

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

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

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 #: _____

03-19-2010 03-23-2010 05-10-2010
Spud Date or Date Reached TD Completion Date or
Recompletion Date Recompletion Date

API No. 15 - 205-27,832-00-00
Spot Description: _____
NE SW SW SW Sec. 26 Twp. 30 S. R. 16 East West
495 Feet from North / South Line of Section
495 Feet from East / West Line of Section
Footages Calculated from Nearest Outside Section Corner:
 NE NW SE SW
County: Wilson
Lease Name: Phillips Well #: 35
Field Name: Neodesha
Producing Formation: Bartlesville
Elevation: Ground: 812 Kelly Bushing: _____
Total Depth: 853 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: 850 w/ 105 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: 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: Dog Date: 4/6/11

Operator Name: 3B Energy, Inc. Lease Name: Phillips Well #: 35

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		850	OWC	105	

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	758-764	100 gal acid	
2	774-778	6000 lbs sand	
3	804-810	160 bbl water	

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TUBING RECORD: Size: <u>1 inch</u> Set At: <u>830</u> Packer At: <u>N/A</u> Liner Run: <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No		KCC WICHITA
Date of First, Resumed Production, SWD or ENHR. <u>05-10-2010</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>15</u> Gas Mcf <u>15</u> Water Bbls. <u>2</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 #
3/24/2010	A-44887

Cement Treatment Report

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

(x) Landed Plug on Bottom at 800 PSI
 () Shut in Pressure
 (x) Good Cement Returns
 () Topped off well with _____ sacks
 (x) Set Float Shoe - shut it

TYPE OF TREATMENT: Production Casing
 HOLE SIZE: 5 3/4"
 TOTAL DEPTH: 853

Well Name	Terms	Due Date		
	Net 15 days	4/8/2010		
Service or Product	Qty	Per Foot Pricing/Unit Pricing	Amount	
Run and cement 2 7/8" Sales Tax	846	3.00 6.30%	2,538.00 0.00	
<div data-bbox="178 1116 687 1384" data-label="Text" style="border: 2px solid black; border-radius: 15px; padding: 10px; width: fit-content; margin: 0 auto;"> Phillips #35 Wilson County Sec: 26 Twn: 30 Rge: 16 API: </div>				

Hooked onto 2 7/8" casing. Established circulation with 5 barrels of water, 3 GEL, 1 METSO, COTTONSEED ahead, blended 105 sacks of OWC cement, dropped rubber plug, and pumped 5 barrels of water

Total	\$2,538.00
Payments/Credits	\$0.00
Balance Due	\$2,538.00

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APR 01 2011
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