

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) Methane Radio Hill #1

(Well No.) #1

Sec. 12 T 27 S R 14W Surveyed Coordinates (if directional, BHL & SHL):  
SHL: 1217.87' South, 3150.7' East from NW corner of Section 25  
BHL: Same as SHL

Wildcat: \_\_\_\_\_ (or) Field Name: Coos Bay County: Coos County

Date: \_\_\_\_\_ Position: \_\_\_\_\_

Commence Drilling: 2005-11-10 Completed Drilling: 2005-11-28 P&A: \_\_\_\_\_

Total Depth: 4255' Ft MD Re-drill depth: \_\_\_\_\_ Ft MD

Logs run: Halliburton Spectral Density Neutron, Induction Sonic Gamma Electromode Dipmeter log  
Loggers depth - 4256' MD.

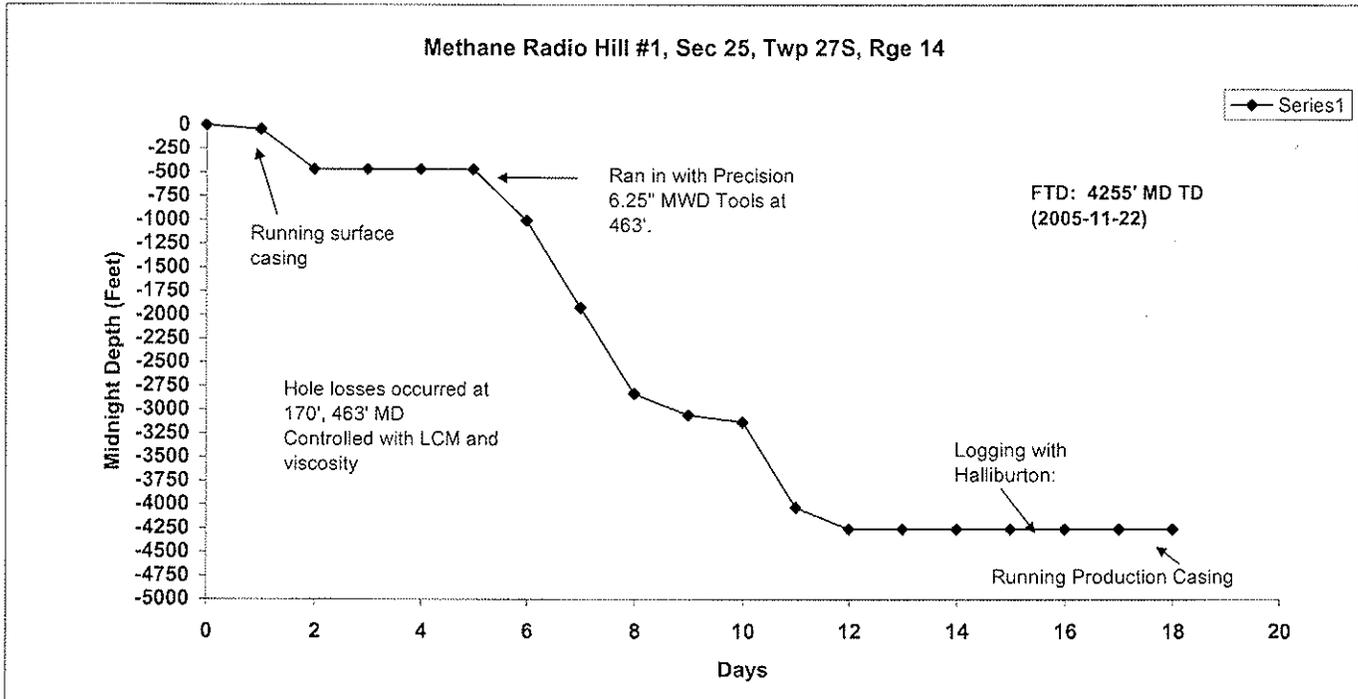
CASING RECORD

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	463.7	180 sxs Class "G" Lead, 100 sxs Class "G" tail
Intermediate	N/A					
Production	7-7/8"	4.5"	11.6	L-80	4256	500 sxs Type III Lead, 260 sxs Type III Tail.

Geological Marker	KB 575.65	Elevation (ss)	Depth TVD KB ft	Depth ft MD
L. Coaledo (upper portion)		-1084.35		1660
Y coal bed		-1834.35		2410
X Coal/Shale Bed		-2152.35		2728
top - Series Coals		-2364.35		2940
G Coal		-2598.35		3174
F Coal		-2764.35		3340
E3 Coal		-2800.35		3376
D Coal*		-2966.35		3542
B Coal		-3048.35		3624
#2 Coal Bed		-3134.35		3710
#1 Coal Bed		-3194.35		3770
7A coal Bed		-3375.35		3951
R Coal Bed		-3544.35		4120
Total Depth		-3674.35		4250



# 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	3x18,1x12	463	420	13.25	31.7	12,000	170	1,200	9 bbls	1-1-2-1	9000	1.1	H69JM	
2	7-7/8	HMS404	6 x 14	4255	3792	88.00	43	6-11000	125	1,250	9 bbls	4-3-EC-6	9000	1.0	7002104	
3RR	7-7/8	MXC1	3x20,1x14	Wiper trip to clean out and ream tight hole												5043042
<b>TOTALS</b>					4212	101.25										

## GENERAL NOTES

LICENCE NO: 36-011-00042'	AFE NO: 501003
SPUD: 2005-11-10 @ 10:00 hrs	RIG RELEASE: 2005-11-28 @ 24:00 hrs
TD: 4255' MD TD	DAYS SPUD-RR: 18
TERM FORMATION:	CUM. COST TO R.R. \$1,405,304.00
SUPERVISOR: Ronald Ranger	RIG: Roll'n Oilfield Rig #14
	PUMP: OW856, OPI 700

### PROBLEMS:

Hit sand and loose hard shales at 140'. Encountered hole losses of 40 bbls at 170' MD. Added gel and sawdust to reduce hole sloughing and stop losses. Had major hole losses of 150 bbls within 30 minutes at 463.7' MD. Slugged hole with 30 sxs sawdust. Suspect sand/gravel seam at the 70 depth encountered earlier.

Lost circulation at 3052' MD. Batch mixed 94 gals Ultraslide into suction tank - unable to break circulation. Increased pump to 1500#, pulled 10 k over string and continued aggressive movements with pipe - regained circulation.

Gas fracture located in sandstone at 2560' to 2564'. Encountered a flow of gas cut drilling mud at 4255' MD while laying out jars. Circulated hole to non-gasified drilling mud. Flow decreased to insignificant flow.

### SURFACE CASING:

10 jts (425.12') new CHINA 8-5/8", 24#/ft, K-55, ST&C, 8 Rd, Rge 3 with threadlocked shoe (0.90') and joint (42.65'). Installed and threadlocked joint #2. Cemented with Halliburton. Preflushed with 20 bbls water followed with LEAD - 55 bbls Class "G", 200 sxs/310 cf/14.2#/gal + 1/4#/sxs FLOCELE + 3.0% CaCl<sub>2</sub> + 4.0% gel (yield 1.55 cf/cs) and TAIL - 21 bbls Class "G", 100 sxs/116 cf, 15.8#/gal + 3.0% CaCl<sub>2</sub> (yield 1.16 cf/sxs). Dropped plug and displaced with 27 bbls water. Bumped plug to 950 psi. Plug stayed, float held and cement held. 10 bbls quality cement returns.

### CASING BOWL:

9 x 2000 x 8-5/8 Type H (Serial No. 129863-89) pressure tested to 1000 psi for 10 minutes using N<sub>2</sub>.

GENERAL NOTES - continued



Methane Radio Hill #1, Sec 25, Twp 27S, Rge 14

CORES:

None

LOGS:

Halliburton Spectral Density Neutron, Induction, Sonic, Gamma, Electromode Dipmeter Log. Loggers TD 4256' MD

DSTS:

None

PRODUCTION CASING:

110 jts (4129.22') New CHINA 4.5", 11.6#/ft, L-80, LT&C, Rge 2 casing, tallied and drifted and torqued to 2100 ft/lbs as follows: threadlocked float shoe (1.34'), shoe joint (39.65'), threadlocked float collar (1.35'). Tagged bottom at 4256' with 7.5' out of hole. Cemented with Halliburton. Preflushed with 20 bbls water/superflush. Mixed LEAD - 500 sxs Type III + 5.5% salt + 1.0% versaset + 0.75% UCS + 0.5% D-AIR + 0.125#/sxs FLOSEAL (yield 2.20/12.5#/gal) (1100 cf) followed with TAIL - 260 sxs Type III + 5.0% salt + 0.3% versaset + 5.0% microbond + 0.25#/sxs FLOSEAL (yield 1.72 cf/13.8#/gal) (447 cf). Dropped plug. Displaced with 65 bbls clean water. Bumped plug at 12;15 hrs to 1850 psi. Float and cement held. 18 bbls quality cement returns. Cement returns were not gas cut.

DRILLING FLUIDS:

Spudded with mud/polymer system.

Premixed clay free mud system using clay/shale inhibitors and dispersable type polymer from 463 ft to 4255 ft TD

DIRECTIONAL:

Made up Precision 6.25" MWD tools at 463' MD. Maintain vertical hole with directional tools starting at 1.88 degree inclination and follow a 241.0 degree azimuth. KOP at 463' MD.