03 Jan 2006

From: Ron King/ Geoff Webster
To: J Ah-Cann

DRILLING MORNING REPORT # 23
Culverin 1

Well Data

Country	Australia	MDBRT	3571.0m	Cur. Hole Size	12.250in	AFE Cost	$ 22699889
Field	Gippsland Basin	TVDBRT	3567.1m	Last Casing OD	13.375in	AFE No.	3433-1001
Drill Co.	DOGC	Progress	0.0m	Shoe TVDBRT	1511.8m	Daily Cost	$ 439094
Rig	OCEAN PATRIOT	Days from spud	18.44	Shoe MDBRT	1511.8m	Cum Cost	$ 16024366
Wtr Dpth (LAT)	585.0m	Days on well	21.77	FIT/LOT:	/ 15.80ppg	Days Since Last LTI	959
RT-ASL (LAT)	21.5m	Planned TD MD					
RT-ML	606.5m	Planned TD TVDRT					

Current Op @ 0600	RIH with 5" DP from 1510m MDRT to 2100m MDRT
Planned Op	RIH, Ream and clean to bottom. Drill ahead 311 mm (12 ¼") hole.

Summary of Period 0000 to 2400 Hrs

Continued pulling out of hole to replace LWD tools (pulser found to be damaged) and adjusted BHA configuration. Re-calibrated pressure sensors on rig floor using cementing unit. Tested new LWD toolstring and commenced RIH. Slipped & Cut drill-line at the casing shoe. Waited on Weather

FORMATION

Name	Top
Base Funa Flounder Channel	2835.00m
Top 67.5 Ma Sand	2836.00m
Near 68.5 Ma Sand	3103.00m
Near 70.3 Ma Sand	3478.00m
TD	

Operations For Period 0000 Hrs to 2400 Hrs on 03 Jan 2006

Phse	Cls (RC)	Op	From	To	Hrs	Depth	Activity Description
IH	TP (VE)	TO	0000	0130	1.50	3571.0m	Continued POOH for LWD failure (also POH wet looking for washout) from 2020m MDRT to 1510m MDRT
IH	TP (WO)	TO	0130	0230	1.00	3571.0m	Installed top drive and pump through drill string at 1510m MDRT to verify pump pressure loss. 220 SPM, 940 GPM, 3600 psi, no pressure loss noted. Presure test Pumps #1, #2 & #3 10 minutes each to 3800 psi against standpipe manifold to verify mud pump and mudline integrity. Observed average pressure loss of 91psi over 10 minutes
IH	TP (VE)	TO	0230	0500	2.50	3571.0m	Continued POOH for LWD failure (also POH wet looking for washout) from 1510m MDRT to 271m MDRT
IH	TP (VE)	TO	0500	0900	4.00	3571.0m	POOH with 12 1/4" BHA. Removed sources from LWD tools. Laid out LWD string. Downloaded data and diagnostics information (Pulser falure)
IH	TU (WO)	TI	0900	1200	3.00	3571.0m	Lined up Dowel cementing unit and pressure tested mud pumps and surface mud lines to 4200 psi. Calibrated gauges between rig floor, mud loggers, MWD, and Dowell. Picked up new 12 1/4" rotary BHA while pressure testing
IH	TP (VE)	TI	1200	1600	4.00	3571.0m	Continued to pick up 12 1/4" BHA. Initialized LWD and installed sources. RIH and shallow pulse tested LWD with 850 GPM @ 200 SPM and 1700 psi, good
IH	TP (VE)	TI	1600	1830	2.50	3571.0m	RIH with 5" DP and filled drillstring each 20 stands to 1510m MDRT
IH	P	SC	1830	2000	1.50	3571.0m	Held Pre job safety meeting. Hung off blocks and slipped and cut 100 ft drilling line.
IH	P	RS	2000	2030	0.50	3571.0m	Serviced top drive
IH	TP (WOW)	WOW	2030	2400	3.50	3571.0m	Waiting on Weather to RIH. Excessive flex joint and riser angles Winds: 40-45knts WSW Seas; 3m Swells; 4m Pitch 0.7 - 0.9 Roll; 0.8 - 0.9 Perform General rig maintenance and PM's

Operations For Period 0000 Hrs to 0600 Hrs on 04 Jan 2006

Phse	Cls (RC)	Op	From	To	Hrs	Depth	Activity Description
IH	TP (WOW)	WOW	0000	0330	3.50	3571.0m	Waiting on Weather to RIH. Excessive flex joint and riser angles Winds: 30-35knts WSW Seas; 3m Swells; 4m Pitch 0.7 - 0.9 Roll; 0.8 - 0.9 Perform General rig maintenance and PM's
IH	TP (WOW)	WOW	0330	0430	1.00	3571.0m	Repositioned rig to bring flex joint angle to < 1 degree
IH	TP (WOW)	TI	0430	0600	1.50	3571.0m	Continued to RIH with 5" DP from 1510m MDRT to 2100m MDRT

Operations For Period Hrs to Hrs on

Phase Data to 2400hrs, 03 Jan 2006

Phase	Phase Hrs	Start On	Finish On	Cum Hrs	Cum Days	Max Depth
RIG MOVE/RIG-UP/PRESPUD(RM)	23.5	05 Nov 2005	14 Dec 2005	23.50	0.979	0.0m
ANCHORING(A)	33	14 Dec 2005	15 Dec 2005	56.50	2.354	0.0m
SURFACE HOLE(SH)	30	15 Dec 2005	17 Dec 2005	86.50	3.604	650.0m
SURFACE CASING(SC)	16.5	16 Dec 2005	17 Dec 2005	103.00	4.292	650.0m
INTERMEDIATE CASING(IC)	1	17 Dec 2005	17 Dec 2005	104.00	4.333	650.0m
RISER AND BOP STACK(BOP)	54	21 Dec 2005	23 Dec 2005	158.00	6.583	1525.0m
INTERMEDIATE HOLE(IH)	364.5	17 Dec 2005	03 Jan 2006	522.50	21.771	3571.0m

WBM Data — Cost Today $ 0

Mud Type:	KCL-NaCl-Polymer	API FL:	3.8cc/30min	Cl:	78000mg/l	Solids(%vol):	10%	Viscosity	57sec/qt
Sample-From:	Active Pit	Filter-Cake:	1/32nd"	K+C*1000:	7%	H2O:	90%	PV	16cp
Time:	21:50	HTHP-FL:	11.6cc/30min	Hard/Ca:	200mg/l	Oil(%):	0%	YP	27lb/100ft²
Weight:	10.20ppg	HTHP-cake:	1/32nd"	MBT:	7.5	Sand:	1	Gels 10s	6
Temp:				PM:	0.35	pH:	8.5	Gels 10m	8
				PF:	0.06	PHPA:	1ppb	Fann 003	5
Comment		NaCl 8%.						Fann 006	7
								Fann 100	27
								Fann 200	37
								Fann 300	43
								Fann 600	59

Bit # 5

Wear	I	O1	D	L	B	G	O2	R
	1	1	NO	A	0	I	NO	DTF

Bitwear Comments:

				Nozzles		Drilled over last 24 hrs		Calculated over Bit Run	
Size ("):	12.250in	IADC#	5-3-7	No.	Size	Progress		Cum. Progress	0.0m
Mfr:	SMITH BITS	WOB(avg)	6.00klb	3	18/32nd"	On Bottom Hrs		Cum. On Btm Hrs	0.0h
Type:	Rock	RPM(avg)	140			IADC Drill Hrs		Cum IADC Drill Hrs	0.0h
Serial No.:	MX1628	F.Rate	20.20bpm			Total Revs		Cum Total Revs	0
Bit Model	GF30BOVCPS	SPP	3700psi			ROP(avg)	N/A	ROP(avg)	0.00 m/hr
Depth In	3571.0m	HSI							
Depth Out	3571.0m	TFA	0.7455						

Bit Comment

Bit # 5RR

Wear	I	O1	D	L	B	G	O2	R

Bitwear Comments:

				Nozzles	Drilled over last 24 hrs	Calculated over Bit Run
Size ("):	12.250in	IADC#	5-3-7			

Mfr:	SMITH BITS	WOB(avg)		No.	Size	Progress	Cum. Progress 0.0m
Type:	Rock	RPM(avg)		3	20/32nd"	On Bottom Hrs	Cum. On Btm Hrs 0.0h
Serial No.:	MX1628	F.Rate				IADC Drill Hrs	Cum IADC Drill Hrs 0.0h
Bit Model	GF30BOVCPS	SPP				Total Revs	Cum Total Revs 0
Depth In	3571.0m	HSI				ROP(avg) N/A	ROP(avg) 0.00 m/hr
Depth Out		TFA	0.9204				

Bit Comment

BHA # 5

Weight(Wet)	65.00klb	Length	271.2m	Torque(max)		D.C. (1) Ann Velocity	256fpm
Wt Below Jar(Wet)	50.00klb	String		Torque(Off.Btm)		D.C. (2) Ann Velocity	384fpm
		Pick-Up		Torque(On.Btm)		H.W.D.P. Ann Velocity	176fpm
		Slack-Off				D.P. Ann Velocity	176fpm

BHA Run Description: Annular velocity based on 900gpm

BHA Run Comment

Equipment	Length	OD	ID	Serial #	Comment
Bit	0.33m	12.250in		MX1628	Smith GF30BOVCPS
Near Bit Stab	2.13m	12.250in	2.812in	47604	
Drill Collar	2.96m	8.188in	2.812in	49058	
Stab	1.81m	12.125in	2.875in	694776	Non-mag integral blade string stab
MWD	24.39m	8.000in	1.920in		DIR/HCIM-EWR-DGR-CTN-SLD-ACAL-HOC.
8in DC	70.95m	8.000in	2.875in		
Stab	2.10m	12.125in	2.875in	47607	Integral blade string stabilizer
8in DC	8.68m	8.000in	2.875in	1860026	
Drilling Jars	9.66m	8.188in	3.063in	MHA00206	
8in DC	8.81m	8.000in	2.875in	18600031	
X/O	1.16m	8.500in	2.875in	MSO1930-2	
5in HWDP	138.22m	5.000in	2.875in		

BHA # 6

Weight(Wet)	65.00klb	Length	276.3m	Torque(max)		D.C. (1) Ann Velocity	256fpm
Wt Below Jar(Wet)	45.00klb	String		Torque(Off.Btm)		D.C. (2) Ann Velocity	384fpm
		Pick-Up		Torque(On.Btm)		H.W.D.P. Ann Velocity	176fpm
		Slack-Off				D.P. Ann Velocity	176fpm

BHA Run Description: Annular velocity based on 900gpm

BHA Run Comment

Equipment	Length	OD	ID	Serial #	Comment
Bit	0.33m	12.250in		MX1628	Smith GF30BOVCPS
Bit Sub	1.10m	8.500in		1860001	
8in DC	9.04m	7.875in	2.875in	1860001	
Stab	1.81m	12.125in	2.875in	694776	Non-mag integral blade string stab
MWD	24.41m	8.000in	1.920in		DIR/HCIM-EWR-DGR-CTN-SLD-ACAL-HOC.
8in DC	9.06m	8.000in	2.875in	18600011	
Stab	2.10m	12.125in	2.875in	47607	Integral blade string stabilizer
8in DC	70.57m	8.000in	2.875in		
Drilling Jars	9.66m	8.188in	3.063in	MHA00206	
8in DC	8.81m	8.000in	2.875in	18600031	
X/O	1.16m	8.500in	2.875in	MSO1930-2	
5in HWDP	138.22m	5.000in	2.875in		

Bulk Stocks

Name	Unit	In	Used	Adjust	Balance
Barite Bulk	MT	0	0	0	113.8

Printed on 03 Jan 2006

Bulk Stocks

Name	Unit	In	Used	Adjust	Balance
Bentonite Bulk	MT		0	0	38.1
Diesel	m3	0	9.3	-0.1	331.0
Fresh Water	m3	25	16.4	0.1	165.6
Drill Water	m3	0	12	-0.1	554.3
Cement G	MT		0	0	79.9
Cement HT (Silica)	MT		0	0	0.0

Pumps

Pump Data - Last 24 Hrs

Slow Pump Data

No.	Type	Liner (in)	MW (ppg)	Eff (%)	SPM (SPM)	SPP (psi)	Flow (bpm)	Depth (m)	SPM1 (SPM)	SPP1 (psi)	Flow1 (bpm)	SPM2 (SPM)	SPP2 (psi)	Flow2 (bpm)	SPM3 (SPM)	SPP3 (psi)	Flow3 (bpm)
2	12P160	6.000	10.20	97	101	4200	10.24	3275.0	30	320	3.00	40	360	4.00	50	450	5.00
3	12P160	6.000	10.20	97	101	4200	10.24	3275.0	30	320	3.00	40	360	4.00	50	450	5.00

Casing

OD (in)	Csg Shoe MD (m)	Csg Shoe TVD (m)	Csg Landing Depth MD (m)	Csg Landing Depth TVD (m)	LOT/FIT (ppg)
	650.30	650.30	604.40	604.40	
	1511.77	1511.77	603.50	603.50	

Personnel On Board

Company	Pax	Comment
DOGC	45	extra Crane operator, dogman, welder
ESS	8	
NEXUS	5	
FUGRO SURVEY LTD (ROV)	3	
DOWELL SCHLUMBERGER	2	
M-1 AUSTRALIA PTY LTD	3	One swaco hand for new shaker being assessed for Diamond
GEOSERVICES OVERSEAS S.A.	6	
HALLIBURTON AUSTRALIA PTY LTD - SPERRY SUN	4	One trainee
Total	76	

HSE Summary

Events	Date of last	Days Since	Descr.	Remarks
Abandon Drill	01 Jan 2006	2 Days	Held weekly abandon rig drill	
Environental Issue	29 Dec 2005	5 Days	Environmental Audit	Environmental audit by Nexus shorebase personnel.
Fire Drill	01 Jan 2006	2 Days	Held weekly fire drill	
JSA	03 Jan 2006	0 Days	Deck = 3, Mech = 2, Drill = 10,Welder = 2	
Man Overboard Drill	30 Dec 2005	4 Days	Held Man Over Board Drill	
Safety Meeting	01 Jan 2006	2 Days	Weekly safety meetings with all crew members.	
STOP Card	03 Jan 2006	0 Days	Safe = 5, Un-safe = 4	
Trip / Kick Drill	03 Jan 2006	0 Days	Held Trip drill with each crew while RIH	

Shakers, Volumes and Losses Data

Available	**3,200bbl**	**Losses**	**0bbl**
Active	413bbl		
Hole	2,127bbl		
Reserve	660bbl		

Equip.	Descr.	Mesh Size
Shaker1	VSM 100	145, 165, 2 X 84
Shaker2	VSM 100	2 X 180, 2 X 84
Shaker3	VSM 100	2 X 165, 2 X 84
Shaker4	BEM650	2 X 165, 2 X 120

Marine

Weather on 03 Jan 2006

Visibility	Wind Speed	Wind Dir.	Pressure	Air Temp.	Wave Height	Wave Dir.	Wave Period
10.0nm	45kn	248.0deg	1013.0mbar	16C°	3.0m	248.0deg	2s

Rig Dir.	Ris. Tension	VDL	Swell Height	Swell Dir.	Swell Period	Weather Comments
272.0deg	456.00klb	4578.40klb	4.0m	248.0deg	6s	

Comments

Rig Support

Anchors	Tension (klb)
1	245.0
2	287.0
3	187.0
4	231.0
5	280.0
6	192.0
7	328.0
8	302.0

Vessel Name	Arrived (Date/Time)	Departed (Date/Time)	Status
Far Grip	24:00 3 Jan 2006		On Location

Bulks

Item	Unit	Used	Quantity
Diesel	CuMtr		513
Fresh Water	CuMtr		610
Drill Water	CuMtr		480
Cement G	Mt		48
Cement HT (Silica)	Mt		54
Barite Bulk	Mt		89

Depart South Wharf @ 22:45, 2 Jan 2006. ETA Ocean Patriot 24:00 3 Jan 2006

Vessel Name	Arrived (Date/Time)	Departed (Date/Time)	Status
Pacific Wrangler			Standby Ocean Patriot

Bulks

Item	Unit	Used	Quantity
Diesel	CuMtr		435.4
Fresh Water	CuMtr		160
Drill Water	CuMtr		0
Cement G	Mt		132
Cement HT (Silica)	Mt		0
Barite Bulk	Mt		0
Bentonite Bulk	Mt		42

Helicopter Movement

Flight #	Company	Arr/Dep. Time	Pax In/Out	Comment
1	BRISTOW HELICOPTERS AUSTRALIA PTY LTD	09:28 / 09:55	3 / 4	