

WELL COMPLETION FORM
WELL HISTORY - DESCRIPTION OF WELL & LEASE

OPERATOR: License # 31941
Name: 3B Energy Inc
Address 1: PO Box 354
Address 2: 3494 Saline Rd
City: Neodesha State: KS Zip: 66757 + 0354
Contact Person: Bruce B Burkhead
Phone: (620) 330-7854
CONTRACTOR: License # 5675
Name: McPherson Drilling
Wellsite Geologist: _____
Purchaser: Pacer Energy Marketing, LLC

Designate Type of Completion:

- New Well Re-Entry Workover
- Oil WSW SWD SIOW
 Gas D&A ENHR SIGW
 OG GSW Temp. Abd.
 CM (Coal Bed Methane)
 Cathodic Other (Core, Expl., etc.): _____

If Workover/Re-entry: Old Well Info as follows:

Operator: _____
Well Name: _____
Original Comp. Date: _____ Original Total Depth: _____
 Deepening Re-perf. Conv. to ENHR Conv. to SWD
 Conv. to GSW
 Plug Back: _____ Plug Back Total Depth _____
 Commingled Permit #: _____
 Dual Completion Permit #: _____
 SWD Permit #: _____
 ENHR Permit #: _____
 GSW Permit #: _____

| | | |
|-----------------------------------|-------------------|---|
| <u>11-06-2009</u> | <u>11-09-2009</u> | <u>11-22-2009</u> |
| Spud Date or Recompletion Date | Date Reached TD | Completion Date or Recompletion Date |

API No. 15 - 205-27808-00-00
Spot Description: _____
SW_NW_SW_SW Sec. 26 Twp. 30 S. R. 16 East West
825 Feet from North / South Line of Section
165 Feet from East / West Line of Section
Footages Calculated from Nearest Outside Section Corner:
 NE NW SE SW
County: Wilson
Lease Name: Phillips Well #: 31
Field Name: Neodesha
Producing Formation: Bartlesville
Elevation: Ground: 808 Kelly Bushing: N/A
Total Depth: 862 Plug Back Total Depth: N/A
Amount of Surface Pipe Set and Cemented at: 20 Feet
Multiple Stage Cementing Collar Used? Yes No
If yes, show depth set: _____ Feet
If Alternate II completion, cement circulated from: 0
feet depth to: 855 w/ 126 sx cmt.

Drilling Fluid Management Plan

(Data must be collected from the Reserve Pit)

Chloride content: _____ ppm Fluid volume: _____ bbls
Dewatering method used: _____
Location of fluid disposal if hauled offsite: _____
Operator Name: _____
Lease Name: _____ License #: _____
Quarter _____ Sec. _____ Twp. _____ S. R. _____ East West
County: _____ Permit #: _____

INSTRUCTIONS: An original and two copies of this form shall be filed with the Kansas Corporation Commission, 130 S. Market - Room 2078, Wichita, Kansas 67202, within 120 days of the spud date, recompletion, workover or conversion of a well. Rule 82-3-130, 82-3-106 and 82-3-107 apply. Information of side two of this form will be held confidential for a period of 12 months if requested in writing and submitted with the form (see rule 82-3-107 for confidentiality in excess of 12 months). One copy of all wireline logs and geologist well report shall be attached with this form. ALL CEMENTING TICKETS MUST BE ATTACHED. Submit CP-4 form with all plugged wells. Submit CP-111 form with all temporarily abandoned wells.

AFFIDAVIT

I am the affiant and I hereby certify that all requirements of the statutes, rules and regulations promulgated to regulate the oil and gas industry have been fully complied with and the statements herein are complete and correct to the best of my knowledge.

Signature: B B Burkhead
Title: President Date: _____

RECEIVED
KANSAS CORPORATION COMMISSION

KCC Office Use ONLY

Letter of Confidentiality Received
Date: _____
 Confidential Release Date: _____
 Wireline Log Received
 Geologist Report Received
 UIC Distribution
ALT I II III Approved by: Dog Date: 6/15/10

JUN 10 2010

Operator Name: 3B Energy Inc Lease Name: Phillips Well #: 31
 Sec. 26 Twp. 30 S. R. 16 East West County: Wilson

INSTRUCTIONS: Show important tops and base of formations penetrated. Detail all cores. Report all final copies of drill stems tests giving interval tested, time tool open and closed, flowing and shut-in pressures, whether shut-in pressure reached static level, hydrostatic pressures, bottom hole temperature, fluid recovery, and flow rates if gas to surface test, along with final chart(s). Attach extra sheet if more space is needed. Attach complete copy of all Electric Wire-line Logs surveyed. Attach final geological well site report.

| | |
|--|---|
| Drill Stem Tests Taken <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No (Attach Additional Sheets) Samples Sent to Geological Survey <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No Cores Taken <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No Electric Log Run <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No Electric Log Submitted Electronically <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No (If no, Submit Copy) List All E. Logs Run: <u>Gamma Ray Neutron Cement Bond Comp. log</u> | <input type="checkbox"/> Log Formation (Top), Depth and Datum <input type="checkbox"/> Sample Name Top Datum |
|--|---|

| CASING RECORD <input type="checkbox"/> New <input checked="" type="checkbox"/> Used | | | | | | | |
|---|-------------------|---------------------------|-------------------|---------------|----------------|--------------|----------------------------|
| Report all strings set-conductor, surface, intermediate, production, etc. | | | | | | | |
| Purpose of String | Size Hole Drilled | Size Casing Set (In O.D.) | Weight Lbs. / Ft. | Setting Depth | Type of Cement | # Sacks Used | Type and Percent Additives |
| Surface | 11 inch | 8 5/8 | | 20 feet | | 4 | |
| Production | 5.75 | 2 7/8 | | 855 feet | | 126 | |
| | | | | | | | |

| ADDITIONAL CEMENTING / SQUEEZE RECORD | | | | |
|--|------------------|----------------|--------------|----------------------------|
| Purpose: | Depth Top Bottom | Type of Cement | # Sacks Used | Type and Percent Additives |
| <input type="checkbox"/> Perforate <input type="checkbox"/> Protect Casing <input type="checkbox"/> Plug Back TD <input type="checkbox"/> Plug Off Zone | | | | |
| | | | | |

| Shots Per Foot | PERFORATION RECORD - Bridge Plugs Set/Type Specify Footage of Each Interval Perforated | Acid, Fracture, Shot, Cement Squeeze Record (Amount and Kind of Material Used) | Depth |
|----------------|---|---|-------|
| 3 | 779-788 | 100 gal acid | |
| 3 | 808-811 | 7000 lbs sand | |
| 2 | 814-818 | 160 bbl water | |
| | | | |

RECEIVED
 KANSAS CORPORATION COMMISSION
 JUN 10 2010
 CONSERVATION DIVISION
 WICHITA, KS

| | | |
|--|--|--|
| TUBING RECORD: Size: <u>1 inch</u> Set At: <u>850 feet</u> Packer At: <u>N/A</u> | | Liner Run: <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No |
| Date of First, Resumed Production, SWD or ENHR. <u>11-22-2009</u> | Producing Method: <input type="checkbox"/> Flowing <input checked="" type="checkbox"/> Pumping <input type="checkbox"/> Gas Lift <input type="checkbox"/> Other (Explain) _____ | |
| Estimated Production Per 24 Hours | Oil Bbls. <u>52</u> | Gas Mcf <u>25</u> Water Bbls. <u>5</u> Gas-Oil Ratio _____ Gravity <u>36</u> |

| | | |
|---|--|--|
| DISPOSITION OF GAS: <input type="checkbox"/> Vented <input checked="" type="checkbox"/> Sold <input type="checkbox"/> Used on Lease (If vented, Submit ACO-18.) | METHOD OF COMPLETION: <input type="checkbox"/> Open Hole <input checked="" type="checkbox"/> Perf. <input type="checkbox"/> Dually Comp. <input type="checkbox"/> Commingled (Submit ACO-5) (Submit ACO-4) <input type="checkbox"/> Other (Specify) _____ | PRODUCTION INTERVAL: _____ _____ |
|---|--|--|

| | | | |
|------------------------------|-----------------------|-------|--------|
| Number: 1 | S. 26 | T. 30 | R. 16E |
| No. 15- 205-27808 <i>808</i> | County: WL | | |
| Elev. 825 | Location: SW NW SW SW | | |

Operator: 3-B ENERGY, INC
Address: PO BOX 354
NEODESHA, KS 66757

Well No: 31 Lease Name: PHILLIPS
Footage Location: 825 ft. from the SOUTH Line
165 ft. from the EAST Line

Drilling Contractor: McPherson Drilling LLC
Spud date: 11/6/2009 Geologist: Bruce Burkhead
Date Completed: 11/9/2009 Total Depth: 862

Gas Tests:
251 2# on 1/8

775-82 Excellant oil sho
804-16 Decent oil sho

Comments:
Start injecting @

| Casing Record | | | Rig Time: | |
|----------------|----------|------------|-----------|---------------|
| | Surface | Production | | |
| Size Hole: | 11" | 5 3/4" | | |
| Size Casing: | 8 5/8" | | | |
| Weight: | 24# | | | |
| Setting Depth: | 20' | N/C | | |
| Type Cement: | Portland | | DRILLER: | Mac McPherson |
| Sacks: | 4 | MCPHERSON | | |

| Well Log | | | | | | | | | | | |
|---------------|-----|------|--------------|-----|--------|-----------|-----|------|-----------|-----|------|
| Formation | Top | Btm. | Formation | Top | Btm. | Formation | Top | Btm. | Formation | Top | Btm. |
| top soil | 0 | 6 | sandy shale | 782 | 787 | | | | | | |
| shale | 6 | 21 | shale | 787 | 798 | | | | | | |
| lime | 21 | 43 | sand(no sho) | 798 | 804 | | | | | | |
| shale | 43 | 51 | oil sand | 804 | 816 | | | | | | |
| lime | 51 | 121 | shale | 816 | 862 TD | | | | | | |
| sand | 121 | 160 | | | | | | | | | |
| coal | 160 | 161 | | | | | | | | | |
| sand | 161 | 173 | | | | | | | | | |
| lime | 173 | 237 | | | | | | | | | |
| shale | 237 | 250 | | | | | | | | | |
| lime | 250 | 253 | | | | | | | | | |
| shale | 253 | 488 | | | | | | | | | |
| pink lime | 488 | 516 | | | | | | | | | |
| shale | 516 | 570 | | | | | | | | | |
| oswego lime | 570 | 596 | | | | | | | | | |
| summit | 596 | 606 | | | | | | | | | |
| lime | 606 | 622 | | | | | | | | | |
| mulkey | 622 | 627 | | | | | | | | | |
| lime | 627 | 631 | | | | | | | | | |
| shale | 631 | 747 | | | | | | | | | |
| oil sand | 747 | 751 | | | | | | | | | |
| shale | 751 | 767 | | | | | | | | | |
| oil sand | 767 | 775 | | | | | | | | | |
| good oil sand | 775 | 782 | | | | | | | | | |

RECEIVED
KANSAS CORPORATION COMMISSION

JUN 10 2010

CONSERVATION DIVISION
WICHITA, KS

KWS, LLC

19245 Ford Road
Chanute, KS 66720
(620) 431-9212
Mobile (620) 431-8945

3B Energy, Inc.
P.O. Box 354
Neodesha, KS 66757-0354

| Date | Invoice |
|------------|----------|
| 11/11/2009 | 912-1274 |

Date: 11-10-09
Well Name: Phillips #31
Section: 26
Township: 30
Range: 16
County: Wilson County
API:
PO#

CEMENT TREATMENT REPORT

TYPE OF TREATMENT: Production Casing
HOLE SIZE: 5 3/4
TOTAL DEPT: 860
WIRE LINE READING BEFORE:
WIRE LINE READING AFTER:

Landed Plug on Bottom at 700 PSI
 Shut in Pressure
 Lost Circulation
 Good Cement Returns
 Topped off well with _____ Sacks
 Set Float Shoe - Shut In

| Service or Product | Quantity | Per Foot Pricing/Unit Pricing | Amount |
|-----------------------|----------|-------------------------------|----------|
| Cement and run 2 7/8" | 855 | 3.00 | 2,565.00 |

RECEIVED
KANSAS CORPORATION COMMISSION
JUN 10 2010
CONSERVATION DIVISION
WICHITA, KS

Hooked onto 2 7/8" casing. Established circulation with 5 barrels of water, 4 GEL, 1 METSO, COTTONSEED ahead, blended 126 sacks of OWC cement, dropped rubber plug, and pumped 5 barrels of water.

| | |
|-------------------------|------------|
| Subtotal | \$2,565.00 |
| Sales Tax (5.3%) | \$0.00 |
| Balance Due | \$2,565.00 |