		186-008	
8in DC				9.46m	203mm		186-0059	
12.125in String Stab				1.68m	308mm		XM778	
Drill Collar				1.00III 37.65m	203mm		AIVITTO	
8in Jar				0.11m	210mm	-	718096	
Drill Collar				8.91m	203mm		710090	
X/O			'	1.09m	203mm		GUD1231-6	
HWDP			1/	1.09III 10.40m	175mm		G0D1231-0	
			14	10.40111	17311111			
Bulk Stocks						Personne	l On Board	
Name	Unit	In	Used	Adjust	Balance		Company	Pax
Barite	MT	0	4	0	4.0	Santos		4
Gel	MT	0	0	0		Santos		2
Cement	MT	0	0	0	140.0	DOGC		48
Fuel	МЗ	0	10.8	0		ESS		8
Potable Water	M3	31	24	0	351.0	BHI		7
Drill Water	M3	0	18	0		Dowell		2
						Rheochem		2
						TMT		3
						Anadrill		2
						Anadrill		3
						Schlumberge	er Wireline	9
						MI Swaco		1
						Schlumberge	er Testing	4
						Schlumberge	-	1
						Schlumberge	•	

Schlumberger Drilling & Measurements

Santos

2

Total 99



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	27 Jul 2008	2 Days	Abandonment drill completed after the fire drill.  Completed full muster at lifeboat stations 1 and 2 in 10 minutes.
Fire Drill	1	27 Jul 2008	2 Days	Simulated a fire on the stbd crane at 10:22. Fire under control at 10:30 (full lifeboat muster also completed).
First Aid	1	23 Jun 2008	36 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.
First Aid	1	27 Jul 2008	2 Days	An IP on the supply vessel complained of chest pains and dizzyness. He was assisted off the boat to the rig and checked over by the medic.  All clear given by medic with consultation with doctor. IP returned to the boat, boat headed for its scheduled trip to Portland.  IP cleared to work after visit to Portland hospital.
JHA	30	29 Jul 2008	0 Days	Drill crew - 11 Deck Crew - 13 Mech - 3 Elect -3
Lost Time Incident	1	30 May 2008	60 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	77 Days	No MTI since start of campaign
Medical Treatment Incident	1	24 Jul 2008	5 Days	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	29 Jul 2008	0 Days	Discussed upcoming operations and associated hazards prior to each shift starting.
PTW Issued	11	29 Jul 2008	0 Days	9 x hot work permits 2 x cold work permits
Rig Inspection	1	02 Jul 2008	27 Days	Conducted hazard hunt checking for flamable liquids in containers secuered properly and in correct place with signage.
Safety Meeting	3	27 Jul 2008	2 Days	Reviewed stop cards for the week and awarded Santos best stop card to Tim Stone.  Discussed fire and abandonment drill and muster times. Reviewed open water Rescue techiques.
Santos Induction	3	29 Jul 2008	0 Days	Completed Santos induction with new personnel to site.
Stop Observations	83	29 Jul 2008	0 Days	47 - Safe 36 - Corrective Actions
STOP Tour	1	28 Jul 2008	1 Day	Conducted a STOP audit of the mud pump room. Person working on the mud pumps had all PPE on and permit in place. Discussed what fluid isolations he had in place. No procedure available to determine what valves should be closed while working on the pumps. Reviewed the area and all valves were closed. JSA will be updated and Dodi informed of the findings
STOP Tour	0	29 Jul 2008	0 Days	Diamond supervisor audits.
Trip/Pit Drill	1	24 Jul 2008	5 Days	Sounded the alram on the drill floor for a kick drill. Crew reacted and had the FOSV in place within 40 seconds.



# DRILLING MORNING REPORT # 16 Netherby-1 ( 29 Jul 2008 )

	Engineer : Carissa	a Thompson / Wojciech Cza	arny		
20.5m³	Equip.	Descr.	Mesh Size	Hours	
1.0m³	Centrifuge 1	MI Swaco			(
16.8m³	Centrifuge 1	MI SW FVS 518			C
10.0111	Centrifuge 2	MI Swaco			0
	Centrifuge 2	MI SW FVS 518			4
	Shaker 3	Bem 650 - MI Swacd (	0/20/230/230/230		0
	Shaker 3	Bem 650 - MI SW 10	0/20/230/230/230		9
2.7m³	Shaker 4	Bem 650 - MI Swacd (	0/20/230/230/230		0
2.71119	Shaker 4	Bem 650 - MI SW 10	0/20/230/230/230		9
	Shaker 5	Bem 650 - MI Swacd (	0/20/230/230/230		0
	Shaker 5	Bem 650 - MI SW 10	0/20/230/230/230		9
	Shaker 6	Bem 650 - MI Swacd (	0/20/230/230/230		0
	Shaker 6	Bem 650 - MI SW 10	0/20/230/230/230		9
٨	raiting s <sub>l</sub>		Shaker 6 Bem 650 - MI SW 10	Shaker 6 Bem 650 - MI SW 10/20/230/230/230	Shaker 6 Bem 650 - MI SW 10/20/230/230/230

Marine										
Weather ch	Weather check on 29 Jul 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	44km/h	10.0deg	1015.00bar	10.0C°	0.8m	10.0deg	3sec	1	1382.9	102.06
Roll	Pitch	Heave	Swell Height	Swell Dir.	Swell Period	Weather (	Comments	2	1382.9	107.96
								3	1399.9	112.04
0.5deg	0.3deg	0.70m	1.5m	240.0deg	12sec			4	1376.8	104.78
Rig Dir.	Ris. Tension	VDL		Comments				5	1410.9	111.13
215.0deg	124.74mt	1010.61mt						6	1421.0	112.04
210.0009	124.741110	1010.01111						7	1410.9	122.02
								8	1414.0	122.92

Boats	Boats Arrived (date/time) Departed (da		Status	Bulks		
Far Grip	22:30 26 Jul 08		On Location	Item	Unit	Quantity
				Fuel	m3	524
			Note: Mud volume is for the	Potable Water	m3	164
			8-1/2" section.	Drill Water	m3	450
			6-1/2 Section.	Cement	mt	43.5
				Barite	mt	84
				Gel	mt	59
				KCI Brine	m3	140
				NaCl Brine	m3	185
				Mud	m3	127
Nor Captain		17:00 28 Jul 08	Dockside Portland Made a round trip to the Ocean	Item	Unit	Quantity
				Fuel	m3	524
		Patriot arriving 15:45 and departing 17:00hrs. Offloaded	Potable Water	m3	364	
			LWD tools.	Drill Water	m3	193
			LVVD tools.	Cement	mt	38
				Barite	mt	84
				Gel	mt	42
				Mud	m3	69
				KCI Brine	m3	C

Helicopter	Movement

Flight #	Time	Destination	Comment	Pax
GYJ	13:53	Ocean Patriot		4
GYJ	14:02	Essendon		2