

For Period Ended: December 31, 2011

LUMINART CORP.

Wyoming

(State or other jurisdiction of incorporation or organization)

87-0413934

(IRS Employer Identification No.)

120 S. Main Street, Suite 4, Stanley, ND 58784

(Address of principal executive offices)

(307) 222-0245

(Registrant's telephone number, including area code)

Issuer's revenues for its most recent fiscal year to-date: \$1,351,095.

As of December 31, 2011, there were 32,366,556 shares of the company's Common Stock outstanding and 11,430,442 shares of Series A Convertible Preferred Stock outstanding. The aggregate market value of common stock held by non-affiliates of the Company on January 24, 2012 based on the closing price at that date of \$0.08 as quoted on OTC Markets was \$2,589,324. For the purposes of calculating this amount only, all directors, executive officers and shareholders owning in excess of ten percent (10%) of the Company's outstanding common stock have been considered as affiliates.

Luminart Corp.
Consolidated Balance Sheets
(expressed in U.S. dollars)

	December 31, 2011 \$ (unaudited)	December 31, 2010 \$ (unaudited)
ASSETS		
Current Assets		
Cash	131,522	2,500
Accounts Receivable, net of allowance of doubtful accounts	327,117	0
Other Current Assets	19,849	0
Total Current Assets	478,488	500
Property and Equipment (Net)	3,149,969	0
Other Assets	1,600	500
Total Assets	3,630,057	3,000
LIABILITIES AND STOCKHOLDERS' EQUITY		
Current Liabilities		
Accounts Payable	188,596	0
Accrued Liabilities	147,771	0
Notes Payable	1,490,000	125,000
Total Liabilities	1,826,367	125,000
Stockholders' Equity		
Common Stock (Note 6)	32,367	67,519
Authorized: 900 million common shares, par value: \$0.001 per share		
Issued and outstanding: 32,366,556 and 67,518,768 common shares, respectively.		
Preferred Stock		
Authorized 50,000,000 preferred shares, par value \$0.001 per preferred share Issued and outstanding 11,430,442 and 4,400,000 shares, respectively.		
	11,430	4,400
Additional Paid-In Capital	8,637,641	6,792,680
Accumulated Deficit	-6,877,748	-6,986,599
Total Stockholders' Equity	1,803,690	-122,000
Total Liabilities and Stockholders' Equity	3,630,057	3,000

(The accompanying notes are an integral part of these consolidated financial statements)

Luminart Corp.
Consolidated Statements of Operation
(expressed in U.S. dollars)

	For the Twelve Months Ended December 31, 2011 \$ (Unaudited)	For Twelve Months Ended December 31, 2010 \$ (Unaudited)
Revenue	1,351,095	0
Cost of Sales	886,014	0
Gross Profit	465,081	0
Operating Expenses		
General and Administrative	318,481	4,614
Total Operating Expenses	318,481	4,614
Total Operating Income (Loss)	146,600	-4,614
Other Income (Expenses)		
Depreciation	-35,975	-31,366
Interest Expense	-1,778	0
Other Income	4	0
Net Income/(Loss)	108,851	-35,980
Net Income/(Loss) Per Share	0	0
Weighted Average Shares Outstanding	32,366,556	63,318,768

(The accompanying notes are an integral part of these consolidated financial statements)

Luminart Corp.
Consolidated Statements of Operation
(expressed in U.S. dollars)

	For the Three Months Ended December 31, \$ (Unaudited)	For the Three Months Ended December 31, \$ (Unaudited)
Revenue	1,006,168	0
Cost of Sales	681,252	0
Gross Profit	324,916	0
Operating Expenses		
General and Administrative	204,290	2,000
Total Operating Expenses	204,290	2,000
Total Operating Income (Loss)	120,626	-2,000
Other Income (Expenses)		
Depreciation	-35,975	0
Interest Expense	-833	0
Other Income	0.54	0
Net Income/(Loss)	83,818	-2,000
Net Income/(Loss) Per Share	0.01	0
Weighted Average Shares Outstanding	32,366,556	63,318,768

The accompanying notes are an integral part of these consolidated
financial statements

Luminart Corp.
Consolidated Statement of Cash Flows
(expressed in U.S. dollars)

For the Twelve Months Ended December 31, 2011
(Unaudited)

OPERATING ACTIVITIES	
Net Income	108,851
Adjustments to reconcile Net Income to net cash provided by operations:	
Depreciation	35,975
Accounts Receivable	-327,117
Other Assets	-19,849
Accounts Payable	188,596
Short Term Liabilities	147,771
Net cash provided by Operating Activities	<u>134,227</u>
INVESTING ACTIVITIES	
Autos & Trucks	-179,877
Computer Equipment	-684
Land and Real Estate	-3,008,000
Net cash provided by Investing Activities	<u>-3,188,561</u>
FINANCING ACTIVITIES	
Long Term Loans	1,490,000
Additional Paid-in Capital	1,693,355
Net cash provided by Financing Activities	<u>3,183,355</u>
Net cash increase for period	129,022
Cash at beginning of period	<u>2,500</u>
Cash at end of period	<u><u>131,522</u></u>

1. Corporate History

07 / 05 / 1984 Past-Tell, Inc. Founded, a Utah Corporation
03 / 24 / 1987 Past-Tell, Inc. moved incorporation from Utah to Nevada
11 / 07 / 1996 Past-Tell acquired by Chaos Group, Inc., a Nevada Corporation
04 / 27 / 1998 Chaos Group changed name to Luminart Corp., a Nevada Corporation
05 / 27 / 2009 Luminart changed its domicile to Wyoming
07 / 28 / 2011 Black and Blue Water Services Formed
08 / 12 / 2011 Share exchange with B3 Well Services and Luminart Preferred A shareholders

For the period 2007 through the mergers with Black & Blue and B3 Well Services Luminart was inactive with the only expenses being fixed asset depreciation, amortization of its patent and payroll of two (2) executives.

2. Summary of Significant Accounting Policies

a) Basis of Presentation

These consolidated financial statements and related notes are presented in accordance with accounting principles generally accepted in the United States, and are expressed in US dollars.

The Company's fiscal year-end is December 31.

b) Financial Statements

These unaudited financial statements have been prepared in accordance with accounting principles generally accepted in the United States for interim financial. They do not include all of the information and footnotes required by generally accepted accounting principles for complete consolidated financial statements.

The consolidated financial statements included herein are unaudited; however, they contain all normal recurring accruals and adjustments that, in the opinion of management, are necessary to present fairly the Company's financial position December 31, 2011, and the results of its operations and cash flows for the three and twelve month periods ended December 31, 2011 and 2010. The results of operations for the period ended December 31, 2011 are not necessarily indicative of the results to be expected for future quarters or the full year.

c) The Company anticipates listing on an exchange as soon as it completes its capital financing. The Company will be using the 12G reporting format even though it is currently not reporting.

d) Use of Estimates

The preparation of these consolidated financial statements in conformity with generally accepted accounting principles in the United States requires management to make estimates and

assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the consolidated financial statements and the reported amounts of revenues and expenses during the reporting period. The Company regularly evaluates estimates and assumptions related to valuation allowances on accounts receivable and inventory, valuation and amortization policies on property and equipment, stock-based compensation expense, and valuation allowances on deferred income tax losses. The Company bases its estimates and assumptions on current facts, historical experience and various other factors that it believes to be reasonable under the circumstances, the results of which form the basis for making judgments about the carrying values of assets and liabilities and the accrual of costs and expenses that are not readily apparent from other sources. The actual results experienced by the Company may differ materially and adversely from the Company's estimates. To the extent there are material differences between the estimates and the actual results, future results of operations will be affected.

e) Cash and Cash Equivalents

The Company considers all highly liquid instruments with maturity of three months or less at the time of issuance to be cash equivalents. As at December 31, 2011 and December 31, 2010, the Company had no cash equivalents.

f) Accounts Receivable

Accounts receivable are stated at their principal balances and are non-interest bearing and unsecured. Management conducts a periodic review of the collectability of accounts receivable and deems all unpaid amounts greater than 30 days to be past due. If uncertainty exists with respect to the recoverability of certain amounts based on historical experience or economic climate, management will establish an allowance against the outstanding receivables.

g) Property and Equipment

Property and equipment are recorded at cost. Depreciation is calculated on the straight-line method over the estimated useful lives of the assets. Leasehold improvements are amortized over the shorter of the anticipated lease term or the estimated useful life. The Company's policy is to capitalize items with a cost greater than \$4,000 and an estimated useful life greater than one year. The Company reviews all property and equipment for impairment at least annually. Typically, the company depreciates its assets over a 5 year period except for the patent which was amortized on a 15 year basis.

h) Revenue Recognition

The Company will recognize revenue from the sale of its services in accordance with Securities and Exchange Commission Staff Bulletin No. 104 ("SAB 104"), *"Revenue Recognition in Financial Statements"*. Revenue will be recognized only when the price is fixed or determinable, persuasive evidence of an arrangement exists, the service is provided, and collectability is assured.

i) Net Income (Loss) Per Share

The Company computes net income (loss) per share in accordance with SFAS No. 128, "*Earnings per Share*". SFAS No. 128 requires presentation of both basic and diluted earnings per share (EPS) on the face of the income statement. Basic EPS is computed by dividing net income (loss) available to common shareholders (numerator) by the weighted average number of shares outstanding (denominator) during the period. Diluted EPS gives effect to all dilutive potential common shares outstanding during the period using the treasury stock method and convertible preferred stock using the if-converted method. In computing Diluted EPS, the average stock price for the period is used in determining the number of shares assumed to be purchased from the exercise of stock options or warrants. Diluted EPS excludes all dilutive potential shares if their effect is anti dilutive.

j) Comprehensive Income/Loss

SFAS No. 130, "*Reporting Comprehensive Income*," establishes standards for the reporting and display of comprehensive loss and its components in the consolidated financial statements.

l) Financial Instruments

SFAS No. 157, "*Fair Value Measurements*" requires an entity to maximize the use of observable inputs and minimize the use of unobservable inputs when measuring fair value. SFAS No. 157 establishes a fair value hierarchy based on the level of independent, objective evidence Ethos Environmental, Inc. surrounding the inputs used to measure fair value. A financial instrument's categorization within the fair value hierarchy is based upon the lowest level of input that is significant to the fair value measurement. SFAS No. 157 prioritizes the inputs into three levels that may be used to measure fair value:

Level 1

Level 1 applies to assets or liabilities for which there are quoted prices in active markets for identical assets or liabilities.

Level 2

Level 2 applies to assets or liabilities for which there are inputs other than quoted prices that are observable for the asset or liability such as quoted prices for similar assets or liabilities in active markets; quoted prices for identical assets or liabilities in markets with insufficient volume or infrequent transactions (less active markets); or model-derived valuations in which significant inputs are observable or can be derived principally from, or corroborated by, observable market data.

Level 3

Level 3 applies to assets or liabilities for which there are unobservable inputs to the valuation methodology that are significant to the measurement of the fair value of the assets or liabilities.

The Company's financial instruments consist principally of cash, accounts receivable, other assets, and accounts payable and accrued liabilities. Pursuant to SFAS No. 157, the fair value of our cash is determined based on "Level 1" inputs, which consist of quoted prices in active markets for identical assets. We believe that the recorded values of all of our other financial instruments approximate their current fair values because of their nature and respective maturity dates or durations.

m) Foreign Currency Translation

The Company's functional and reporting currency is the United States dollar. Monetary assets and liabilities denominated in foreign currencies are translated in accordance with SFAS No. 52 "*Foreign Currency Translation*" using the exchange rate prevailing at the balance sheet date. Gains and losses arising on translation or settlement of foreign currency denominated transactions or balances are included in the determination of income. Foreign currency transactions are primarily undertaken in Canadian dollars. The Company has not, to the date of these financial statements, entered into derivative instruments to offset the impact of foreign currency fluctuations. During the period ended December 31, 2011, the Company had no transactions that resulted in foreign currency translation.

n) Advertising Costs

Advertising costs are expensed as incurred and are recorded in the consolidated financial statements as selling expense.

o) Income Taxes

Potential benefits of income tax losses are not recognized in the accounts until realization is more likely than not. The Company has adopted SFAS No. 109 "*Accounting for Income Taxes*" as of its inception. Pursuant to SFAS No. 109 the Company is required to compute tax asset benefits for net operating losses carried forward. The potential benefits of net operating losses have not been recognized in these consolidated financial statements because the Company cannot be assured it is more likely than not it will utilize the net operating losses carried forward in future years.

p) Stock-Based Compensation

The Company records stock-based compensation in accordance with SFAS No. 123R "Share Based Payments", using the fair value method. All transactions in which goods or services are the consideration received for the issuance of equity instruments are accounted for based on the fair value of the consideration received or the fair value of the equity instrument issued, whichever is more reliably measurable. Equity instruments issued to employees and the cost of

the services received as consideration are measured and recognized based on the fair value of the equity instruments issued.

q) Reclassifications

Certain of the figures presented for comparative purposes have been reclassified to conform to the presentation adopted in the current period.

3. Property and Equipment

	Cost	Accum. Amort.	Net Book Value	
			Dec. 31, 2011	Dec. 31, 2010
	\$	\$	\$	\$
Real Property	3,008,000	0	3,008,000	0
Computers	135,510	134,827	684	0
				0
Equipment	417,873	417,873	0	0
Furniture and Fixtures	183,732	183,732	0	0
Vehicles	177,260	35,975	141,285	0
Patents	900,000	900,000	0	0
	4,822,375	1,672,407	3,149,969	0

4. Notes Payable

a) During the period ended December 31, 2011, the Company assumed Notes in the amount of \$970,000 against the real property and \$250,000 issued to a director of the Company. These Notes were added to a \$145,000 Note issued by Luminart in 2011 and a Note in the amount of \$125,000 dated in 2005.

b) The Company is negotiating a \$1,000,000 line of credit for equipment financing. Currently, none of the line has been used.

c) The Company has not, nor will it, paid any finder's fees for debt.

6. Common and Preferred Shares

a) At the close of 2010, the Company had issued and outstanding 67,518,768 shares of common stock and 4,400,000 shares of convertible preferred shares. With the merger, the Company converted 35,152,212 shares of common stock to 7,030,442 Series A convertible preferred shares. 4,000,000 of the original Series A convertible preferred shares issued to the

Bentley Family for the merger with B3 and Black & Blue were converted from Series A convertible preferred shares owned by the Company CEO.

7. Commitments and Contingencies

a) The Company currently leases space for its corporate headquarters. The terms are for 3 years.

Leases for the Black & Blue and B3 facilities are yet to be determined, therefore not included below.

The Company's future annual minimum lease payments are as follows:

	<u>Amount</u>
	\$
December 31, 2011	1,000
December 31, 2012	36,000
December 31, 2013	36,000
	<u>73,000</u>

8. Subsequent Events

a) The Company has recently executed trucking contracts which will generate rates between \$105 and \$125 per hour. Typical operations per vehicle run 12 hour days, 25 days per month.

b) The Company has executed a mining aggregate operating revenue sharing agreements at three sites.

ITEM 2. MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

CAUTIONARY FORWARD - LOOKING STATEMENT

Statements included in this Management's Discussion and Analysis of Financial Condition and Results of Operations, and in future filings by the Company with the Securities and Exchange Commission, in the Company's press releases and in oral statements made with the approval of an authorized executive officer which are not historical or current facts are "forward-looking statements" made pursuant to the safe harbor provisions of the Private Securities Litigation Reform Act of 1995 and are subject to certain risks and uncertainties that could cause actual results to differ materially from historical earnings and those presently anticipated or projected. The Company wishes to caution readers not to place undue reliance on any such forward-looking statements, which speak only as of the date made. The following important factors, among others, in some cases have affected and in the future could affect the Company's actual results and could cause the Company's actual financial performance to differ materially from that expressed in any forward-looking statement: (i) the extremely competitive conditions that currently exist in the three dimensional software development marketplace are expected to continue, placing further pressure on pricing which could adversely impact sales and erode profit margins; (ii) many of the Company's major competitors in its channels of distribution have significantly greater financial resources than the Company; and (iii) the inability to carry out marketing and sales plans would have a materially adverse impact on the Company's projections. The foregoing list should not be construed as exhaustive and the Company disclaims any obligation subsequently to revise any forward-looking statements to reflect events or circumstances after the date of such statements or to reflect the occurrence of anticipated or unanticipated events.

Item 1. Description of Business

Overview

Luminart is a publicly traded company (LUMP.PK) and the parent company of Black & Blue Water Service and B3 Well Services.

Luminart Corp. was involved in the sale and marketing of proprietary sign making products. The company owns the worldwide manufacturing, patent, and distribution rights to Luminite®, a proprietary acrylic compound used in signs and display materials, dispensing systems and related technology. The Company is no longer marketing its patented product.

The wholly-owned B3 subsidiary will focus on the expansion of: contract hauling materials for infrastructure development in North Dakota, mining and processing materials for road building, and expansion of the base camp of the North Dakota operations, sales, and marketing.

Black & Blue Water Service LLC is a wholly-owned subsidiary of Luminart and specializes in fluid management, focusing on the transportation of water and drilling fluids in the Bakken oil fields of North Dakota, and soon-to-be Montana. Bakken is an 8 million acre major crude oil and

natural gas reserve under exploration. The Company has negotiated a site location for drilling the first of many disposal wells in the Bakken field. The wells will provide a controlled disposal and additional defined revenue to the hauling services of the division. It is anticipated the oil drilling will require disposal of waste water at ratio of 2 barrels of waste water to every barrel of produced oil.

Employees

As of December 31, 2011, we employed 6 full-time employees and 0 part-time employees. None of our employees is subject to a collective bargaining agreement and we believe that relations with our employees are very good. We also frequently use third party consultants to assist in the completion of various projects. Third parties are instrumental to keep the development of projects on time and on budget.

The Company has executed 3-year employment contracts with Wm. Michael Reynolds, Burke I. Bentley and Thomas W. Maher effective December 13, 2011.

RESULTS OF OPERATIONS FOR THE PERIOD ENDED NOVEMBER 30, 2011 COMPARED TO THE PERIOD ENDED NOVEMBER 30, 2010.

The management of Luminart is excited by the enthusiastic acceptance our services have received in North Dakota. We are proud to provide a service that is part of the solution to the high cost of fuel. Since inception management has been focused on the development of a solid infrastructure, building relationships and establishing the foundation of a business that will continue to grow – non-stop – into the future.

Results of Operations

Revenues

During the three month and twelve month periods ended December 31, 2011, the Company recognized revenues of \$1,006,168 and \$1,351,095, respectively compared with \$0 for the three and twelve months ended December 31, 2010. The increase in revenue is due entirely to the merger with B3 and Black and Blue.

Our future growth is significantly dependent upon our ability to generate sales. Our main priorities relating to revenue are: (1) increase market awareness of our services through our sales and marketing plan, (2) growth in the number of customers and vehicles per customer, and (3) providing extensive customer service and support.

Gross Profit

Gross profit for the three months and twelve months ended December 31, 2011 was \$324,916 and \$465,081, respectively compared with \$0 for the four months ended December 31, 2010.

Operating Expenses

The Company's current operating expenses are comprised of costs associated with general and administrative costs such as staff salaries and business development.

For the three and twelve months ended December 31, 2011, the Company incurred general and administrative expense of \$204,290 and \$318,481, respectively compared with \$2,000 and \$4,614, respectively for the three months and twelve months ended December 31, 2010. Overall, these expenses are incurred by B3 Well Services as it grows.

Other Income (Expenses)

Depreciation/Amortization

During the twelve months ended December 31, 2011 the Company experienced depreciation expense of \$35,975 and amortization of \$0 as compared to \$31,366 for the twelve months ended December 31, 2010. The Company expenses depreciation as of December 31.

Interest Expense

For the three and twelve months ended December 31, 2011, the Company incurred interest expense of \$833 and \$1,778, respectively, compared to \$0 for the twelve months ended December 31, 2010.

Net Profit/Loss

For the three months and twelve months ended December 31, 2011, the Company experienced a net profit of \$83,818 and \$108,851 compared with a net loss of \$2,000 and \$35,980 respectively, for the same periods ended December 31, 2010. The increase is attributed to the effects of the merger with B3 and Black & Blue.

Common Shares

As of December 31, 2011 the Company had 32,366,768 shares of common stock issued and outstanding. As of December 31, 2010, the Company had 63,318,768 shares of common stock issued and outstanding. During the twelve months ending December 31, 2011 the Company converted 35,152,212 shares of common stock to 7,030,442 shares of Series A preferred stock and converted 4,000,000 shares of Series A preferred stock owned by the Company's CEO for the merger with B3 and Black & Blue. The fair value of the share issuances were based on the end-of-day closing share price of the Company's common stock as quoted on OTC Markets.com traded on the Pink Sheets (LUMP-PK).

Liquidity and Capital Resources

At December 31, 2011, we had cash of \$131,522, current assets of \$478,488, total assets of \$3,630,057, total liabilities of \$1,826,367, and stockholders' equity of \$1,803,690.

As at December 31, 2011, we had a working capital of \$142,121 compared with a working capital of \$500 as of December 31, 2010. The increase in the working capital is primarily attributed to the increase in accounts receivable.

Income Taxes

The Company has adopted SFAS No. 109 "Accounting for Income Taxes" as of its inception. Pursuant to SFAS No. 109 the Company is required to compute tax asset benefits for net operating losses carried forward. The potential benefits of net operating losses have not been recognized in these consolidated financial statements because the Company cannot be assured it is more likely than not it will utilize the net operating losses carried forward in future years. The Company has \$6,877,748 of net operating losses to carry forward to offset taxable income in future years. These net operating losses expire through fiscal 2030.

<u>Period Incurred</u>	<u>Net Loss</u>	<u>Expiration Date of Operating Loss</u>
1995	\$125,346	2015
1996	\$1,377,871	2016
1997	\$396,406	2017
1999	\$1,330,518	2019
2000	\$767,457	2020
2001	\$574,359	2021
2002	\$736,701	2022
2003	\$387,092	2023
2004	\$380,201	2024
2005	\$393,615	2025
2006	\$213,257	2026
2007	\$176,052	2027
2009	\$89,752	2029
2010	\$35,980	2030

Off-Balance Sheet Arrangements

We do not have any off-balance sheet arrangements that have or are reasonably likely to have a current or future effect on our financial condition, changes in financial condition, revenues or expenses, results of operations, liquidity, capital expenditures or capital resources that are material to our investors.

Critical Accounting Policies

Use of Estimates

The preparation of these consolidated financial statements in conformity with generally accepted accounting principles in the United States requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the consolidated financial statements and the reported amounts of revenues and expenses during the reporting period. The Company regularly evaluates estimates and assumptions related to valuation allowances on accounts receivable and inventory, valuation and amortization policies on property and equipment, and valuation allowances on deferred income tax losses. The Company bases its estimates and assumptions on current facts, historical experience and various other factors that it believes to be reasonable under the circumstances, the results of which form the basis for making judgments about the carrying values of assets and liabilities and the accrual of costs and expenses that are not readily apparent from other sources. The actual results experienced by the Company may differ materially and adversely from the Company's estimates. To the extent there are material differences between the estimates and the actual results, future results of operations will be affected.

Revenue Recognition

The Company will recognize revenue from the sale of its logistics services in accordance with Securities and Exchange Commission Staff Bulletin No. 104 ("SAB 104"), "*Revenue Recognition in Financial Statements*". Revenue will be recognized only when the price is fixed or determinable, persuasive evidence of an arrangement exists, the service is provided, and collectibility is assured.

Stock-Based Compensation

The Company records stock-based compensation in accordance with SFAS No. 123R "*Share-Based Payments*", using the fair value method. All transactions in which goods or services are the consideration received for the issuance of equity instruments are accounted for based on the fair value of the consideration received or the fair value of the equity instrument issued, whichever is more reliably measurable. Equity instruments issued to employees and the cost of the services received as consideration are measured and recognized based on the fair value of the equity instruments issued. During the twelve months ended December 31, 2011 the Company had no stock-based compensation.

OTHER INFORMATION.

ITEM 1. LEGAL PROCEEDINGS.

From time to time, we may be involved in routine legal matters incidental to our business. In the opinion of management, the ultimate resolution of such matters will not have a material adverse effect on our financial position, results of operations or liquidity. Currently, we are not involved in any legal proceedings.

Issuances of Securities:

- a) On December 31, 2010, the Company issued 4,200,000 common shares of the Company at \$0.02 per common share to offset accrued payroll to an officer.
- b) On August 1, 2011, the Company issued 4,000,000 preferred shares of the Company for the merger with B3 Well Services and Black & Blue Water Service LLC, cancelling 4,000,000 shares owned by the Company's CEO.
- c) On August 12, 2011, the Company converted, 35,152.212 common shares of the Company at \$0.001 per common share for 7,030,442 shares of Series A preferred stock at \$0.001.

ITEM 2. DEFAULTS UPON SENIOR SECURITIES.

None

ITEM 3. SUBMISSION OF MATTERS TO A VOTE OF SECURITY HOLDERS.

None

ITEM 4. OTHER INFORMATION.

- a) The Company engaged Oaktree Ventures for third party valuation and business plan.
- b) The Company engaged Doug Ruark for preparation of its 506 offering.
- c) The Company engaged Salas & Giacinto as its CPA firm.
- d) The Company has engaged Phillip Koehnke, APC, Encinitas, CA as legal counsel, The Company has engaged Greenberg Traurig of Irvine, CA as legal counsel.
- e) The Company has engaged a legal firm in North Dakota to assist in negotiating land leases required there.

ITEM 5. CHANGES AND DISAGREEMENTS WITH ACCOUNTANTS ON ACCOUNTING DISCLOSURE.

We have had no disagreements with our independent accountants on accounting procedures.

ITEM 6. CONTROLS AND PROCEDURES.

Management's report on Internal Control over Financial Reporting.

Our management is responsible for establishing and maintaining adequate internal control over financial reporting. Under the supervision and with the participation of our management, including our Chief Executive Officer and Chief Financial Officer, we conducted an evaluation of the effectiveness of our internal control over financial reporting as of December 31, 2011 using the criteria established in Internal Control – Integrated Framework issued by the Committee of Sponsoring Organizations of the Treadway Commission (COSO).

A material deficiency is a weakness, or combination of deficiencies, in internal control over financial reporting, such that there is a reasonable possibility that material misstatement of the Company's annual or interim financial statements will not be prevented or detected on a timely basis. In its assessment of the effectiveness of internal control over financial reporting as of December 31, 2011, the Company determined that there were no control deficiencies that constituted material weaknesses.

ITEM 7. Directors and Executive Officers

The following sets forth the names as of December 31, 2011 of the members of the Executive Officers and Board of Directors, their respective positions and the period during which has served as an Executive Officer and Director of the Company:

Name	Position	Director/Officer Since
Wm. Michael Reynolds	Chief Executive Officer/Director	1998
Burke I. Bentley	President/Director	2011
Thomas W. Maher	Chief Financial Officer/Director	1998
Randy Bentley	Director	2011

All Directors serve until their successors have been duly elected and qualified, unless they earlier resign.

Wm. Michael Reynolds:

Since 1996 Mr. Reynolds has been Chairman and Chief Executive officer of Luminart Corp and its predecessors, Chaos Group, Inc. and Past-Tell, Inc. Mr. Reynolds is an experienced Chairman and C level executive. He has directed the transition from start up revenue to substantial revenue in multiple market segments over his successful career. His passion, leadership and turn around talent in the waste management business molded G I Industries into a public acquisition target in less than 2 years. The stock value grew from fifty cents a share to over eleven dollars and was bought out by Waste Management a public company. The key to his success is pragmatic operations combined with equity driven management. The defined goal is to drive the market multiple into M&A for accelerated growth. "Black Monday" 1987 gave Mr. Reynolds a springboard into building a regulated clearing broker-dealer into a west coast leader

in service and trading revenues. His ability to find value as a trader and pragmatic operator drove the company from five cents a share to trade over six dollars during his term as President and Vice Chairman of the Beverly Hills broker-dealer. The company went on to trade over fifty dollars a share. His involvement in consulting and market making has helped hundreds of small public companies become nationally listed and are still traded today. Mr. Reynolds believes that management has a responsibility to govern greed in every transaction to protect shareholder interest.

Burke Bentley:

Burke Bentley has been in business for just under 10 years. Burke's experience started with him co-founding Rock Creek Livestock LLC (2005), which provided the capital and laid the groundwork to move on to acquiring the Aggregate business he concurrently runs. From 2007 to 2008 Burke worked to develop the Snowville Aggregate site, and in this process, jointly assessed the quantity and quality of aggregate with Klienfielder geological services. In 2010, Rock Creek purchased 1200 acres in Franklin, Id. to expand the Aggregate portion of the business. 2011 marked the start of 3 new Aggregate sites, one in Franklin, Idaho and the other 2 in North Dakota as a part of the development of B3 Well Services LLC.

Thomas W. Maher:

Mr. Maher brings more than 25 years of seasoned senior finance and administration executive experience with private and public companies. He has been the CFO of Luminart Corp. since its merger with Chaos Group in 1998. He is also experienced as Chief Financial Officer for a public-reporting automotive additive company. Prior to this, Mr. Maher exercised his entrepreneurial expertise as CFO of a start-up telecommunications company for five (5) years. The company grew to an annual revenue base exceeding \$5 million and was subsequently sold at a substantial profit to all investors. In addition, he has held mid- and senior management positions in commercial and residential construction, data systems, in the automobile manufacturing/financial industry and in commercial banking.

ITEM 8. BENEFICIAL OWNERSHIP REPORTING COMPLIANCE

Section 16 of the Securities Exchange Act of 1934 requires the Company's Directors and certain Executive Officers and certain other beneficial owners of the Company's common stock to periodically file notices of changes in beneficial ownership of common stock with the Securities Exchange Commission. To the best of the Company's knowledge, based solely of copies of reports received by it, and the written representations of its Officers and Directors, the Company believes that for 2011 all required filings were timely filed by each of its current Officers and Directors.

ITEM 9. CODE OF ETHICS

We have adopted a Code of Ethics and Conduct for Officers, Directors and Employees that applies to all of our officers, directors and employees.

ITEM 10. AUDIT COMMITTEE

The Company has an Audit Committee to oversee our internal controls and financial reporting process. Mr. Burke Bentley is the Chairman of our Audit Committee, which also includes Mr. Randy Bentley.

ITEM 11. EXECUTIVE COMPENSATION

The following executive compensation was paid in 2010 and 2011:

Name and Principal Office	Fiscal Year	Salary	Bonus	Stock	Total
Wm. Michael Reynolds CEO	2010	\$0	\$0	\$0	\$0
	2011	\$0	\$0	\$0	\$0
Burke I. Bentley President	2011	\$0	\$0	\$0	\$0
Thomas W. Maher CFO	2010	\$0	\$0	\$0	\$0
	2011	\$0	\$0	\$0	\$0

There were no stock options granted or exercised by the named executive officers in 2011.

OPTION EXERCISES AND STOCK VESTED

There were no options exercised or stock vested during the year ended December 31, 2011.

PENSION BENEFITS AND NONQUALIFIED DEFERRED COMPENSATION

The Company does not maintain any qualified retirement plans or nonqualified deferred compensation plans for its employees or directors.

DIRECTOR COMPENSATION

Directors receive no compensation for in-person meetings of the Board of Directors.

ITEM 12. SECURITY OWNERSHIP OF CERTAIN BENEFICIAL OWNERS AND MANAGEMENT AND RELATED STOCKHOLDER MATTERS

The following table sets forth certain information regarding beneficial ownership of our common stock as of December 31, 2011; (i) by each of our directors and executive officers, (ii) by each person or entity known by us to beneficially own more than 5% of any class of our outstanding shares. As of December 31, 2011 there were 32,366,556 shares of the registrant's Common Stock outstanding and 11,430,442 shares of Series A Convertible Preferred Stock outstanding.

Name of Beneficial Owner	Shares	Category	Percentage of Class
William J. Ritger	2,000,000	Common	6%
Burke I Bentley	4,000,000	Preferred	35%
Thomas W. Maher	1,720,000	Preferred	15%
Wm. Michael Reynolds	3,663,342	Preferred	32%

CHANGE IN CONTROL

We know of no plans or arrangements that will result in a change of control at the Company.

ITEM 13. CERTAIN RELATIONSHIPS AND RELATED TRANSACTIONS, AND DIRECTOR INDEPENDENCE

The Company is not aware of any relationships or related transactions of any Directors or Executive Officers considered materially significant for financial reporting purposes.

ITEM 14. PRINCIPAL ACCOUNTING FEES AND SERVICES

During the year ended December 31, 2011, we engaged Salas & Giacinto Certified Public Accountants and incurred fees of \$2,000.00.