

Department of Geology & Mineral Industries

Mineral Land Regulation and Reclamation 229 Broadalbin Street SW Albany, OR 97321-2246 541-967-2039 FAX 541-967-2075

August 14, 2006

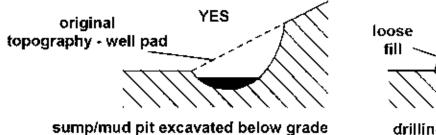
Methane Energy Corp. 21514 SE 254th Place Maple Valley WA 98038

Permit to Drill Gas Well

The application to drill a gas well, MEC Westport 10-29-26-13, located in Section 29, Township 26S, Range 13W, Coos County, Westport, DOGAMI ID No. 571, API No. 36-011-00055, has been approved with the following conditions:

The permittee shall:

Construct all sumps/mud pits by excavating below grade with a design and size for holding the drill
cuttings and fluid removed from the well. Loose fill material will not be allowed to be used in the
construction of the sumps/mud pits for the purposes of water retention.



loose fill

drilling fluids held by loose fill

- 2. Contact DOGAMI two weeks prior to spud.
- Provide DOGAMI with a 2-week, a 3 day, and a 24-hour notice to schedule an inspection to witness all BOPE tests conducted prior to drilling out each casing shoe.
- 4. Per 632-010-0014(C) & (D), the BOPE shall be pressure tested: when installed, prior to drilling out easing shoes, following repairs or reassembly of the preventers that require disconnection a pressure seal in the assembly, and shall be actuated to test proper functioning once each trip or once each week, whichever is more frequent.

Issued on August 14, 2006

Gary W/Lynch
Assistant Director
Department of Geology

c: Coos County