

STATE OF OREGON

DEPARTMENT OF GEOLOGY AND MINERAL INDUSTRIES
800 NE Oregon ST. #28 Portland, OR 97232

COMPLETED

ENTERED
1/23/06
CJG

WELL SUMMARY REPORT

(In compliance with rules and regulations pursuant to ORS 520)

(Company or Operator) Methane Energy Corporation (Lease) MEC Beaverhill #3

(Well No.) 3

Sec. 12 T 27 S R 14W

Surveyed Coordinates (if directional, BHL & SHL):

SHL: 1056.04' North, 2493.87' East from SW corner of Section 12

BHL: 1527' North, 2533' East from SW corner of Section 12

Wildcat: _____ (or) Field Name: Coos Bay County: Coos County

Date: _____ Position: _____

Commence Drilling: 2005-08-15 Completed Drilling: 2005-09-05 P&A: _____

Total Depth: 5300 Ft MD Re-drill depth: _____ Ft MD

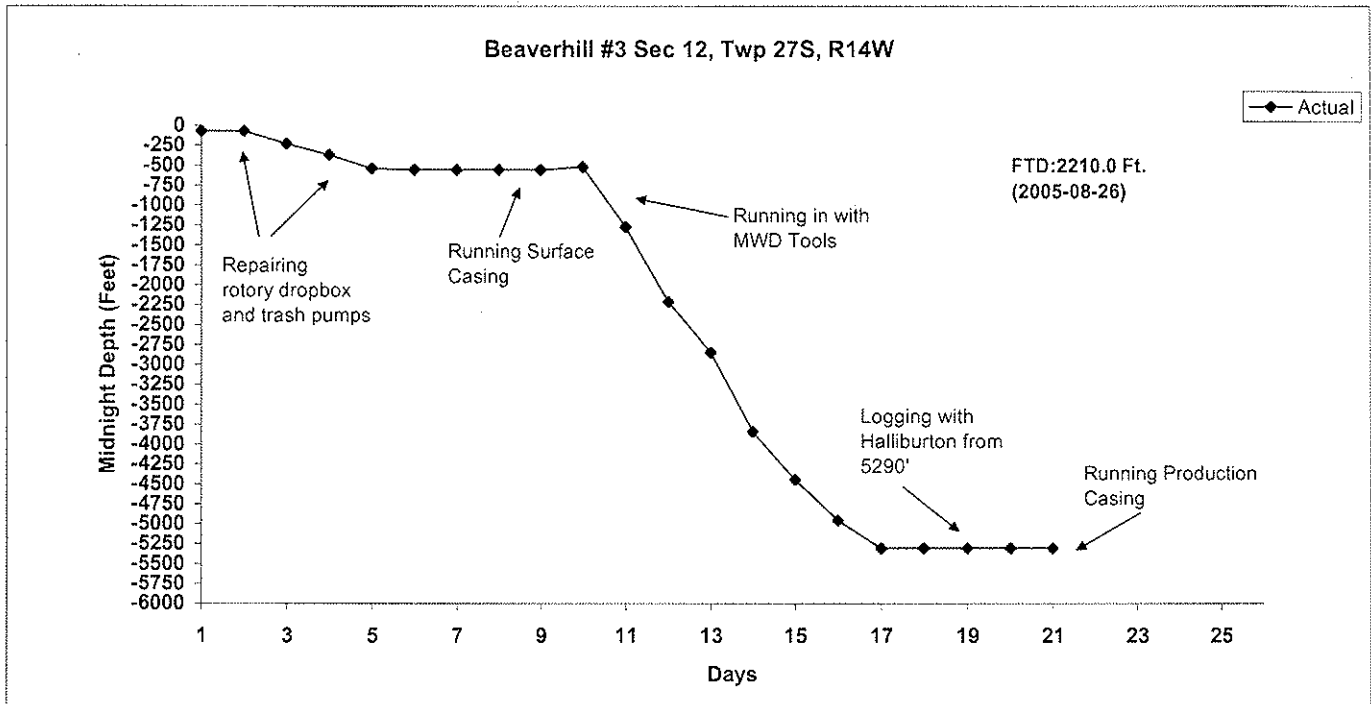
Logs run: Halliburton Spectral Density Neutron, Induction Sonic Gamma, Electromode Dipmeter - TD to casing shoe.

CASING RECORD

Type	Size of Hole	Size of Casing	Wt. In lbs. Per ft.	Grade Type	Depth (Feet)	Amount of cement
Surface	12.25"	8-5/8"	24	J-55	553	170 sxs SK282 CF Halliburton Lite Lead, 100 sxs 141 CF Type III tail
Intermediate	N/A					
Production	7-7/8"	4.5"	11.6	L-80	5295.0'	300 sxs Type III lead, 455 sxs Type III tail.

Geological Marker	KB	Elevation (ss)	Depth TVD KB ft	Depth ft MD
"M" Coaledo Shales	336.8	-139.2		476
Tuff		-790		790
L. Coaledo (upper portion)		-2581.2		2918
Y coal bed		-3223.2		3560
Top of Pebblestone		-3436.2		3773
Bottom Pebbleston		0		
X Coal/Shale Bed		0		
top - Series Coals		0		
G Coal		0		
F Coal		0		
E Coal		0		
D Coal*		0		
C Coal		0		
B Coal		0		
A Coal		0		
Total Depth		-5300		5300

WELL SUMMARY REPORT



BIT RECORD

BIT (#)	SIZE (in)	TYPE	JETS	OUT (ft)	Feet Drilled	HRS	ROP (ft/hr)	WOB (lbs)	RPM	PP (psi)	FLOW	GR	DENS	DEV	SN
1RR	12.25	MXC1	3x16,1x12	538	493	45.50	10.8	3,000	118	2,400		4-1-4-O	1,190	1.0	W53DF
2RR	12.25	MXC1	3x18,1x12	553	15	0.75	11.25	34,000	118	850		1-1-1-I	9		Z82LS
2	7-7/8	HC404	4 x 16	5300	4750	118.00	40					Lost in hole			HC404
3	7-7/8	MXC1	3 x 20	Surf.	0	0.00						1-1-1-I			5043042
TOTALS					5258	164.25									

GENERAL NOTES

LICENCE NO: 36-011-00030	AFE NO:	
SPUD: 2005-08-15 @ 19:30 hrs	RIG RELEASE:	2005-09-05 @ 06:00 hrs
TD: 5300 ft MD	DAYS SPUD-RR:	21
TERM FORMATION:	CUM. COST TO R.R.	\$1,194,281.00
SUPERVISOR: Ronald Ranger	RIG: Roll'n Oilfield Rig #13	PUMP: OW 856, OPI 750

PROBLEMS:

At 70', rotary drop box bearings failed (lock nut on inside of chain case loosened and metal debris seized bearings), Repaired Hole became sticky and packing off at 352'. Reamed, built up gels and increased pump rate. At 2845' had minor losses with some hole sticking from clay sections. Slugged drill pipe on connection with drilling detergent. Annulus packed off. Dumped 50 bbls mud and rebuilt system to reduce saturated clays.

SURFACE CASING:

12 jts (511.61') of 8-5/8", 24#, J-55, ST&C, Rge 3 New Argus casing with welded on guide shoe (0.9'), shoe joint (42.32') and float collar (1.21'). Tagged hard bottom. Landed at 553.0'. Cemented with Halliburton. Pumped 10 bbls water preflush. Mixed and pumped 170 sxs SK282 CF Halliburton Lite + 1.4#/sxs FLOCELE (yield 1.41 cf/sxs @ 14.5 #/gal) lead cement, tailed in with 100 sxs 141-CF Type III + 5% salt (BWOW) + 5% D-AIR (yield 1.41 cf/sxs @ 14.5#/gal). Displaced with 32.6 bbls water. Bumped plug to 650 psi (held okay). Float held okay. 10 bbls good cement returns, no losses.

CASING BOWL:

9" x 2000 psi x 8-5/8" type H casing bowl (Serial No. 125566-20), pressure tested to 1000 psi for 15 minutes using N₂.

CORES:

None

GENERAL NOTES - continued



Methane Beaverhill #3 Sec 12, Twp 27S, Rge 14

LOGS:

Halliburton Spectral Density Neutron, Induction Sonic Gamma, Electromode Dipmeter. Started logging at 5290'

DSTS:

None

PRODUCTION CASING:

132 jts (5294.82') New China 4.5", 11.6#, L-80, LT&C, Rge 3 + float shoe, shoe joint and float collar. Lightly tagged bottom at 5294' with 3.42' out of hole. Cemented with Halliburton. Preflushed with 20 bbls water/superflush + 132 sxs Neet "G" (yield 2.26/12.5#/gal). Mixed and pumped 300 sxs Type III + 2.0% Calseal + 7.0% Salt + 0.3% versaset + 5#/gal Milsonite + 5.0% Micobond (yield 2.39/12.5#/gal lead cement, tailed in with 455 sxs Type III + 5.0% salt + 0.3% versaset Plus 5#/sxs Gilsonsite + 5% microbond (yield 1.83/13.5 #/gal). Displaced with 82 bbls clean water. Bumped plug to 1850 psi. Float held, cement held. 100 bbls quality cement returns.

DRILLING FLUIDS:

Spudded with mud/polymer system. Slugged hole with gel and sawdust mixture to control losses which started at 200'. Premixed clay free mud system using clay/shale inhibitors and dispesable type polymer from 520 ft - 5300 ft TD

DIRECTIONAL:

Made up MWD BHA 2005-08-24. KOP at 520 ft. Directional drilled from 520 ft to 5300 ft TD.