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ORIGINAL

KANSAS CORPORATION COMMISSION
OIL & GAS CONSERVATION DIVISION

DEC 29 2010

Form ACO-1
June 2009

Form Must Be Typed
Form must be Signed
All blanks must be Filled

WELL COMPLETION FORM
WELL HISTORY - DESCRIPTION OF WELL & LEASE

KCC WICHITA

27849-

205-27-832-00-00

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: Mc Pherson Drilling
Wellsite Geologist:
Purchaser: Pacer Energy Marketing, LLC & Layne Energy

API No. 15 -
Spot Description:
SW NE SW SW Sec. 26 Twp. 30 S. R. 16 East West
825 Feet from North / South Line of Section
825 Feet from East / West Line of Section
Footages Calculated from Nearest Outside Section Corner:
 NE NW SE SW
County: Wilson
Lease Name: Phillips Well #: 40
Field Name: Neodesha
Producing Formation: Bartlesville
Elevation: Ground: 813 Kelly Bushing:
Total Depth: 860 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: 858 w/ 103 sx cmt.

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 #:
06-11-2010 06-16-2010 07-10-2010
Spud Date or Recompletion Date Date Reached TD Completion Date or Recompletion Date

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: 12-27-2010

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: Dlg Date: 4/6/11

Operator Name: 3B Energy, Inc. Lease Name: Phillips Well #: 40

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 type="checkbox"/> Yes <input checked="" type="checkbox"/> No <i>(Attach Additional Sheets)</i> 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 checked="" type="checkbox"/> Yes <input type="checkbox"/> No <i>(If no, Submit Copy)</i> List All E. Logs Run:	<input type="checkbox"/> Log Formation (Top), Depth and Datum <input type="checkbox"/> Sample Name Top Datum
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CASING RECORD <input type="checkbox"/> New <input 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 Ft	Portland	5	
Production	5.75 Inch	2 7/8		858	OWC	103	

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 <i>(Amount and Kind of Material Used)</i>	Depth
2	778-788	100 gal acid	
2	814-824	7000 lbs sand	
		160 bbl water	

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TUBING RECORD: Size: <u>1 inch</u> Set At: <u>840</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>07-10-2010</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>10</u> Gas Mcf <u>10</u> Water Bbls. <u>1</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 <i>(If vented, Submit ACO-18.)</i>	METHOD OF COMPLETION: <input type="checkbox"/> Open Hole <input checked="" type="checkbox"/> Perf. <input type="checkbox"/> Dually Comp. <input type="checkbox"/> Commingled <i>(Submit ACO-5)</i> <input type="checkbox"/> Other (Specify) _____	PRODUCTION INTERVAL: _____ _____
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Kepley Well Service, LLC

19245 Ford Road
Chanute, KS 66720

Date	Invoice #
6/18/2010	A-45015

Cement Treatment Report

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

(x) Landed Plug on Bottom at 700 PSI
 (x) Shut in Pressure 700
 (x) Good Cement Returns
 () Topped off well with _____ sacks
 (x) Set Float Shoe - shut it

TYPE OF TREATMENT: Production Casing
 HOLE SIZE: 5 1/2"
 TOTAL DEPTH: 861

Well Name	Terms	Due Date		
	Net 15 days	7/3/2010		
Service or Product	Qty	Per Foot Pricing/Unit Pricing	Amount	
Cement 2 7/8"	855	3.00	2,565.00	
Sales Tax		5.30%	0.00	

Phillips #40
Wilson County
Section: 26
Township: 30
Range: 16

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APR 01 2011
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Hooked onto 2 7/8" casing. Established circulation with 5 barrels of water, 3 GEL, 1 METSO, COTTONSEED ahead, blended 103 sacks of OWC cement, dropped 2 rubber plugs, and pumped 5 barrels of water

Total	\$2,565.00
Payments/Credits	\$0.00
Balance Due	\$2,565.00

*pd 7-12
KCC 587*