



Oregon

Theodore R. Kulongoski, Governor

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

Methane Energy Corporation
21514 SE 254th Place
Maple Valley WA 98038

MEC Beaver Hill in Coos County
DOGAMI ID No. 546
API No. 36-011-00030

Oil & Gas Well Permit

The application to convert the above-referenced Well in the Coos Bay Basin Coalfields in Coos County, has been approved with the conditions listed below.

Operations shall commence within one year from the date of issuance of this permit, or the permit shall become invalid. The permit may be extended for a maximum of one additional year if a written request is received from the permittee, *before the expiration date*, giving reasons acceptable to the department for an extension.

The permittee shall:

1. be responsible for obtaining any required land-use approval from the affected local government prior to beginning operations.
2. file drilling records with the department within 30 days from the date of completion of abandonment. Drilling records are to include the completion date of operations and a description of all work performed in compliance with this permit; and a map showing the location and depth of each hole.

Drilling records shall be kept confidential by DOGAMI for two years from the date of the completion of operations.

3. obtain landowner approval for final site reclamation.
4. obtain required permits from DEQ prior to drilling.
5. submit for approval, the plug and abandonment and well pad reclamation plans prior to well drilling completion.

Issued on June 23, 2005

by Marshall
for Bob Houston
Petroleum - Geothermal Geologist
Natural Resource Specialist
Mineral Land Regulation and Reclamation

c: Coos County



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copy
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Methane Energy Corporation
21514 SE 254th Place
Maple Valley WA 98038

MEC Beaver Hill Corehole in Coos County 541-967-2039
DOGAMI ID No. 10-2004 06 FAX 541-967-2075

Permit to Conduct Information Well Drilling Operations

The application for information well drilling in the Coos Bay Basin Coalfields in Coos County, has been approved with the conditions listed below.

Operations shall commence within one year from the date of issuance of this permit, or the permit shall become invalid. The permit may be extended for a maximum of one additional year if a written request is received from the permittee, *before the expiration date*, giving reasons acceptable to the department for an extension.

The permittee shall:

1. give the department a minimum of 24 hours advance notice of plugging operations.
2. be responsible for obtaining any required land-use approval from the affected local government prior to beginning operations.
3. for any shot holes encountering ground water, case and cement or backfill to 10 feet above the ground water before explosives are used.
4. not conduct seismic shot hole operations within one-eighth mile of any existing building, water well, flowing spring, stock water pipeline, sewer line, utility tunnel, or water or gas line, unless an exception is granted by the department after the applicant demonstrates that the operation presents no significant danger.
5. file drilling records with the department within 30 days from the date of completion of abandonment. Drilling records are to include the completion date of operations and a description of all work performed in compliance with this permit; and a map showing the location and depth of each hole.

Drilling records shall be kept confidential by DOGAMI for two years from the date of the completion of operations.

6. obtain landowner approval for final site reclamation.
7. obtain required permits from DEQ prior to drilling.
8. submit for approval, the plug and abandonment and well pad reclamation plans prior to well drilling completion.

Issued on _____, 2004 by _____.

Bob Houston
Petroleum - Geothermal Geologist
Natural Resource Specialist
Mineral Land Regulation and Reclamation

c: Coos County