



An Oregon Corporation

Drilling Program (28-06-05)

ML/DA

OPERATOR Methane Energy Corp
WELL NAME Beaver Hill #2
LEGAL LOCATION, SHL NE SE SW Sec. 12, T27S R14W
LEGAL LOCATION, BHL SE SW SW Sec. 12, T27S R14W
COUNTY, STATE Coos County, OR

DATE 28/06/05	EST. TOTAL DEPTH 4836'
SURFACE LOCATION 1047' FSL, 2175' FWL	SURFACE ELEVATION 319' ASL
RIG CONTRACTOR Roll'n Drilling	KB ELEVATION
CONSULTANT R. Ranger	API NO. N/A

1. Drill 12 1/4" hole to 500' minimum.
2. Set 500' 8 5/8" 24#, J-55 surface casing. Cement casing to surface with 240 sacks, Halliburton "Premium plus" cement mixed at 13.5 and 14 lb/gal.
3. Drill out surface casing with 7 7/8" bit. Drill to KOP @ 550 ft., Directionally drill 7 7/8" hole to 4836' TVD (4950" MD). To a proposed bottom hole location of 307' FSL & 1215 FWL.
4. No cores anticipated.
5. Run Gamma-ray, Induction Electric, Sonic, Density & Neutron logging on interval 500'-TD.
6. Run and cement 4 1/2, 11.6 #, J-55 production casing full length w/ approximately 900 sacks of Halliburton "premium plus" cement mixed at 12.5 and 13.5 lb/gal.
7. Following cementing, the casing/surface casing annulus will be tested to insure pressure isolation.
9. In the case of abandonment, a cement plug will be set across the surface casing shoe at the direction of ODOGAMI.
10. The well will then be capped with an approved wellhead or otherwise as directed by ODOGAMI and held for future data acquisition such as pressure data and permeability data in selected coal zones.
11. The well is to be drilled from a common "padsite". Wellsite reclamation shall be undertaken when all the wells drilled from this padsite are abandoned.

Notes:

Hole is located on Coos County surface and mineral ownership under lease to MEC.
 BOPs will be used to control well pressures.
 A closed mud system with solids control will be used on the Beaver Hill #2.
 Lined reserve pits will also be constructed.
 Decisions for logging run(s) will be made based on hole condition.
 Fresh water will be delivered by truck and stored on location.