For Period Ended: June 30, 2012

LUMINART CORP.

Wyoming	**87-0413934**
(State or other jurisdiction of incorporation or organization)	(IRS Employer Identification No.)

Post Office Box 1059, Stanley, ND 58784
(Address of principal executive offices)

(949) 273-8068
(Registrant's telephone number, including area code)

Issuer’s revenues for its most recent fiscal year to-date**:** $4,919,871

As of June 30, 2012, there were 32,311,445 shares of the registrant’s Common Stock outstanding and 11,940,442 shares of Series A Preferred Stock outstanding.

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

	June 30, 2012	**June 30, 2011**
	$	$
	(Unaudited)	**(Unaudited)**
ASSETS		
Current Assets		
Cash	62,551	38,216
Accounts Receivable, net of allowance of doubtful accounts	1,813,598	0
Inventory	2,105,000	0
Other Current Assets	326,454	0
Total Current Assets	**4,307,603**	**38,216**
Property and Equipment (Net)	3,755,473	0
Other Assets	500	500
Total Assets	**8,063,576**	**38,716**
LIABILITIES AND STOCKHOLDERS' DEFICIT		
Current Liabilities		
Accounts Payable	1,728,562	0
Accrued Liabilities	5,293	0
Notes Payable	1,718,577	175,000
Total Liabilities	**3,452,433**	**175,000**

Stockholders' Equity

Common Stock (Note 6)	32,311	67,519
Authorized: 185 million common shares, par value: $0.001 per share Issued and outstanding: 32,311,445 and 67,518,768 common shares respectively.		
Preferred Stock (Note 6)	11,940	4,400
Authorized 15 million preferred shares, par value $0.001 per share. Issued and outstanding 11,940,442 and 4,400,000 respectively		
Additional Paid-In Capital	11,184,049	6,981,680
Accumulated Deficit	-6,692,506	-7,189,882
Total Stockholders' Equity	4,535,794	-136,284
Total Liabilities and Stockholders' Equity	**8,063,576**	**38,716**

(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 June 30, 2012 $ (Unaudited)	For Three Months Ended June 30, 2011 $ (Unaudited)
Revenue	2,809,101	0
Cost of Sales	2,242,134	0
Gross Profit	**566,967**	**0**
Operating Expenses		
General and Administrative	387,503	11,964
Total Operating Expenses	**387,503**	**11,964**
Total Operating Income (Loss)	**179,464**	**-11,964**
Other Income (Expenses)		
Depreciation	0	0
Interest Expense		0
Other Income	0	0
Net Income/(Loss)	**179,464**	**-11,964**
Net Income/(Loss) Per Share	**0.01**	**0.00**
Weighted Average Shares Outstanding	**32,311,445**	**67,518,768**

(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 Six Months Ended June 30, 2012 $ (Unaudited)	**For Six Months Ended June 30, 2011 $ (Unaudited)**
Revenue	4,919,871	0
Cost of Sales	3,592,648	0
Gross Profit	**1,327,223**	**0**
Operating Expenses		
General and Administrative	922,589	14,284
Total Operating Expenses	**922,589**	**-14,284**
Total Operating Income (Loss)	**404,634**	**-14,284**
Other Income (Expenses)		
Depreciation	0	0
Other Interest Expense	2,243	0
Other Income	0	0
Net Income/(Loss)	**402,391**	**-14,284**
Net Income/(Loss) Per Share	**0.01**	**0.00**
Weighted Average Shares Outstanding	**32,311,445**	**67,518,768**

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

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

	For the Six Months. Ended June 30, 2012 $ (Unaudited)
OPERATING ACTIVITIES	
Net Income	402,391
Adjustments to reconcile Net Income to net cash provided by operations:	
Accounts Receivable	-1,351,331
Accounts Payable	1,172,484
Net Increase in Inventory	-2,105,000
Net cash provided by Operating Activities	-1,881,456
Trucks and Equipment	-515,761
Net cash provided by Investing Activities	-515,761
FINANCING ACTIVITIES	
Net Loans	56,300
Equity for Acquisitions	2,271,946
Net cash provided by Financing Activities	2,330,246
Net Cash Increase (Decrease)	-68,971
Cash Beginning of Period	**131,522**
Cash End of Period	62,551

Luminart Corp.
Consolidated Statements of Stockholder's Equity
(Expressed in US. Dollars)

	Common Stock		Preferred Stock			Accumulated	Total
	Shares	Par Value	Shares	Par Value	Additional Paid-In Capital	Deficit	Equity
	#	$	#	$	$	$	$
Balance December 31, 2008	54,518,767.00	54,518.77	8,400,000.00	8,400.00	6,921,680.00	(6,860,868.03)	123,730.74
Issuance Common Shares for Services	2,000,000.00	2,000.00			(2,000.00)		
Issuance Common Shares for Services	6,300,000.00	6,300.00			(6,300.00)		
Shares converted to debt			(4,000,000.00)	(4,000.00)	(121,000.00)		
Net Loss for 2009						(89,750.52)	(89,750.52)
Balance December 31, 2009	62,818,767.00	62,818.77	4,400,000.00	4,400.00	6,981,380.00	(7,139,618.55)	(91,019.78)
Issuance Common Shares for Services	500,000.00	500.00			4,500.00		
Issuance Common Shares for Services	4,200,000.00	4,200.00			(4,200.00)		
Net Loss for 2010						(35,980.22)	
Balance December 31, 2010	67,518,767.00	67,518.77	4,400,000.00	4,400.00	6,981,680.00	(7,175,598.77)	(122,000.00)
Merger with B3 Well Services, LLC			4,000,000.00	4,000.00	1,627,000.00		
Conversion of Common to Preferred	(35,152,211.00)	(35,152.21)	3,040,442.00	3,040.44	28,961.00		
Adjust NOL						189,000.00	
Net Profit for 2011						108,851.00	
Balance December 31, 2011	32,366,556.00	32,366.56	11,440,442.00	11,440.44	8,637,641.00	(6,877,747.77)	1,803,690.23
Add B3 Equipment from prior owner					305,896.00		
Adjust NOL						(190,736.23)	
Net Profit 3/31/2012						196,514.00	
Balance March 31, 2012	32,366,556.00	32,366.56	11,440,442.00	11,440.44	8,943,537.00	(6,871,970.00)	2,115,364.00
Merger White Star Sand & Gravel			200,000.00	200.00	895,868.00		
Debt converted to Preferred shares			200,000.00	200.00	199,800.00		
Merger OutWest Field Services			100,000.00	100.00	1,199,900.00		
Shares Issued for Debt	500,000.00	500.00			499,500.00		
Shares Issued for Debt	5,000.00	5.00			4,995.00		
Shares Issued for Debt	10,000.00	10.00			9,990.00		
Shares Issued for Debt	164,889.00	164.89			164,724.00		

Cancellation of Director Common Stock	(750,000.00)	(750.00)			(749,250.00)		
Shares Issued for Debt	5,000.00	5.00			4,995.00		
Shares Issued for Debt	10,000.00	10.00			9,990.00		
Adjust NOL							
Net Profit 6/30/2012						179,464.00	
Balance June 30, 2012	32,311,445.00	32,311.45	11,940,442.00	11,940.44	11,184,049.00	(6,692,506.00)	4,535,794.89

Luminart Corp.
Notes to the Consolidated Financial Statements
(expressed in U.S. dollars)

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
01 / 01 / 2012 White Star Sand & Gravel LLC Acquired
05 / 17 / 2012 OutWest Field Services LLC Formed

For the period 2007 through the merger with B3 Well Services and the formation of Black & Blue Water Service 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) Interim Financial Statements

These interim unaudited financial statements have been prepared in accordance with accounting principles generally accepted in the United States for interim financials. 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 June 30, 2012 and the results of its operations and cash flows for the three and six month periods ended June 30, 2012 and 2011. The results of operations for the period ended June 30, 2012 are not necessarily indicative of the results to be expected for future quarters or the full year.

2. Summary of Significant Accounting Policies (continued)

c) 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 periods. 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.

d) 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 June 30, 2012 and December 31, 2011, the Company had no cash equivalents.

e) 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.

f) 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.

i) 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.

j) 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.

k) 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 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 June 30, 2009, 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 30-Jun-12	30-Jun-11
	$	$	$	$
Real Property	3,008,000	0	3,008,000	0
Leasehold Improvements	75,349	0	75,349	0
Computers	135,510	134,827	683	0
Equipment	442,437	417,873	24,564	0
Furniture and Fixtures	191,820	183,732	8,088	0
Vehicles	3,635,582	2,996,793	638,789	0
Patents	900,000	900,000	0	0
	8,388,698	**4,633,225**	**3,755,473**	**0**

4. Notes Payable

a) During the period ended June 30, 2012, the Company issued Notes in the amount of $212,500 for vehicle purchases and retired $150,000 in long-term debt.

5. Common and Preferred Shares

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 35,152,211 shares of common stock to 7,040,442 convertible preferred shares. Of this, 4,000,000 of the convertible preferred shares were issued to the Bentley Family for the acquisition of B3 and the formation of Black & Blue. During the most recent quarter, the company acquired the remaining 50% of White Star Sand & Gravel LLC and issued 200,000 shares of preferred stock. For the period ending June 30, 2012, the company converted $100,000 of long-term debt to 200,000 shares of preferred stock. As well, in May, 2012 the company formed OutWest Field Services and issued 100,000 shares of preferred stock for the acquisition of equipment and to secure the services of Michael Phillips. During the most recent quarter the company issued 694,889 shares of common stock and retired 750,000 shares of common stock owned by the Chief Executive Officer.

At a special meeting of the Board of Directors it was agreed to reduce the authorized common shares from 900 million to 185 million, and to reduce the authorized preferred shares from 50 million to 15 million.

6. Commitments and Contingencies

a) The Company currently leases space for its Accounting offices in Bountiful, UT and its corporate headquarters in Stanley, ND. The terms are for 12 months at $1,395 per month.

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

	Amount **$**
December 31, 2012	12,950
	12,950

7. Subsequent Events

The company has acquired the full operations of White Star Sand & Gravel, LLC. The acquisition was effective as of January 1, 2012. On April 17, 2012 the Company formed Outwest Field Services LLC, a Wyoming Limited Liability company. Luminart Corp.

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, B3 Well Services, White Star Sand & Gravel and OutWest Field 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 water well drilling in North Dakota.

White Star Sand & Gravel LLC is a wholly-owned subsidiary of Luminart and focuses on infrastructure development in North Dakota, mining and processing materials for road building and meeting oil field needs.

Outwest Field Services LLC is a wholly-owned subsidiary of Luminart concentrating on transportation of heavy equipment and heavy oil field supplies.

Recently, Luminart has begun ground-breaking for man camps as well as truck parking facilities especially designed for the tremendous increase in population in the Bakken Oil Reserve.

Employees

As of June 30, 2012, we employed 33 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 parties and consultants to assist in the completion of various projects. Third parties are instrumental to keep the development of projects on time and on budget.

RESULTS OF OPERATIONS FOR THE PERIOD ENDED JUNE 30, 2012 COMPARED TO THE PERIOD ENDED JUNE 30, 2011.

The management of Luminart is excited by the enthusiastic acceptance our services have received in North Dakota. We are proud to provide services that are part of the solution to the high cost of fuel and infrastructure. 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.

<u>Results of Operations</u>

Revenues

During three month period ended June 30, 2012, the Company recognized revenues of $2,809,101 compared with $0 for the three months ended June 30, 2011. The increase in revenue is due to the acquisition of White Star and increased business from B3 Well Services. For the six month period ending June 30, 2012, gross revenues were $4,919,871 compared to $0 for the same period of 2011.

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, (3) providing extensive customer service and support, and (4) expansion of our services and offerings.

Gross Profit

Gross profit for the three months ended June 30, 2012 was $566,967 compared with $0 for the three months ended June 30, 2011. For the recent six months ended, our Gross Profit rose to $1,327,223 versus $0 in 2011.

U.S. dollars)

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 months ended June 30, 2012, the Company incurred general and administrative expense of $387,503 compared with $11,964 for the three months ended June 30, 2011. For the six months ended June 30, 2012 our Operating Expenses were $922,589 versus $14,284 for the same period in 2011.

Other Income (Expenses*)*

Depreciation/Amortization

The Company expenses depreciation on an annual basis at the end of each year.

Interest Expense

For the three months ended June 30, 2012, the Company incurred other interest expense of $2,243 compared to $0 for the three months ended June 30, 2011. The same numbers exist for the six month periods ending June 30, 2012 and 2011, respectively.

Net Profit/Loss

For the three months ended June 30, 2012, the Company experienced a net profit of $179,464 compared with a net loss of $11,964 for the three months ended June 30, 2011. The increase is attributed to the effects of the acquisition of White Star Sand & Gravel and expanded revenues from B3 Well Services. For the six months ended June 30, 2012 the company experienced a net profit of $402,391 versus a net loss of $14,264 for the same period in 2011.

Common Shares

As of June 30, 2012 the Company had 32,311,445 shares of common stock issued and outstanding. As of June 30, 2011, the Company had 67,518,768 shares of common stock issued and outstanding. The fair value of the share issuances were based on the end-of-day closing share price of the Company's common stock traded on the Pink Sheets (LUMP). A more detailed description of current activity is covered in Note 6, above.

Liquidity and Capital Resources

At June 30, 2012, the Company had cash of $62,551, current assets of $4,307,603, total assets of $8,063,576, total liabilities of $3,452,433, and stockholders' equity of $4,535,794.

As at June 30, 2012, we had a working capital of $2,573,748 compared with a working capital of

$38,216 as of June 30, 2011. The increase in the working capital is primarily attributed to the increase in accounts receivable and inventory.

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 collectability 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 three months ended June 30, 2012 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.

ISSUANCE OF SECURITIES:

1. On December 31, 2010, the Company issued 4,200,000 common shares of common stock at $0.02 per share to offset accrued payroll of an officer.
2. On August 1, 2011, the Company converted 35,152,211 common shares at $0.001 per common share for 7,240,253 shares of preferred stock at $0.001, of which 4,000,000 shares of the preferred stock were issued for the purchase of B3 Well Services LLC and formation of Black & Blue Water Service LLC.
3. On April 6, 2012 the Company issued 189,889 shares of common stock at $0.08 for debt conversion.
4. On May 4, 2012 the Company issued 200,000 shares of preferred stock for the acquisition of White Star Sand & Gravel LLC.
5. On May 18, 2012 the Company issued 100,000 shares of preferred stock for the formation of OutWest Field Services LLC and securing the services of Michael Phillips.
6. On May 22, 2012 the Company issued 5,000 shares of common stock at $0.1408 for debt.
7. On May 31, the Company issued 500,000 shares of common stock at $0.13 for debt.
8. On May 31, 2012 the Company CEO relinquished 750,000 shares of common stock valued at $0.13.
9. On June 6, 2012 the Company issued 200,000 shares of preferred stock for debt.

ITEM 3. DEFAULTS UPON SENIOR SECURITIES.

None

ITEM 4. SUBMISSION OF MATTERS TO A VOTE OF SECURITY HOLDERS.

None

ITEM 5. OTHER INFORMATION.

None.