

STATE OF OREGON

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



WELL SUMMARY REPORT

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

(Company or Operator) Methane Energy Corporation (Lease) MEC Beaverhill #5

(Well No.) 5

Sec. 12 T 27 S R 14W Surveyed Coordinates (if directional, BHL & SHL):
SHL: 956.90' North, 2493.81' East from SW corner of section 12
BHL: _____

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

Date: _____ Position: _____

Commence Drilling: 2005-10-06 Completed Drilling: 2005-10-19 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	K-55	488	50 bbls Class "G" lead, 21 bbls Class "G" tail
Intermediate	N/A					
Production	7-7/8"	4.5"	11.5	L-80	4461	370 sxs Type III lead, 380 sxs Type III tail.

Geological Marker	Elevation (ss)	Depth TVD KB ft	Depth ft MD
"M" Coaledo Shales			
L. Coaledo (upper portion)			
Y coal bed			
Top of Pebblestone			
Bottom Pebbleston			
X Coal/Shale Bed			
top - Series Coals			
G Coal			
F Coal			
E Coal			
D Coal*			
C Coal			
B Coal			
Total Depth			

WELL SUMMARY REPORT - cont'd
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Plugs: None

Junk: None

METHOD OF PERFORATING:

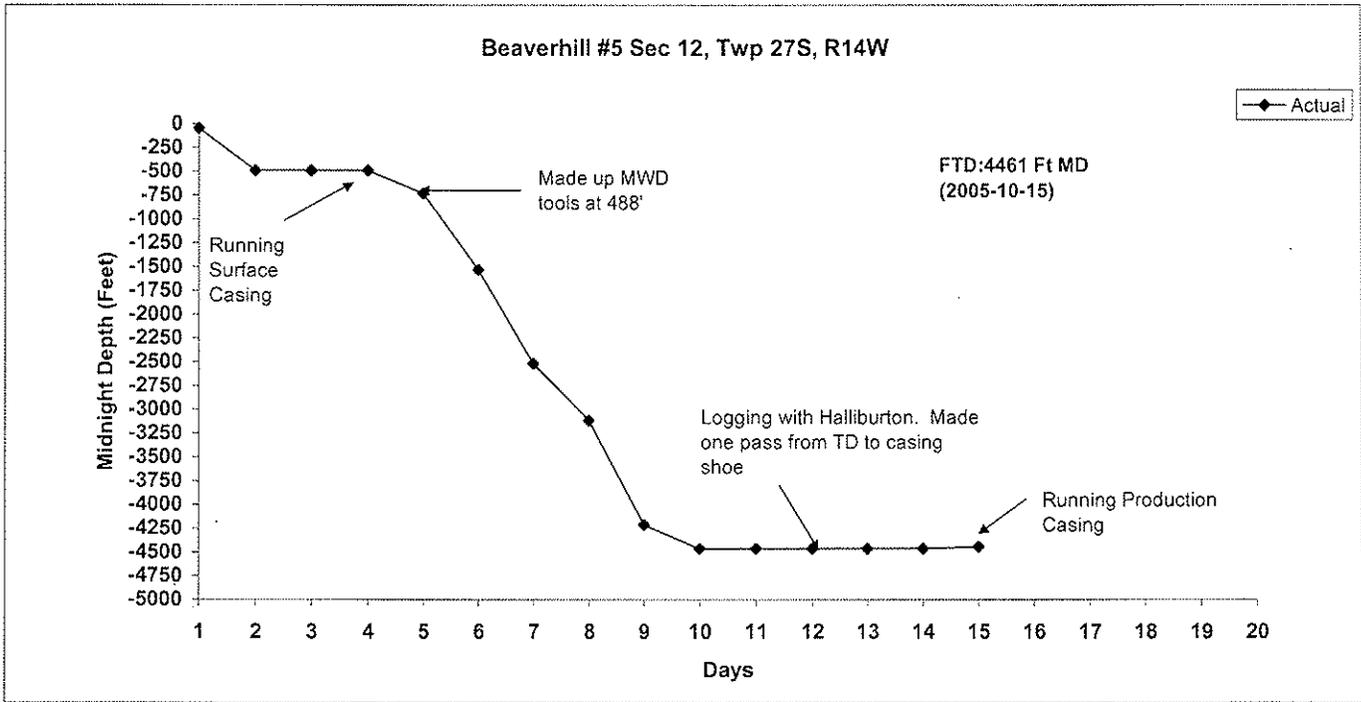
Size of	From	To	Shots/ft.	Jet	Bullet	Slotted Line Perf or liner

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 (bbls)	GR	DENS	DEV	SN
1	12.25	117	3 x 18	488	488	22.50	19.8	12,000	170	900	9.00	1-1-2-In	9.00	1.10	T992K
2	7 7/8	HM404	6 x 14	4461	3973	72.00	55	11,000	225	1,250	9.00	1-1-1-In	9.00	22.00	7002104
3 Rt	7 7/8	MXC1	3x20,1x14												
TOTALS					4461	94.50									

GENERAL NOTES

LICENCE NO:	36-011-00041	AFE NO:	501004
SPUD:	2005-10-06 @ 17:30 hrs	RIG RELEASE:	2005-10-19 @ 24:00 hrs
TD:	4461Ft MD (2005-10-15)	DAYS SPUD-RR:	15
TERM FORMATION:		CUM. COST TO R.R.:	\$939,328.00
SUPERVISOR:	Ronald Ranger	RIG:	Roll'n Oilfield Rig #14
		PUMP:	OW 856, OPI 750

PROBLEMS:

Encountered hard sand and shales while drilling from 157' to 488'. Encountered clay sections from 1100' with some hole packing. Found 500 units of gas in cuttings from top of D Coal at 4294' MD with coal averaging 12' thick. Circulated bottoms. Hole unloaded sands and coals at 4461' TD.

SURFACE CASING:

12 joints (489.70') New CHINA 8-5/8", 24#, K-55, LT&C, Rge 3 casing with welded slip on shoe (0.90') and float collar (1.21"). Tagged hard bottom at 488' MD. Cemented with Halliburton. Preflushed 20 bbls water. Mixed and pumped 50 bbls Class "G", 180 sxs/297 cf/14.2#/gal + 1/4#/sx FLOCELE + 2.0% CaCl₂ + 4.0% gel (yield 1.55 cf/sx) LEAD, followed with 21 bbls Class "G" 100 sxs/141 cf/15.8#/gal + 2.0% CaCl₂ (yield 1.16 cf/sx). Dropped plug, displaced with 30 bbls water. Bumped plug to 800 psi. Plug, float and cement held. No losses. 10 bbls quality cement returns.

CASING BOWL:

9" x 2000 psi x 8-5/8" type H casing bowl (Serial No. 125566-22), pressure tested to 1000 psi for 15 minutes using N₂.

LOGS:

Halliburton: Density/Caliper, Induction, SP, FR (neutron source would not thread into logging tool cavity so no neutron source was run. This logging job was incomplete). Located soft bottom at 4456' (loggers depth). Finished one pass from TD to casing shoe.

GENERAL NOTES - continued



Methane Beaverhill #5 Sec 12, Twp 27S, Rge 14

CORES:

None

PRODUCTION CASING:

Tallied, drifted (torque set 2000 ft/lbs) New CHINA 4.5", 11.5 #/ft, L-80, LT&C, Rge 3 casing: threadlocked float shoe (1.34') shoe joint (40.03'), threadlocked float collar (1.35'), 17 jts (724.62'), orientation collar (1.85' with top at 3691.81'), joint casing (40.75'), orientation collar (1.85', TOP at 3649.21'), 92 joints (3650.78'). 3649.21'), 92 jts (3650.78')
Tagged hard bottom at 4461' MD with 12" stick up. Cemented with Halliburton Preflushed with 20 bbls Superflush + 20 bbls water. Mixed and pumped 370 sxs Type III cement (914 cu/ft) + 1/-% versaset + 5.22 #/sxs salt + 0.75% UCS + 0.5% D-air 3000, 814 cu/ft, 145 bbls/12.5#/gal (yield 2.2) LEAD, followed with 380 sxs Type III cement (653 cu/ft) + 0.3% 0.3% versaset + 4.48#/sxs salt + 5.0% Microbond TAIL. Dropped plug, displaced with 68.4 bbls water. Bumped plug to 1750 psi. Floats and cement held - no losses. 20 bbls quality cement returns.

DRILLING FLUIDS:

Spudded with mud/polymer system.
Premixed clay free mud system using clay/shale inhibitors and dispesable type polymer from 448' to 4461' MD TD.

DIRECTIONAL:

Made up MWD BHA 200510-10. MWD PDC 7-7/8" hole from 488' to 4461' MD TD with 20 degree inclination and 218.19 azimuth at 800' as per Precision direcitonal plan.