

**APPLICATION TO DRILL OIL OR GAS WELL
STATE OF OREGON • DEPT OF GEOLOGY & MINERAL INDUSTRIES
229 BROADALBIN ST SW • ALBANY OR 97321**

RECEIVED
MILAR

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

(1) Permittee Information

Name	METHANE ENERGY CORP.
Mailing Address	271 N. Baxter
City/State/Zip	Coquille, OR, 97423
Telephone	541-396-3025
Fax	541-396-3037
Email	Ronaldrauger@gmail.com
Prepared by	Tom Kerestes
On Site Contact	Ronald Ranger
Phone (day)	541-260-4389
Phone (night)	541-260-4389
Other	

(2) Well Information

County	Coos County							
Lease	Menasha Forest Products Company							
Well No.	10-29-26-13							
Location	1/4	SE	S	29	T	26	R	13
Wildcat or Field	Westport							
Elevation	387.11' ft.							
Surveyed SHL coordinates; include BHI for directional wells	1942.46' FSL 2205.67' FSL							
Geologic Objective	Lower Coalbed Formation							
Proposed Depth	2300' ft.							

[Handwritten signature]
Signature

President
Title

July 14, 2006
Date

(3) Lease/Ownership (if other than applicant)

	LESSOR (mineral owner)	Surface Owner	Lessee
Name	MENASHA FOREST PRODUCTS		METHANE ENERGY CORP.
Mailing Address	P.O. Box 588		271 N. Baxter
City/State/Zip	North Bend, OR, 97459		Coquille, OR, 97423
Telephone	541-756-1193		541-396-3025
Fax	541-756-7833		541-396-3037
Email	thoesly@menashapfc.com		rvg@methaneenergy.com

(4) Proposed Well Design (use additional sheets if necessary)

Size of hole	Size of Casing Size of Casing	Weight (pounds per foot/Weight in pounds per foot)	Grade/Type Grade/Type	Depth Depth	Type and Amount of Cement/Cemented interval:
12.25"	8.625"	24.0	J-55	280 ft.	"premium Plus" 45 bbls.
7.875"	4.5"	11.6	N-80	2300 ft.	"premium Plus" 130 bbls.
					bbls.
					bbls.

(5) Slurry Design for each String (use additional sheets if necessary)

String 1	Annulus height	HT left in casing	Excess	Density
Tail	0 ft.	40 ft.	20 bbls.	13.5 ppg.
Lead	ft.	ft.	bbls.	ppg.

String 2	Annulus height	HT left in casing	Excess	Density
Tail	0 ft.	40 ft.	50 bbls.	13.5 ppg.
Lead	ft.	ft.	bbls.	ppg.

(6) Geologic Information - if known (use additional sheets if necessary)

	1	at	2	at	3	at
Assumed fracture gradient of rock vs. depth	43 psi/ft	3100 ft.	psi/ft	ft.	psi/ft	ft.
Pore gradient of rock vs. depth (if known)	psi/ft	ft.	psi/ft	ft.	psi/ft	ft.