

STATE OF OREGON

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

CONFIDENTIAL
12/16/05

COMPLETED

WELL SUMMARY REPORT

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

(Company or Operator) Methane Energy Corporation (Lease) MEC BeaverHill #4

(Well No.) 4

Sec. 12 T 27 S R 14 W **Surveyed Coordinates (if directional, BHL & SHL):**
SHL: 1026.03' n, 2493.87' E from SW corner of Section 12
BHL: 1331.6' n, 1427.8' E from SW corner of Section 12

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

Date: _____ Position: _____

Commence Drilling: 2005-09-05 Completed Drilling: 2005-09-19 P&A: N/A

Total Depth: 4321 Ft MD Re-drill depth: N/A Ft MD

Logs run: Halliburton CNL Density, Caliper, SP, GR Dual Induction from TD to 2000' MD

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	K-55	441.35	170 sxs Halliburton Lite Lead, 100 sxs Type III tail
Intermediate	N/A					
Production	5.5"	7-7/8"	15.5	K-55	4318	290 sxs, 638 CF Type III lead, 290 sxs, 499 CF Type III tail

Geological Marker	Elevation (ss)	Depth TVD KB ft	Depth ft MD
Coaledo Shales			
L. Coaledo (upper portion)			
Y coal bed			
Top-series coals			
E coal			
D Coal*			
B Coal			
Total Depth			

Plugs: None

Junk: _____

WELL SUMMARY REPORT - cont'd

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**METHOD
OF
PERFORATING:**

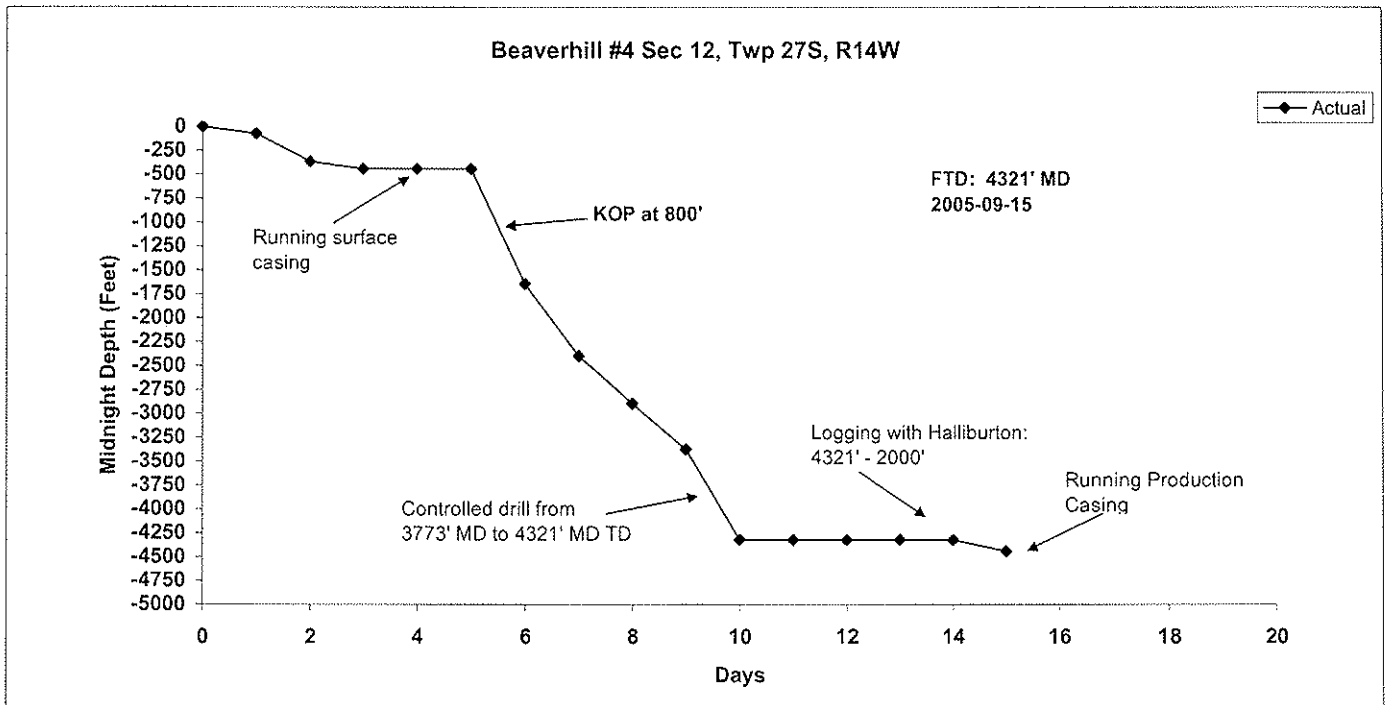
Size of	From	To	Shots/ft.	Jet	Bullet	Slotter Liner

**INITIAL
PRODUCTION**

Date	Clean Oil bbl/day	Gravity	Percent Water	F.T.P	F.C.P	S.I.T.P	S.I.C.P.

REMARKS:

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
1	12.25	MXC-1	3 x 20	441	441	45.00	8.8	12,000	85	400		2,2,2,1	8.6		Z82LS
2	7-7/8	HCM404	6 x 14	4321	3880	70.00	55.5	5-8000	225	1,500			9.3		7103466
3	7-7/8	MXC1	3 x 20	Wiper											5043042
TOTALS					4321	115.00									

GENERAL NOTES

LICENCE NO:	36-001-00040	AFE NO:	501003
SPUD:	2005-09-06 @ 22:15 hrs	RIG RELEASE:	2005-09-19 @ 12:00 hrs
TD:	4321 FT MD	DAYS SPUD TO TD:	10
TERM FORMATION:		DAYS SPUD-RR:	15
SUPERVISOR:	Ronald Ranger	CUM. COST TO R.R.:	\$849,013.00
		RIG:	Roll'n Oilfield Rig #14
		PUMP:	OW 856, OPI 750

PROBLEMS:

Hole deviation problems at 260'. Fanned hole with increased RPM and reduced WOB drilling in grey shales and sand. Samples circulated up from 4216' - 4321' were highly gas cut (5000 units of gas) that showed up on the mud logger. Circulated hole of gas cut mud.

SURFACE CASING:

10 jts (425.13') of 8-5/8", 24 #/ft, K-55, ST&C, 8 Rd Argus. Landed at 441.35'. Cemented with Halliburton. Preflushed with 20 bbls water. Mixed and pumped 50 bbls Halliburton lite + 180 sxs/277cf/13.6#/gal plus 1/4#/sx FLOCELE (yield 1.54 cf/sx) LEAD, followed with 25 bbls Type III 100 sxs/141cf/14.5#/gal+ 5.0% Salt (BWOW) + 0.5% DAIR (yield 1.41 cf/sx) TAIL cement. Displaced with 27 bbls water. Bumped plug, floats held. Plug down 2005-09-05 at 5:40 hrs. Float held, cement held, no losses. 12 bbls quality cement returns.

CASING BOWL:

9 x 2000 x 8-5/8 Type H (Serial No. 125566-19) pressure tested to 1000 psi for 15 minutes using N₂. Found leak inside weld. Re-test to 1000 psi for 10 minutes - tested 100%

CORES:

None

LOGS:

Halliburton CNL Density, Caliper, SP, GR Dual Induction from TD to 2000' MD

GENERAL NOTES - continued



Methane Beaverhill #4 Sec 12, Twp 27S, Rge 14

DSTS:

None

PRODUCTION CASING:

114 jts (4306/99') of New China 5.5" x 15.5#ft, K-55, LT&C, Rge 3 casing with threadlocked float shoe and float collar and shoe joint. Landed at 4317' MD.. Cemented with Halliburton. Preflushed with 20 bbls mud flush (SAPP & Soap). Mixed and pumped 290 sxs 638 CF Type III + 1.0% versaset + 5.22 #/sx salt + 0.75% UCS + 0.5% Dair (yield 2.20cf/sxs@12.5#/gal LEAD, followed with 290 sxs 499 CF Type III + 4.48 #/sxs salt + 0.3% versaset + 5% microbond (yeidl 1.72cf/sxs@13.8#/gal) Displaced with 100 bbls water. Bumped plug to 1500 psi, floats held. Plug down 2005-09-19. 15 bbls quality cement returns to surface.

DRILLING FLUIDS:

Spudded with mud/polymer system.
Premixed clay free mud system using clay/shale inhibitors and dispesable type polymer from 425 ft - 5300 ft TD

DIRECTIONAL:

MWD 7-7/8" hole from 441'. Started building inclination at 667' MD (natural drifting) and continued to KOP at 800' (directional plan). MWD 7-7/8" hole from 800' to 4321' MD TD.