Australian Drilling Associates Pty Ltd ADA

DRILLING MORNING REPORT # 42

23 Nov 2008 **From:** Sean De Freitas / Peter Dane
To: Rob Oliver

Peejay-1

Well Data

Country	Australia	MDBRT	1454.0m	Cur. Hole Size	12.250in	AFE Cost	AUD$29,476,000
Field	Peejay prospect	TVDBRT	1454.0m	Last Casing OD	13.375in	AFE No.	07/071
Drill Co.	Seadrill	Progress	158.0m	Shoe TVDBRT	804.0m	Daily Cost	AUD$927,113
Rig	West Triton	Days from spud	8.23	Shoe MDBRT	804.0m	Cum Cost	AUD$22,542,770
Wtr Dpth (MSL)	78m	Days on well	41.33	FIT/LOT:	/ 1.86sg		
RT-MSL	34.15m	Planned TD MD	2133m	Current Op @ 0600	RIH at 320m.		
RT-ML	112.15m	Planned TD TVDRT	2133m	Planned Op	RIH to TD and drill ahead 12.25" hole.		

Summary of Period 0000 to 2400 Hrs

Drilled 12.25" hole from 1296m to 1454m. POOH to surface and laid out MWD/LWD tools.
Schlumberger downloaded data from MWD/LWD tools. Replaced batteries and energised tools.

HSE Summary

Events	Num. Events	Days Since	Descr.	Remarks
Abandon Drill	1	5 Days	All personnel mustered at life boats.	Abandon rig drill.
Fire Drill	1	0 Days	Simulated fire drill at BOP unit	
First Aid Case	1	36 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	33 Days	On Pacific Valkyrie	Deck hand sprained wrist when connecting tow bridle to vessel.
JSA	8	0 Days		
Man Overboard	1	25 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	7	0 Days		
Safety Meeting	2	1 Day	Weekly safety meeting	Weekly safety meeting
STOP Card	34	0 Days		Stop cards submitted for the day.

Operations For Period 0000 Hrs to 2400 Hrs on 23 Nov 2008

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.
P11	P	D8	0600	1200	6.00	1453.0m	Drilled 12.25" hole from 1412m to 1453m. Average Parameters: ROP 6.8 m/hr including connections, WOB 3-21 klbs, RPM 80-170, GPM 1200, SPM 205, SPP 2800 psi, Torque 3-4 k/ft.lbs. Varied parameters to optimise ROP. Reamed every stand and took surveys every 3 connections. Note: Encountered hard sandstone/pyrite/dolomite stringer at 1452 m - adjusted drilling parameters to optimize ROP and reduce shock loads on MWD tools.
P11	P	D8	1200	1400	2.00	1454.0m	Drilled 12.25" hole from 1453m to 1454m. Average Parameters: ROP 0.4 m/hr, WOB 20-22 klbs, RPM 90, GPM 1000, SPM 170, SPP 2500 psi, Torque 3-4 k/ft.lbs. Continued drilling hard sandstone/pyrite/dolomite stringer at 1452 m - adjusted drilling parameters to optimize ROP and reduce shock loads on MWD tools.
P11	P	G8	1400	1800	4.00	1454.0m	Flow checked well (10 mins). Well static. POOH from 1454m to 146m. Max intermittent overpull of 10-15k from 1200m to 1100m. Flow checked at shoe and prior to pulling BHA through BOP.
P11	P	G6	1800	1830	0.50	1454.0m	POOH with BHA from 146m to 32m.
P11	P	G6	1830	1900	0.50	1454.0m	Held PJSM. Recovered radio active source from ADN tool.
P11	P	G6	1900	2130	2.50	1454.0m	Broke off and inspected bit. Cutting structure and blades completely worn down to bit body. Laid out MWD/LWD logging tools from 32m to surface. Observed damaged threads on 6 5/8" Reg x 6 5/8" FH crossover (S/N 0SS0805088K), Sonic tool box end (S/N

Phse	Cls (RC)	Op	From	To	Hrs	Depth	Activity Description
P11	P	G6	2130	2400	2.50	1454.0m	SN42736), ADN crossover pin end (S/N SBD4791) Schlumberger downloaded data from MWD/LWD logging tools. Installed new batteries and energised tools. Concurrently serviced rig and prepared shale shakers for drilling.

Operations For Period 0000 Hrs to 0600 Hrs on 24 Nov 2008

Phse	Cls (RC)	Op	From	To	Hrs	Depth	Activity Description
P11	P	G6	0000	0100	1.00	1454.0m	Schlumberger energized tools.
P11	P	G6	0100	0300	2.00	1454.0m	Picked up 12.25" BHA and RIH to 32m.
P11	P	G6	0300	0330	0.50	1454.0m	Made up TDS and shallow tested MWD/LWD tools at 800 gpm, 1000 psi.
P11	P	G6	0330	0400	0.50	1454.0m	Held PJSM and loaded radio active source.
P11	P	G6	0400	0500	1.00	1454.0m	RIH with BHA from 32m to 174m.
P11	P	G8	0500	0600	1.00	1454.0m	RIH with 5.5" drill pipe from 174m to 320m.

Operations For Period Hrs to Hrs on

Phase Data to 2400hrs, 23 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)	64	21 Nov 2008	23 Nov 2008	992.00	41.333	1454.0m

General Comments

00:00 TO 24:00 Hrs ON 23 Nov 2008

Operational Comments	No real time available from SADN tool.
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$ 52609

Mud Type:	Pre hydrated Bentonite	API FL:	4.2cc/30min	Cl:	36000mg/l	Solids(%vol):	4%	Viscosity	65sec/qt
Sample-From:	Pit 6	Filter-Cake:	1/32nd"	K+C*1000:		Low-Gravity Solids:	2.2%vol	PV	22cp
Time:	16:30	HTHP-FL:		Hard/Ca:		H2O:	93%	YP	36lb/100ft²
Weight:	9.50ppg	HTHP-cake:		MBT:	2.5	Oil(%):		Gels 10s	10
Temp:	42C°			PM:		Sand:		Gels 10m	12
				PF:		pH:	8.9	Fann 003	10
						PHPA:		Fann 006	11
								Fann 100	36
								Fann 200	48
								Fann 300	58
								Fann 600	80

Comment

Bit # 3

Wear	I	O1	D	L	B	G	O2	R
	8	8	RO	A	X	2	NR	PR

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

Size ("):	12.25in	IADC#	M422	**Nozzles**	**Drilled over last 24 hrs**	**Calculated over Bit Run**

Mfr:	Reed	WOB(avg)	8.00klb	No.	Size	Progress	158.0m	Cum. Progress	644.0m
Type:	PDC	RPM(avg)	150	3	15/32nd"	On Bottom Hrs	9.2h	Cum. On Btm Hrs	17.6h
Serial No.:	218663	F.Rate	1200gpm	3	13/32nd"	IADC Drill Hrs	14.5h	Cum IADC Drill Hrs	30.0h
Bit Model	RSX616M-A16	SPP	2800psi			Total Revs		Cum Total Revs	0
Depth In	810.0m	HSI	8.96HSI			ROP(avg)	17.17 m/hr	ROP(avg)	36.59 m/hr
Depth Out	1454.0m	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	180.00klb	Torque(Off.Btm)		D.C. (2) Ann Velocity	0fpm
		Pick-Up	192.00klb	Torque(On.Btm)		H.W.D.P. Ann Velocity	245fpm
		Slack-Off	179.00klb			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		

Bulk Stocks

Name	Unit	In	Used	Adjust	Balance
Drill Water	MT	200	135	351	702.0
Rig Fuel	m3	0	22	0	212.0
POTABLE WATER	MT	10	27	0	277.0
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	25	15	0	65.0
Brine	m3	0	60	0	60.0
Helifuel	ltr	0	344	0	5,221.0

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)
1327.0	30	190	175	40	220	234	50	300	292
1327.0	30	170	175	40	200	234	50	300	292
1327.0	30	170	175	40	210	234	50	300	292

Personnel On Board

Company	Pax
ADA	7
Seadrill	13
Catering	9

Australian Drilling Associates Pty Ltd ADA

Personnel On Board

Seadrill Services	31
Tamboritha	2
Baroid	2
Baker Hughes Inteq	2
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Halliburton	2
Schlumberger MWD/LWD	3
Schlumberger (Wireline)	8
Total	83

Mud Volumes, Mud Losses and Shale Shaker Data

Engineer : Michael Flexmore/Kosta Georgiou

Available	**3892.1bbl**	**Losses**	**586.0bbl**
Active	361.0bbl	Downhole	
Mixing	1017.0bbl	Surf+ Equip	586.0bbl
Hole	744.1bbl	Dumped	
Slug		De-Gasser	
Reserve	1770.0bbl	De-Sander	
Kill		De-Silter	
		Centrifuge	

Equipment	Description	Mesh Size	Comments
Shaker 1	VSM-300	89	
Shaker 1	VSM-300	20/50	
Shaker 2	VSM-300	89	
Shaker 2	VSM-300	20/50	
Shaker 3	VSM-300	89	
Shaker 3	VSM-300	20/50	
Shaker 4	VSM-300	89	
Shaker 4	VSM-300	20/50	

Marine

Weather on 23 Nov 2008

Visibility	Wind Speed	Wind Dir.	Pressure	Air Temp.	Wave Height	Wave Dir.	Wave Period
10.0nm	15kn	136.0deg	998.0mbar	12C°	0.7m	280.0deg	4s

Rig Dir.	Ris. Tension	VDL	Swell Height	Swell Dir.	Swell Period	Weather Comments
136.3deg		2608.00klb	0.9m	280.0deg	4s	

Comments

Vessel Name	Arrived (Date/Time)	Departed (Date/Time)	Status
Pacific Battler		18:15 hrs 20/11/08	Enroute to rig. ETA 00:40 hrs 24/11/08

Bulks

Item	Unit	In	Used	Transfer to Rig	Adjust	Quantity
Rig Fuel	m3	0	19		0	616
Potable Water	m3	0	5	0	0	445
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	590
Potable Water	Mt	0	5	147	0	95
Drill Water	m3	0	0	54	0	0
Barite	Mt	0	0	15	0	0
Bentonite	Mt	0	0	0	0	22
CEMENT G	Mt	0	0	0	0	58

Helicopter Movement

Flight #	Company	Arr/Dep. Time	Pax In/Out	Comment
1	Bristow Helicopters	1506 / 1523	8 / 2	Schlumberger Wireline Dril-Quip