Australian Drilling Associates Pty Ltd ADA

22 Nov 2008

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

DRILLING MORNING REPORT # 41
Peejay-1

Well Data

Country	Australia	MDBRT	1296.0m	Cur. Hole Size	12.250in	AFE Cost	AUD$29,476,000
Field	Peejay prospect	TVDBRT	1296.0m	Last Casing OD	13.375in	AFE No.	07/071
Drill Co.	Seadrill	Progress	486.0m	Shoe TVDBRT	804.0m	Daily Cost	AUD$859,110
Rig	West Triton	Days from spud	7.23	Shoe MDBRT	804.0m	Cum Cost	AUD$21,615,657
Wtr Dpth (MSL)	78m	Days on well	40.33	FIT/LOT:	/ 1.86sg		
RT-MSL	34.15m	Planned TD MD	2133m	Current Op @ 0600	Drilling 12.25" hole at 1412m.		
RT-ML	112.15m	Planned TD TVDRT	2133m	Planned Op	Drill ahead 12.25" hole.		

Summary of Period 0000 to 2400 Hrs

Shallow tested MWD/LWD tools. Picked up 20 stands 5.5' drill pipe. RIH and tagged cement at 781m. Drilled cement and shoetrack whilst displacing well to KCl/Polymer. Drilled 3m of new formation and performed a LOT to 15.55 ppg EMW. Drilled ahead 12.25" hole from 813m to 1296m.

HSE Summary

Events	Num. Events	Days Since	Descr.	Remarks
Abandon Drill	1	4 Days	All personnel mustered at life boats.	Abandon rig drill.
Fire Drill	1	4 Days	Simulated fire drill at cement unit	
First Aid Case	1	35 Days	Back strain when using wash down hose.	Patient suffered acute lower back pain after twisting while using a wash down hose. Medical examination, ice pack and analgesic medication - all treatment by medic.
First Aid Incident	1	32 Days	On Pacific Valkyrie	Deck hand sprained wrist when connecting tow bridle to vessel.
JSA	9	0 Days		
Man Overboard	1	24 Days	Man Overboard drill	Drill for Man Overboard, standby vessel launched SRC and recovered dummy successfully.
Pre-tour Meeting	4	0 Days	Safety Meeting.	Held Pretour and pre job safety meetings with crews.
PTW issued	14	0 Days		
Safety Meeting	2	0 Days	Weekly safety meeting	Weekly safety meeting
STOP Card	33	0 Days		Stop cards submitted for the day.

Operations For Period 0000 Hrs to 2400 Hrs on 22 Nov 2008

Phse	Cls (RC)	Op	From	To	Hrs	Depth	Activity Description
P11	P	G6	0000	0030	0.50	810.0m	Engaged TDS and shallow tested MWD/LWD tools at 800 gpm, 950 psi.
P11	P	G2	0030	0430	4.00	810.0m	Held PJSM. Picked up 20 stands of 5.5" drill pipe from catwalk and RIH to 762m
P11	P	G8	0430	0500	0.50	810.0m	RIH from 762m and tagged cement at 781m with 5 klbs.
P11	P	D1	0500	0630	1.50	813.0m	Drilled cement and shoetrack from 781m to 798m. Commenced displacing well to KCl/Polymer mud, whilst continuing drilling shoetrack and 3m of new formation to 813m.
P11	P	F4	0630	0700	0.50	813.0m	Circulated and conditioned mud to 8.8 ppg.
P11	P	E1	0700	0900	2.00	813.0m	Lined up and pressure tested surface lines to 2500 psi. Performed LOT. Formation broke down at 928 psi, EMW 15.55 ppg.
P11	P	D8	0900	1200	3.00	813.0m	Drilled 12.25" hole from 813m to 883m. Average Parameters: ROP 23.3 m/hr including connections, WOB 2-8 klbs, RPM 150, GPM 1200, SPM 205, SPP 2300 psi, Torque 1-3 k/ft.lbs. Varied parameters to optimise ROP. Reamed every stand and took surveys every 3 connections.
P11	P	D8	1200	1800	6.00	1090.0m	Drilled 12.25" hole from 883m to 1090m. Average Parameters: ROP 34.5 m/hr including connections, WOB 2-8 klbs, RPM 150, GPM 1200, SPM 205, SPP 2400 psi, Torque 2-3 k/ft.lbs. Varied parameters to optimise ROP. Reamed every stand and took surveys every 3 connections.
P11	P	D8	1800	2400	6.00	1296.0m	Drilled 12.25" hole from 1090m to 1296m. Average Parameters: ROP 33.3 m/hr including connections, WOB 2-8 klbs, RPM 150, GPM 1200, SPM 205, SPP 2750 psi, Torque 3-4 k/ft.lbs. Varied parameters to optimise ROP. Reamed every stand and took surveys every 3 connections.

Operations For Period 0000 Hrs to 0600 Hrs on 23 Nov 2008

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Phse	Cls (RC)	Op	From	To	Hrs	Depth	Activity Description
P11	P	D8	0000	0600	6.00	1412.0m	Drilled 12.25" hole from 1296m to 1412m. Average Parameters: ROP 19.3 m/hr including connections, WOB 2-8 klbs, RPM 150, GPM 1200, SPM 205, SPP 2860 psi, Torque 3-4 k/ft.lbs. Varied parameters to optimise ROP. Reamed every stand and took surveys every 3 connections.

Operations For Period Hrs to Hrs on

Phase Data to 2400hrs, 22 Nov 2008

Phase	Phase Hrs	Start On	Finish On	Cum Hrs	Cum Days	Max Depth
Mob/Demob(P1)	783	13 Oct 2008	15 Nov 2008	783.00	32.625	0.0m
Conductor Hole(P2)	36	15 Nov 2008	16 Nov 2008	819.00	34.125	218.0m
Conductor Casing(P3)	37	16 Nov 2008	18 Nov 2008	856.00	35.667	218.0m
Surface Hole(P4)	35.5	18 Nov 2008	19 Nov 2008	891.50	37.146	810.0m
Surface Casing(P5)	23.5	19 Nov 2008	20 Nov 2008	915.00	38.125	810.0m
BOPs/Risers(P6)	13	20 Nov 2008	21 Nov 2008	928.00	38.667	810.0m
Production Hole (1)(P11)	40	21 Nov 2008	22 Nov 2008	968.00	40.333	1296.0m

General Comments

00:00 TO 24:00 Hrs ON 22 Nov 2008

Operational Comments	CTU tensioner = 144 bar.
Operational Comments	Jar hours (S/N17621371) = 40.5 hrs
Operational Comments	West Triton Rig Equipment Concerns 1) Number 4 main generator down. Exciter and generator sent ashore. 2) Cyber chair pressure gauges for the standpipe & choke manifolds require calibration. 3) Remote controller for Iron Roughneck not operational - waiting on new control switch 4) Need new BOP test tool mandrel. Ordered on the 24/10/08.

WBM Data

Cost Today AUD$ 38660

Mud Type:	Pre hydrated Bentonite	API FL:	4.2cc/30min	Cl:	35000mg/l	Solids(%vol):	3%	Viscosity	65sec/qt
Sample-From:	Pit 4	Filter-Cake:	1/32nd"	K+C*1000:		Low-Gravity Solids:	0.3%vol	PV	19cp
Time:	21:30	HTHP-FL:		Hard/Ca:		H2O:	94%	YP	32lb/100ft²
Weight:	9.50ppg	HTHP-cake:		MBT:	1.2	Oil(%):		Gels 10s	7
Temp:	44C°			PM:		Sand:		Gels 10m	9
				PF:		pH:	9.5	Fann 003	6
						PHPA:		Fann 006	8
								Fann 100	29
								Fann 200	41
								Fann 300	51
								Fann 600	70

Comment

Bit # 3

Wear	I	O1	D	L	B	G	O2	R

Bitwear Comments: All cutting structure and blades worn down to bit body.

				Nozzles		Drilled over last 24 hrs		Calculated over Bit Run	
Size ("):	12.25in	IADC#	M422	No.	Size	Progress	486.0m	Cum. Progress	486.0m
Mfr:	Reed	WOB(avg)	8.00klb	3	15/32nd"	On Bottom Hrs	8.4h	Cum. On Btm Hrs	8.4h
Type:	PDC	RPM(avg)	150	3	13/32nd"	IADC Drill Hrs	15.5h	Cum IADC Drill Hrs	15.5h
Serial No.:	218663	F.Rate	1200gpm			Total Revs		Cum Total Revs	0
Bit Model	RSX616M-A16	SPP	2680psi			ROP(avg)	57.86 m/hr	ROP(avg)	57.86 m/hr
Depth In	810.0m	HSI	8.96HSI						
Depth Out		TFA	0.907						

Bit Comment

BHA # 3

Weight(Wet)	40.00klb	Length	146.3m	Torque(max)		D.C. (1) Ann Velocity	359fpm
Wt Below Jar(Wet)	25.00klb	String	146.00klb	Torque(Off.Btm)		D.C. (2) Ann Velocity	0fpm

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	Pick-Up	146.00klb	Torque(On.Btm)	H.W.D.P. Ann Velocity	245fpm
	Slack-Off	146.00klb		D.P. Ann Velocity	245fpm

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 1/4" stab, 4 x 8.5" DC, Jar, 8" DC, X/O, 6 x HWDP.
BHA Run Comment	

Equipment	Length	OD	ID	Serial #	Comment
Bit	0.35m	12.25in		218663	
Bit Sub	1.22m	8.25in	2.80in	7221	
ARC8	5.79m	8.31in		1106	
Power Pulse	8.43m	8.37in		VR52	
12 1/8	0.87m			41229	
SonicVISION 825	6.84m	8.31in		41229	
ADN 8	9.18m	8.12in		42736	
Drill Collar	37.78m	8.25in	3.00in		
Jar	9.68m	8.00in	3.37in	17621371	
Drill Collar	9.41m	8.00in	3.37in		
X/O	0.93m	7.00in	2.80in		
HWDP	56.21m	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
842.85	0.4	127.4	842.82	-4.9	-4.9	0.8	1.3	MWD
930.97	0.4	102.9	930.94	-5.2	-5.2	1.4	0.2	MWD
1019.59	0.4	112.0	1019.55	-5.4	-5.4	1.9	0.1	MWD
1048.56	0.3	126.1	1048.52	-5.5	-5.5	2.1	0.5	MWD
1108.49	0.3	130.2	1108.45	-5.7	-5.7	2.3	0.0	MWD
1167.38	0.2	122.0	1167.34	-5.8	-5.8	2.5	0.2	MWD
1285.80	0.7	61.0	1285.76	-5.6	-5.6	3.4	0.5	MWD

Bulk Stocks

Name	Unit	In	Used	Adjust	Balance
Drill Water	MT	0	10	0	286.0
Rig Fuel	m3	0	9	0	234.0
POTABLE WATER	MT	12	24	0	294.0
Cement class G	MT	0	0	0	38.0
BLENDED CEMENT	MT	0	0	0	39.0
Bentonite	MT	0	0	0	51.0
Barite	MT	0	10	0	55.0
Brine	m3	120	178	0	120.0
Helifuel	ltr	5135	0	0	5,565.0

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	73.44	97	68	2800	400
2	National 14 P-220	6.50	73.44	97	68	2800	400
3	National 14 P-220	6.50	73.44	97	68	2800	400

Slow Pump Data

Depth (m)	SPM1 (SPM)	SPP1 (psi)	Flow1(gpm)	SPM2 (SPM)	SPP2 (psi)	Flow2 (gpm)	SPM3 (SPM)	SPP3 (psi)	Flow3 (gpm)
1150.0	30	140	175	40	200	234	50	220	292
1150.0	30	150	175	40	200	234	50	220	292
1150.0	30	150	175	40	200	234	50	220	292

Personnel On Board

Company	Pax
ADA	7
Seadrill	13
Catering	9
Seadrill Services	31
Tamboritha	2

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Personnel On Board

Baroid	2
Baker Hughes Inteq	2
Baker Hughes Inteq	2
Baker Hughes Inteq	2
Dril-Quip	2
Halliburton	2
Schlumberger MWD/LWD	3
Total	77

Mud Volumes, Mud Losses and Shale Shaker Data

Engineer : Michael Flexmore/Kosta Georgiou

Available	**2942.8bbl**	**Losses**	**147.0bbl**
Active	398.0bbl	Downhole	
Mixing	450.0bbl	Surf+ Equip	147.0bbl
Hole	602.8bbl	Dumped	
Slug		De-Gasser	
Reserve	1492.0bbl	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 22 Nov 2008

Visibility	Wind Speed	Wind Dir.	Pressure	Air Temp.	Wave Height	Wave Dir.	Wave Period
10.0nm	30kn	150.0deg	987.0mbar	13C°	2.1m	280.0deg	6s

Rig Dir.	Ris. Tension	VDL	Swell Height	Swell Dir.	Swell Period	Weather Comments
136.3deg		2798.00klb	2.2m	280.0deg	12s	

Comments

Vessel Name	Arrived (Date/Time)	Departed (Date/Time)	Status
Pacific Battler		18:15 hrs 20/11/08	Geelong. ETD at 06:00 hrs 23/11/08

Bulks

Item	Unit	In	Used	Transfer to Rig	Adjust	Quantity
Rig Fuel	m3	0	1	0	0	635
Potable Water	m3	348	5	0	0	450
Drill Water	m3	120	0	0	0	120
Barite	Mt	42	0	0	0	42
CEMENT G	Mt	0	0	0	0	83
Bentonite	Mt	42	0	0	0	42
Brine	m3	119	0	0	0	119

Vessel Name	Arrived (Date/Time)	Departed (Date/Time)	Status
Pacific Valkyrie	17:15 hrs 20/11/08		Standby at rig

Bulks

Item	Unit	In	Used	Transfer to Rig	Adjust	Quantity
Rig Fuel	m3	0	11	0	0	601
Potable Water	Mt	0	5	0	0	247
Drill Water	m3	0	0	0	0	54
Barite	Mt	0	0	15	0	0
Bentonite	Mt	0	0	0	0	22
CEMENT G	Mt	0	0	0	0	58

15 ton Barite discrepancy to be confirmed.

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