BEFORE THE
STATE OF WISCONSIN
DEPARTMENT OF FINANCIAL INSTITUTIONS
DIVISION OF SECURITIES

In the matter of,	SUMMARY ORDER TO CEASE AND DESIST
AEGIS OIL, LLC, STEVEN A. SEFFREN, and PATRICK R. BEASON,	DFI Case No. S-231063 (EX)
Respondents.	

I.

The Administrator of the State of Wisconsin, Department of Financial Institutions, Division of Securities ("Division"), having legal authority and jurisdiction to administer and enforce the Wisconsin Uniform Securities Law, Wis. Stats. Ch. 551 ("Ch. 551") and rules and orders promulgated thereunder, and having determined that this action is necessary and appropriate in the public interest and for the protection of investors, hereby enters this Order as follows:

II.

Division staff have presented evidence sufficient for the Administrator to make the following findings of fact and conclusions of law:

A. Findings of Fact

Respondents

1. Aegis Oil, LLC ("Aegis") is a Texas manager-managed limited liability company organized on August 26, 2009, with a last known business address of 812 Lexington Drive, Suite 100, Plano, Texas 75075. Its registered agent for service is Pamela G. Beason, 6101 Long Prairie Road, #744-111, Flower Mound, Texas 75028.

2. Patrick Reagan Beason ("Beason") is an adult born in June 1953, who at all material times has been an owner, officer, and/or controlling person of Aegis, with a last known business address of 812 Lexington Drive, Suite 100, Plano, Texas 75075.

3. Steven Arnold Seffren ("Seffren") is an adult male resident of Fort Lauderdale, Florida born in February, 1942, who at all material times has been an agent of Aegis.

Conduct

4. On January 26, 1996, Beason consented to an Order of Prohibition issued by the Wisconsin Securities Commissioner against Beason and Sabre Energy, Inc. for violations of Ch. 551. Beason ran Sabre Energy, Inc. as its president. The order prohibited Beason from selling any unregistered securities in Wisconsin unless they were properly exempted from Ch. 551 or a successor statute. A true and accurate copy of the Order is attached hereto and incorporated by reference herein as Exhibit 1.

5. On April 19, 2007, the Illinois Secretary of State, Securities Department, issued a final Order of Prohibition against Beason and North American Pipeline Corporation, another company run by Beason, for violation of the anti-fraud provisions of the Illinois Securities Law of 1953. A true and accurate copy of the Order is attached hereto and incorporated by reference herein as Exhibit 2.

6. On or about November 3, 2014, Seffren placed an unsolicited telephone call to a person in Wisconsin, with whom he had no preexisting relationship, to offer the opportunity to invest in "Yates Field Joint Venture I," a joint venture involving oil and gas wells owned and operated by Aegis. Seffren told the Wisconsin resident that he would send information about the investment to the Wisconsin resident's email account. The same day, Seffren sent the Wisconsin resident an email promoting the Yates joint venture investment opportunity, which included a username and password to log into a portion of the Aegis Oil website and obtain more information about the company, including an executive summary of the company. A copy of the email is attached hereto and incorporated by referenced herein as Exhibit 3.

7. On or about November 3, 2014, the Wisconsin resident received a copy of a promotional brochure for the Yates joint venture and a letter from Beason to prospective participants describing the Yates joint venture via Federal Express mail from Aegis Oil, LLC. A copy of the letter from Beason and the promotional offering materials are attached hereto and incorporated by reference herein as Exhibits 4 and 5 respectively.

8. On or about November 4, 2014, Seffren placed another call to the Wisconsin resident and represented that the Wisconsin resident was able to invest in the Yates joint venture despite the fact that the Wisconsin resident told Seffren that he was not an accredited investor.

9. When asked by the Wisconsin resident what the risk factors were involved in investing in the Yates joint venture, Seffren told him there were no risks involved in the investment.

10. At no time did Seffren, Beason, or anyone at Aegis disclose to the Wisconsin resident that Orders of Prohibition had been issued by the Wisconsin Securities Commissioner and the Illinois Securities Department against Beason and his prior companies.

11. On November 11, 2014, Division staff sent letters requesting information to Aegis, Beason and Seffren with a response deadline of November 25, 2014. None of the Respondents sent any response to the Division's request for information. True and accurate copies of the letters are attached and referenced herein as Exhibit 6.

12. The Yates joint venture securities were never registered for offer or sale in Wisconsin pursuant to Ch. 551.

13. Seffren was not registered with the Division as an agent pursuant to Ch. 551 at the time of the offer of the unregistered Yates joint venture securities to the Wisconsin investor.

B. Conclusions of Law

Legal Authority and Jurisdiction

14. The Administrator has legal authority and jurisdiction over the conduct described above, pursuant to Ch. 551 and the rules and orders promulgated thereunder.

15. The interests in the Yates joint venture were investments into a common enterprise with the expectation of profits to be derived through the essential managerial efforts of persons other than the investor, and are "investment contracts" as defined under Wis. Stat. § 551.102(28)(d)(1). Investment contracts are included in the definition of a security pursuant to Wis. Stat. § 551.102(28).

16. Pursuant to Wis. Stat. § 551.301, it is unlawful for a person to offer or sell securities in Wisconsin unless the securities are federally covered, exempted from registration under Ch. 551, or registered under Ch. 551.

17. Aegis is an "issuer" as defined by Wis. Stat. § 551.102(17).

18. Seffren is an "agent" for the issuer Aegis as defined by Wis. Stat. § 551.102(2).

19. Pursuant to Wis. Stat. § 551.402(1), it is unlawful for a person to transact business as an agent for an issuer in Wisconsin without being registered with the Division or exempted from registration under Wis. Stat. § 551.402(2).

20. Pursuant to Wis. Stat. § 551.402(4), it is unlawful for an issuer engaged in offering, selling, or purchasing securities in Wisconsin to employ or associate with an agent who transacts business in Wisconsin on behalf of issuer unless the agent is registered under Wis. Stat. § 551.402(1) or exempt from registration under Wis. Stat. § 551.402(2).

21. Pursuant to Wis. Stat. § 551.501(2), it is unlawful for a person, in connection with the offer or sale of securities, directly or indirectly, to make an untrue statement of material fact or to omit to state a material fact necessary in order to make the statements made, in light of the circumstances under which they were made, not misleading.

Violations

22. Respondents violated Wis. Stat. § 551.301 by offering unregistered securities to a person in Wisconsin.

23. Seffren violated Wis. Stat. § 551.402(1) by transacting securities business in Wisconsin as agent for Aegis without being registered.

24. Aegis and Beason violated Wis. Stat. § 551.402(4) when they associated with Seffren as an agent transacting business in Wisconsin on behalf of Aegis without being registered pursuant to Wis. Stat. § 551.402(1) or exempted from registration under Wis. Stat. § 551.402(2).

25. Respondents violated Wis. Stat. § 551.501(2) when, in connection with the offer of securities to persons in Wisconsin, they omitted to state material facts necessary in order to make the statements made, in the light of the circumstances under which they were made, not misleading, including the failure to disclose the Orders of Prohibition issued by securities regulators in Wisconsin and Illinois against Beason.

26. Beason violated the terms of the Order of Prohibition issued against him by the Wisconsin Securities Commissioner in 1996 by offering the Yates joint venture interest to a person in Wisconsin through Aegis, a company controlled by Beason, by Seffren, its agent, without the securities being registered or exempted from registration.

III.

In view of the above findings of fact and conclusions of law, the Administrator deems it necessary and appropriate in the public interest and for the protection of investors, and pursuant to its legal authority and jurisdiction under Ch. 551, to-wit Wis. Stat. § 551.604, to issue the following orders and notices:

A. Summary Orders issued pursuant to Wis. Stat. § 551.604(2)

(a) IT IS ORDERED that Respondents, their agents, servants, employees, and every entity and person directly or indirectly controlled or organized by or on behalf of any Respondent, shall cease and desist from making or causing to be made to any person or entity in Wisconsin any further offers or sales of securities unless and until such

securities qualify as covered securities or are registered under Ch. 551 or successor statute, pursuant to Wis. Stat. §§ 551.604(1)(a) and (2).

(b) IT IS FURTHER ORDERED that all exemptions from registration set forth at Ch. 551 or successor statute that might otherwise apply to any offer or sale of any security of or by any of the Respondents, their successors, affiliates, controlling persons, and every entity and person directly or indirectly controlled or organized by or on behalf of any Respondents, are hereby revoked pursuant to Wis. Stat. §§ 551.604(1)(b) and (2).

(c) IT IS FURTHER ORDERED that Respondents, their successors, affiliates, controlling persons, officers, agents, servants, employees, and every entity and person directly or indirectly controlled or hereafter organized by or on behalf of any Respondents, are prohibited from violating Ch. 551 or successor statute that might otherwise apply to any offer or sale of any security of or by any Respondent pursuant to Wis. Stat. §§ 551.604(1)(a) and(2).

(d) PLEASE TAKE NOTICE that the summary orders of the Administrator are effective as of the issuance of this order, pursuant to Wis. Stat. § 551.604(2).

B. Service of Order

(e) IT IS FURTHER ORDERED that this order shall be sent promptly by certified mail to each party named in the order at his or her last known address or to the party's attorney of record, or shall be personally served upon the party or the party's attorney of record, pursuant to Wis. Admin. Code § DFI-Sec. 8.06.

(f) PLEASE TAKE NOTICE that the date of the service of this order is the date it is placed in the mail. You are advised that any willful violation of an Order issued by the Division under Ch. 551 is a criminal offense punishable under the provisions of Wis. Stat. § 551.508.

C. Notice of Hearing Rights

(g) PLEASE TAKE NOTICE that you have the right to request a hearing. Every request for a hearing shall be in the form of a petition filed with the Division, pursuant to Wis. Admin. Code § DFI-Sec. 8.01. A petition for a hearing to review the order shall:

(1) Plainly admit or deny each specific allegation, finding or conclusion in the order and incorporated papers. However, if the petitioner lacks sufficient knowledge or information to permit an admission or denial, the petition shall so state, and that statement shall have the effect of a denial; and
(2) State all affirmative defenses. Affirmative defenses not raised in the request for hearing may be deemed waived.

(h) PLEASE TAKE FURTHER NOTICE that, within 15 days after receipt of a request in a record from you, the matter will be scheduled for a hearing or other public administrative proceedings, pursuant to Wis. Stats. §§ 551.604(2) and (3).

(i) PLEASE TAKE FURTHER NOTICE that if you do not request a hearing and none is ordered by the Administrator within 30 days after the date of service of this order, the findings of fact, conclusions of law, and summary orders become final by operation of law, pursuant to Wis. Stat. §551.604(2).

EXECUTED at Madison, Wisconsin, this 20th day of December, 2016.

(SEAL)

Leslie M. Van Buskirk
Administrator, Division of Securities

Wisconsin Department of Financial Institutions
201 West Washington Avenue, Suite 300
Madison, Wisconsin 53703

State of Wisconsin

Department of Financial Institutions

Scott Walker, **Governor** Lon E. Roberts, **Secretary**

AFFIDAVIT OF SERVICE

STATE OF WISCONSIN)
) ss.
COUNTY OF DANE)

I, JAKI WELTER, first being duly sworn, depose and state:

1. I am employed as a state civil service employee with the State of Wisconsin, Department of Financial Institutions, Division of Securities.

2. On the date of this Affidavit and in the course of regularly conducted activity, I have caused to be deposited in the U.S. mail: (1) the Administrator's order (attached); and (2) a copy of this Affidavit of Service, to be served by certified mail upon the subject of the order at the subject's last known address; and I have also caused to be served copies of those same documents upon the Administrator for the Division of Securities, pursuant to Wis. Stat. §§ 227.48, 551.611, and 891.46; and Wis. Admin. Code. §§ DFI-Sec 8.06 and 8.07.

3. On the date of this Affidavit and in the course of regularly conducted activity, I have also caused a copy of the Administrator's order and this Affidavit of Service to be posted on the Division of Securities' Administrative Orders section of the State of Wisconsin, Department of Financial Institution's website, www.wdfi.org/newsroom/admin_orders/dos_default.htm.

I declare under penalty of perjury that the foregoing is true and correct to the best of my knowledge and belief.

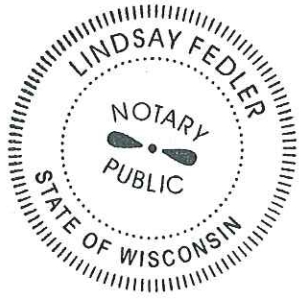
Jaki Welter
JAKI WELTER

State of Wisconsin
Department of Financial Institutions
Division of Securities

Subscribed and sworn to before me
This 20 day of December, 2016.

Lindsay Fedler
Lindsay Fedler
Notary Public, State of Wisconsin
My commission is permanent.

(Notary Seal)



Division of Securities
Mail: PO Box 1768 Madison, WI 53701-1768 Courier: 201 W. Washington Ave. Suite 300, Madison, WI 53703
Voice: (608) 266-1064 Fax: (608) 264-7979 Internet: www.wdfi.org



BEFORE THE
COMMISSIONER OF SECURITIES
STATE OF WISCONSIN

In the Matter of
SABRE ENERGY, INC., PATRICK R.
BEASON and JASON D. COLLINS,

Respondents.

PETITION FOR ORDER

File No. S-95370(EX)

The staff of the Legal Services Division of the Office of the Commissioner of Securities alleges that:

1. Sabre Energy, Inc. ("Sabre") is a foreign business entity whose last known business address is 3401 Custer Rd., Ste. 115, Plano, TX 75023.

2. Patrick R. Beason (CRD #2143250; d.o.b. 6/2/53) ("Beason") is an individual who at all times material hereto has been President of Sabre and whose last known business address is at that of Sabre.

3. Jason D. Collins (d.o.b. 9/29/68) ("Collins") is an individual who at all times material hereto has been an agent of Sabre and Beason, and whose last known business address is at that of Sabre.

4. During the period of October and November, 1995, Beason and Collins offered to at least one person in Wisconsin working interests in an oil and gas venture.

5. The interests are securities as defined by sec. 551.02(13), Wis. Stats., and have never been registered under Ch. 551, Wis. Stats.

6. Sabre, Beason and Collins have violated sec. 551.21(1), Wis. Stats., by offering unregistered securities in Wisconsin.

7. In connection with the offers of the securities described above, Collins transacted business in Wisconsin as an "agent" for Sabre and Beason as that term is defined by sec. 551.02(2), Wis. Stats. At no time has Collins been licensed as a securities agent pursuant to Ch. 551, Wis. Stats.

8. Respondent Collins has violated sec. 551.31(1), Wis. Stats., by transacting business in Wisconsin as a securities agent without a license.

9. Respondents Sabre and Beason have violated sec. 551.31(2), Wis. Stats., by employing an unlicensed agent to represent them in Wisconsin.

Therefore, the staff of the Legal Services Division petitions the Commissioner for the issuance of the attached Order pursuant to Ch. 551, Wis. Stats.

Mark E. Dorman
Securities Examiner
Legal Services Division

1-22-96
Date

David A. Cohen
Chief Attorney
Legal Services Division

1-22-96
Date

BEFORE THE
COMMISSIONER OF SECURITIES
STATE OF WISCONSIN

In the Matter of
PATRICK R. BEASON,

Respondent.

ORDER OF PROHIBITION
(CONSENT)

File No. S-95370(EX)

Based upon the attached Petition for Order and Waiver and Consent to Order I find that this action is necessary and appropriate in the public interest and for the protection of investors;

Therefore, pursuant to sec. 551.63, Wis. Stats.,

IT IS ORDERED THAT:

a. Patrick R. Beason, his agents, servants, employees, and every entity and person directly or indirectly controlled or organized by or on his behalf, are prohibited from making or causing to be made to any person or entity in Wisconsin any further offers or sales of securities unless and until such securities are registered under Ch. 551, Wis. Stats., or successor statute, or properly exempted therefrom.

b. Patrick R. Beason, his agents, servants, employees, and every entity and person directly or indirectly controlled or hereafter organized by or on his behalf, are prohibited from employing an agent to represent them in Wisconsin unless the agent is licensed under Ch. 551, Wis. Stats., or successor statute, or excepted from the licensing requirement.

EXECUTED at Madison, Wisconsin this 30th day of January, 1996.

(SEAL)

PATRICIA D. STRUCK
Commissioner of Securities

NOTICE

You are advised that any wilful violation of an Order issued by the Commissioner of Securities of the State of Wisconsin under Ch. 551, Wis. Stats., is a criminal offense punishable under the provisions of sec. 551.58, Wis. Stats.

BEFORE THE
COMMISSIONER OF SECURITIES
STATE OF WISCONSIN

In the Matter of
PATRICK R. BEASON,

Respondent.

WAIVER AND CONSENT
TO ORDER

File No. S-95370(EX)

The undersigned Respondent, having decided not to contest the issuance of the attached Order, hereby waives his right to a hearing with respect to this matter and hereby consents to the issuance of the Order;

The undersigned Respondent understands that the Order is effective when signed by the Commissioner of Securities and that a wilful violation of an Order signed by the commissioner is a criminal offense.

EXECUTED this 19 day of January, 1996.

PATRICK R. BEASON

Patrick R. Beason
(DOB 6/2/53)

State of)
County of)

Subscribed before me this

21 day of January, 1996.

Notary Public

My commission expires 08-31-96

BEFORE THE
COMMISSIONER OF SECURITIES
STATE OF WISCONSIN

In the Matter of
SABRE ENERGY INC.,

Respondent.

ORDER OF PROHIBITION
(CONSENT)

File No. S-95370(EX)

Based upon the attached Petition for Order and Waiver and Consent to Order I find that this action is necessary and appropriate in the public interest and for the protection of investors;

Therefore, pursuant to sec. 551.63, Wis. Stats.,

IT IS ORDERED THAT:

a. Sabre Energy, Inc., its successors, affiliates, controlling persons, officers, agents, servants, employees, and every entity and person directly or indirectly controlled or organized by or on its behalf, are prohibited from making or causing to be made to any person or entity in Wisconsin any further offers or sales of securities unless and until such securities are registered under Ch. 551, Wis. Stats., or successor statute.

b. Sabre Energy, Inc., its successors, affiliates, controlling persons, officers, agents, servants, employees, and every entity and person directly or indirectly controlled or hereafter organized by or on its behalf, are prohibited from employing an agent to represent them in Wisconsin unless the agent is licensed under Ch. 551, Wis. Stats., or successor statute, or excepted from the licensing requirement.

EXECUTED at Madison, Wisconsin this 26th day of January, 1996.

(SEAL)

PATRICIA D. STRUCK
Commissioner of Securities

NOTICE

You are advised that any wilful violation of an Order issued by the Commissioner of Securities of the State of Wisconsin under Ch. 551, Wis. Stats., is a criminal offense punishable under the provisions of sec. 551.58, Wis. Stats.

BEFORE THE
COMMISSIONER OF SECURITIES
STATE OF WISCONSIN

In the Matter of
SABRE ENERGY, INC.,

Respondent.

WAIVER AND CONSENT
TO ORDER

File No. S-95370(EX)

The undersigned Respondent, having decided not to contest the issuance of the attached Order, hereby waives its right to a hearing with respect to this matter and hereby consents to the issuance of the Order;

The undersigned Respondent understands that the Order is effective when signed by the Commissioner of Securities and that a wilful violation of an Order signed by the commissioner is a criminal offense.

EXECUTED this 19 day of Jan, 1996.

SABRE ENERGY, INC.

by Patrick R Beason President/CEO
(Type name and title)
Patrick R. Beason, President/CEO

State of)
County of)

Subscribed before me this

20 day of January, 1996.

Notary Public

My commission expires 08-31-97.

BEFORE THE
COMMISSIONER OF SECURITIES
STATE OF WISCONSIN

In the Matter of JASON D. COLLINS,	ORDER OF PROHIBITION (SUMMARY)
Respondent.	File No. S-95370(EX)

Based upon the attached Petition for Order I have reason to believe that a security has been offered or sold in Wisconsin by an unlicensed person in violation of Ch. 551, Wis. Stats., and that any further offer or sale of unregistered securities by or on behalf of the Respondents would be unfair, inequitable, or fraudulent to purchasers and I find that this action is necessary and appropriate in the public interest and for the protection of investors;

Therefore, pursuant to secs. 551.60(2)(a) and (b) and 551.63, Wis. Stats.,

IT IS ORDERED THAT:

a. Jason D. Collins, his agents, servants, employees, and every entity and person directly or indirectly controlled or organized by or on his behalf, are prohibited from making or causing to be made to any person or entity in Wisconsin any further offers or sales of securities unless and until such securities are registered under Ch. 551, Wis. Stats., or successor statute.

b. Jason D. Collins is prohibited from transacting business in Wisconsin as a securities agent unless licensed under Ch. 551, Wis. Stats., or successor statute, or excepted from the licensing requirement.

EXECUTED at Madison, Wisconsin this 26th day of January, 1996.

(SEAL)

PATRICIA D. STRUCK
Commissioner of Securities

NOTICE:

Under sec. 551.61(2), Wis. Stats., within thirty (30) days after any Order has become effective without a hearing, any interested party may file a written request with the Commissioner of Securities for a hearing in respect to any matters determined by the Order. A request for hearing shall be in the form of a petition for hearing and shall, under section SEC 8.01, Wis. Adm. Code, plainly admit or deny each specific allegation, finding, or conclusion in the Order and incorporated papers (unless the petitioner lacks

sufficient knowledge or information to permit an admission or denial, in which case the petition shall so state, and such statement shall have the effect of a denial), and shall state all affirmative defenses.

You are advised that any wilful violation of an Order issued by the Commissioner of Securities of the State of Wisconsin under Ch. 551, Wis. Stats., is a criminal offense punishable under the provisions of sec. 551.58, Wis. Stats.

BEFORE THE
COMMISSIONER OF SECURITIES
STATE OF WISCONSIN

In the Matter of
JASON D. COLLINS,

Respondent.

ORDER OF PROHIBITION
(CONSENT)

File No. S-95370(EX)

Based upon the attached Petition for Order and Waiver and Consent to Order I find that this action is necessary and appropriate in the public interest and for the protection of investors;

Therefore, pursuant to sec. 551.63, Wis. Stats.,

IT IS ORDERED THAT:

a. Jason D. Collins, his agents, servants, employees, and every entity and person directly or indirectly controlled or organized by or on his behalf, are prohibited from making or causing to be made to any person or entity in Wisconsin any further offers or sales of securities unless and until such securities are registered under Ch. 551, Wis. Stats., or successor statute.

b. Jason D. Collins is prohibited from transacting business in Wisconsin as a securities agent unless licensed under Ch. 551, Wis. Stats., or successor statute, or excepted from the licensing requirement.

c. The Summary Order of Prohibition against Jason D. Collins on January 26, 1996, is vacated, as of the date of this Order.

EXECUTED at Madison, Wisconsin this 9th day of February, 1996.

(SEAL)

PATRICIA D. STRUCK
Commissioner of Securities

NOTICE

You are advised that any wilful violation of an Order issued by the Commissioner of Securities of the State of Wisconsin under Ch. 551, Wis. Stats., is a criminal offense punishable under the provisions of sec. 551.58, Wis. Stats.

BEFORE THE
COMMISSIONER OF SECURITIES
STATE OF WISCONSIN

In the Matter of
JASON D. COLLINS,

Respondent.

WAIVER AND CONSENT
TO ORDER

File No. S-95370(EX)

The undersigned Respondent, having decided not to contest the issuance of the attached Order, hereby waives his right to a hearing with respect to this matter and hereby consents to the issuance of the Order;

The undersigned Respondent understands that the Order is effective when signed by the Commissioner of Securities and that a wilful violation of an Order signed by the commissioner is a criminal offense.

EXECUTED this 26 day of JANUARY, 1996.

JASON D. COLLINS

Jason D. Collins
(DOB 9/29/68)

State of)
County of)

Subscribed before me this
26 day of Jan., 1996.

Karen Kelly
Notary Public



My commission expires 5-20-98



STATE OF ILLINOIS
SECRETARY OF STATE
SECURITIES DEPARTMENT

IN THE MATTER OF:	North American Pipeline Corporation, and Patrick R. Beason, his/its partners, officers and directors, agents, employees, affiliates, successors and assigns.	**NO. 0500182**

ORDER OF PROHIBITION

TO RESPONDENTS: North American Pipeline Corporation
545 East John Carpenter Freeway
Suite 605
Irving, Texas 75062

Patrick R. Beason
545 East John Carpenter Freeway
Suite 605
Irving, Texas 75062

WHEREAS, a Temporary Order of Prohibition was issued by the Secretary of State on February 9, 2007 which prohibited North American Pipeline Corporation and Patrick R. Beason ("Respondents") from offering or selling securities in or from the State of Illinois until further order of the Secretary of State or his duly authorized representative;

WHEREAS, pursuant to section 11.F of the Illinois Securities Law of 1953 [815 ILCS 5] (the "Act"), the failure to request a hearing within thirty (30) calendar days of the entry of the Temporary Order shall constitute an admission of any acts alleged therein and constitute a sufficient basis to make the Temporary Order final;

WHEREAS, the Respondents have failed to request a hearing on the matters contained in the Temporary Order within thirty (30) calendar days of the entry of said Temporary Order and the Respondents are hereby deemed to have admitted the facts alleged in the Temporary Order;

WHEREAS, the Secretary of State, by and through his duly authorized representative, has adopted the Findings of Fact contained in the Temporary Order as the Secretary of State's Findings of Fact as follows:

1. That Respondent North American Pipeline Corporation ("NAPC") is a business entity. Its last known address is 545 East John Carpenter Freeway, Suite 605, Irving, Texas 75062.

2. That Respondent Patrick R. Beason ("PB") was at all times relevant a principal officer of NAPC. His last known address is 545 East John Carpenter Freeway, Suite 605, Irving, Texas 75062.

3. That Respondents are in the business of engaging in the acquisition, development, production and marketing of crude oil and natural gas; and in connection therewith, offered for purchase working interests in oil and gas wells located in the State of Illinois (the "Working Interests"). The Working Interests offered by Respondents involved re-entry and well stimulation.

4. That the Working Interests are fractional undivided interests in oil or gas, or investment contracts, and therefore, "securities" as defined in Section 2.1 of the Illinois Securities Law of 1953 [815 ILCS 5] (the "Act").

5. That in 2002 and 2004 Respondents obtained Illinois drilling permits and sold to investors Working Interests in the Illinois wells.

FRAUD

6. That Section 12.F of the Act provides, *inter alia*, that it shall be a violation of the Act for ant person to engage in any transaction, practice or course of business in connection with the purchase or sale of securities which works or tends to work a fraud or deceit upon the purchaser or seller thereof.

7. That Section 12.G of the Act provides, *inter alia*, that it shall be a violation of the Act for any person to obtain money or property through the sale of securities by means of any untrue statement of a material fact or any omission to state a material fact necessary in order to make the statements made, in light of the circumstances under which they were made, not misleading.

8. That Section 12.I of the Act provides, *inter alia,* that it shall be a violation of the Act for any person to employ any device, scheme, or artifice to defraud in connection with the sale or purchase of any security, directly or indirectly.

9. That Respondents took funds from the investors and misrepresented that the investors' funds would be invested in drilling and distribution of oil and gas.

10. That Respondents, rather than using the investors' funds for drilling and distribution of oil and gas, used the funds for their own purposes.

11. That by virtue of the foregoing, Respondents have violated Sections 12.F, 12.G and 12.I of the Act.

NOW THEREFORE IT IS HEREBY ORDERED THAT: pursuant to the authority granted by Section 11.F of the Act, Respondents North American Pipeline Corporation, and Patrick R. Beason, and their officers and directors, agents, employees, affiliates, successors and assigns are **PROHIBITED** from offering or selling securities in or from this State until the further Order of the Secretary of State.

NOTICE: Failure to comply with the terms of this Order shall be a violation of Section 12.D of the ACT. Any person or entity that fails to comply with the terms of this Order of the Secretary of State, having knowledge of the existence of this Order, shall be guilty of a Class 4 felony for each offence.

This is a final order subject to administrative review pursuant to the Administrative Review Law [735 ILCS 5/3-101 *et seg.*] and the Rules and Regulations of the Act (14 Ill. Admin. Code, Ch. 1 Sec. 130.1123). Any action for judicial review must be commenced within thirty-five (35) days from the date a copy of this Order is served upon the party seeking review.

Dated: This 19th day of April 2007.

Jesse White

JESSE WHITE
Secretary of State
State of Illinois

Attorney for the Secretary of State:
James J. Tierney
Illinois Securities Department
69 W Washington Street, Suite 1220
Chicago, Illinois 60602
312-793-9650

JUNO Message Center



From: <info@aegisoil.com>

To: markedormant1@juno.com

Sent: Mon, Nov 03, 2014 10:48 AM

Subject: Aegis Oil - Permian Basin - Confidential

Mark please look at the exec summary. I will give you a call on Tuesday.

Aegis Oil, LLC in Plano Texas is a very well positioned owner/operator/developer of premium producing oil and natural gas with producing properties in the booming Permian Basin of West Texas.

As you may be aware, the current economic conditions and boom of domestic oil production has created a great opportunity for investors to lock in hard asset income returns while reducing market exposure risk.

It is very important, obviously, that we are able to hedge against potential dollar devaluation, inflation, with the added benefit of monthly income.

The Aegis Joint Venture opportunity in The Permian Basin offers us this opportunity.

The current project is 3 new wells to be drilled within 90 days of funding.
In a nutshell, the J.V. gives you monthly income distributions and the most tax advantaged investment available.

Aegis has acquired a substantial 8,600 acre ownership in The Permian Basin, rated as one of the most profitable ROI area in the U.S.

It is projected new technology being used in areas such as The Permian has enabled the U.S. to surpass Saudi Arabia in production; The U.S.A is now the #1 Oil Producer on the planet. (See the "News" articles on the website).

This may represent that "once in a generation" opportunity that is rare, and valuable.

Aegis will be drilling as many as 80-100 wells in the Permian Basin over the next 3-5 years.
The opportunity and timing is excellent to participate at this entry level with a very well run organization in the most active and profitable region in the U.S.

The Yates #1, J.V., a 3 well project in the highly prolific Yates Field.

Please review the opportunity via the **"Projects"** page on the Aegis website at:

www.aegisoil.com Enter password "**yates1**" in the password entry position on "Projects" page.

Please contact me at your convenience, as well, I will follow up with further details.

Best Regards,

Steve Seffren
Corporate Headquarters
Aegis Oil, LLC
812 Lexington Dr.
Plano, Texas 75075
682-292-9225

This general information is for illustration purposes only and should not be used for decision making purposes. Any investment decision should be based upon the full reading and understanding of the Private Placement Memorandum ONLY.

**** All projections can vary depending upon actual production achieved and sold based upon the spot prices of Oil and Natural Gas at time of sale.***

JUNO Message Center

From: <info@aegisoil.com>

To: [redacted]

Sent: Mon, Nov 03, 2014 10:49 AM

Subject: Aegis Oil - Permian Basin - Confidential

[redacted],

Aegis Oil, LLC in Plano Texas is a very well positioned owner/operator/developer of premium producing oil and natural gas with producing properties in the booming Permian Basin of West Texas.

As you may be aware, the current economic conditions and boom of domestic oil production has created a great opportunity for investors to lock in hard asset income returns while reducing market exposure risk.

It is very important, obviously, that we are able to hedge against potential dollar devaluation, inflation, with the added benefit of monthly income.

The Aegis Joint Venture opportunity in The Permian Basin offers us this opportunity.

The current project is 3 new wells to be drilled within 90 days of funding.
In a nutshell, the J.V. gives you monthly income distributions and the most tax advantaged investment available.

Aegis has acquired a substantial 8,600 acre ownership in The Permian Basin, rated as one of the most profitable ROI area in the U.S.

It is projected new technology being used in areas such as The Permian has enabled the U.S. to surpass Saudi Arabia in production; The U.S.A is now the #1 Oil Producer on the planet. (See the "News" articles on the website).

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EXHIBIT
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AEGIS OIL LLC
A Limited Liability Company .
812 Lexington Dr., Plano Texas 75075
Corporate Telephone: 972.420.1273 Corporate Fax: 682.936.2732
Corporate E-Mail: AegisOilLLC@gmail.com
Corporate Website: AegisOil.com

Dear Prospective Participant,

Our ninth project in the Permian Basin is the Yates Field J.V. I. An oil and gas income program designed for sophisticated investors who are seeking to enhance their investment portfolios with a potentially high return program in one of the most prolific oil producing regions in the United States. The project consists of three (3) new drills targeting the prolific Yates Formations consisting of seven different horizons.

The Yates Field J.V. I is thirty two (32) Units of Ownership in the amount of $134,850 per Unit. The program is being offered on an oil industry basis of 3.125% Working Interest per Unit and 2.25% Net Revenue Interest per Unit to the Company's existing clientele and select, qualified investors only.

The Yates Field J.V. I will drill each well to a depth of approximately 3,000 feet with the primary target of interest being the Yates Formation consisting of seven horizons, and directly offsets the Aegis Scharff #1, Aegis Scharff #2 and the Aegis Scharff #3 wells recently drilled and producing. The recent boom in the Permian Basin has production exceeding 1.1M barrels of oil per day. As we survey the economic landscape, truly one of the brightest high-growth sectors is Domestic Oil Production.

The Estimated Undeveloped Recoverable Reserves, estimated at 2,100,000 Barrels of Oil, is valued at $189,000,000 (based on $90 per Barrel of Oil), equaling a Total Estimated Income per Unit of $4,252,500 return over the life of the investment, calculated as follows; $189,000,000 x 2.25% N.R.I. = $4,252,500 Total Estimated Income per Investor Unit per well.

We look forward to discussing with you the unique opportunity and fortune encountered by Aegis Oil LLC in the discovery of the Estimated Undeveloped Recoverable Reserves in the Yates Field, an area where in excess of 1.5 Billion Barrels of Oil have been produced to date, valued at $135,000,000,000,(at $90 per Barrel of Oil).

The Yates Field J.V. I is seriously worth your consideration as 1) a long term source of income, and 2) an opportunity for prudent portfolio diversification.

AEGIS OIL LLC

By:
Reagan Beason
President & Chief Executive Officer

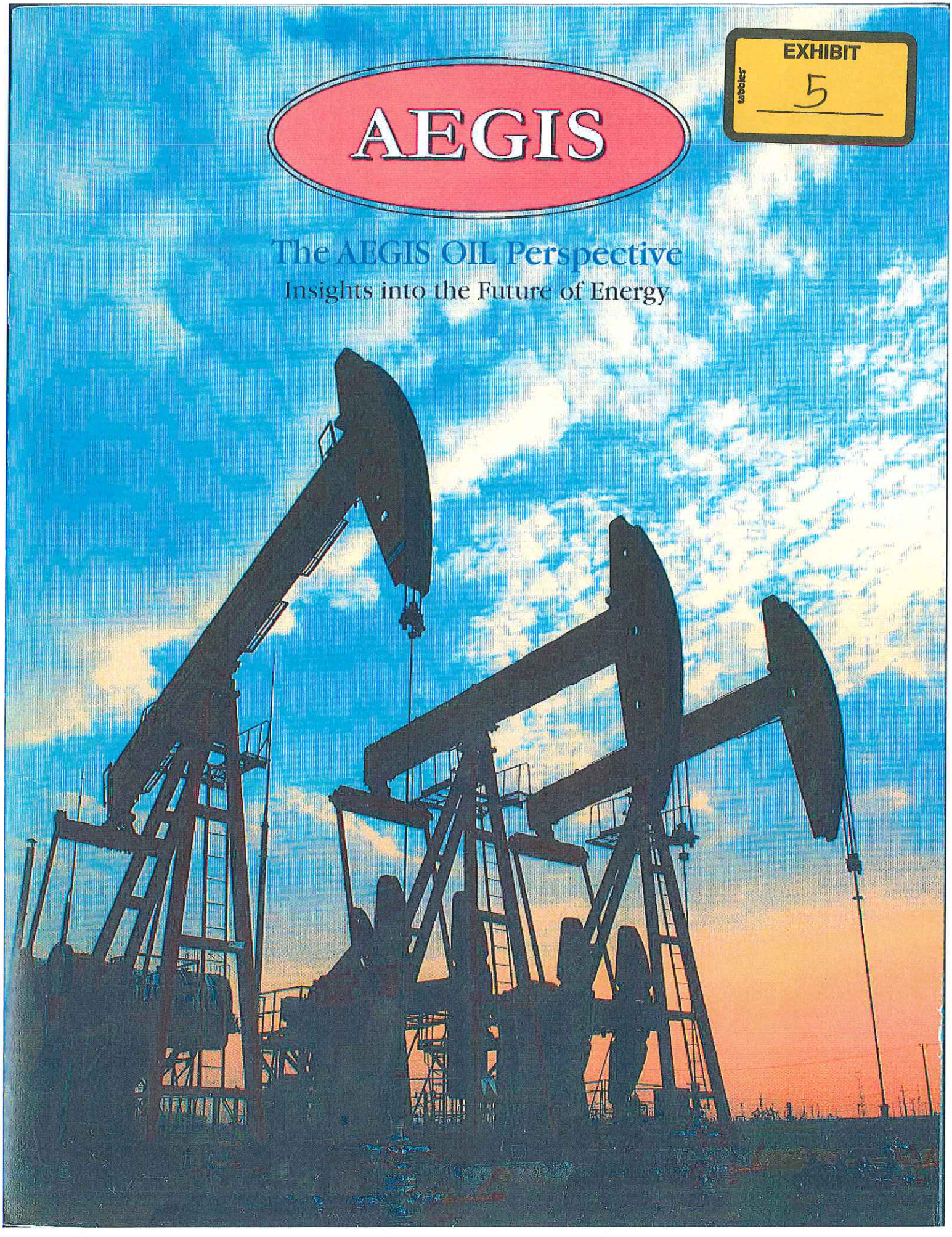
cc: Yates Field J.V. I File

EXHIBIT
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AEGIS

The AEGIS OIL Perspective

Insights into the Future of Energy



PLANO, TX. BASED DRILLER HITS NEW DISCOVERY IN PECOS CO.

(Plano, TX. PR Web Feb. 5, 2014)

Plano, Texas based Aegis Oil reports an oilfield discovery with its $300 million drilling campaign. CEO Reagan Beason confirmed today that a previously undiscovered zone was located in the Woodford Shale in Pecos County, Texas. Aegis' drilling data and discoveries were further validated by a unique Halliburton formation evaluation solution customized for the Permian.

With new finds of productive oil and natural gas producing formations in Pecos County, the Permian Basin continues to give up many of its hidden gems in areas previously considered out of the geological norms. Aegis has hit eight consecutive vertical wells in the county in the last year, including two deep wells. Prior to this in Pecos County, no known wells had been drilled to these depths and the field was generally considered a fully developed shallow Yates Field. In addition to the play, these wells also penetrated several promising Cambrian-age reservoirs.

The Permian Basin, according to many publications, has been producing since 1921. The geological formation covers 250-300 miles of West Texas and East New Mexico and comprises 7,000 oil fields across 59 counties. With the use of new drilling techniques and hydraulic fracturing, "The Basin" has surged back to life with over 400 rigs in operation.

The last 3 years has seen oil production double its 1980's peak with production in excess of 1.2M barrels per day. This recent discovery shows that an experienced independent driller such as Aegis Oil, with proper study and planning, can still compete in the most prominent oilfields of the state. Aegis Oil has 9,000 net acres under lease with a potential for 30,000 more in the near future. CEO Reagan Beason has launched an initiative to acquire 300,000 net acres under lease and development. He believes this exciting discovery, along with the company's recent drilling success in Pecos County, should elevate Aegis Oil as a major independent driller in the Permian Basin.

"These discoveries further prove how independent exploration and production companies such as Aegis Oil are making significant contributions to identifying and understanding the immense reserves in The Permian Basin," Beason said. "We are excited as a company and for our partners. Texas is once again leading the nation in oil field production and innovation. The Permian Basin is truly a game-changer in a global sense," he concluded.

www.aegisoil.com



Vertical Drilling Has Serious Advantages in Exploiting Unconventional Resources

Take a look at the new discoveries recently made by Aegis Oil in Pecos County. In 2013 alone, Aegis has hit twelve consecutive vertical wells and two deep wells successfully in the area – including two deep wells. These deep wells are of particular note, because prior to Aegis's discovery, there were no other known wells at these depths in this location. It is discoveries like this which may indicate that there are many more hidden gems spread throughout the Permian Basin in areas out of the geologic norms, and that many fields previously considered to be fully developed may indeed have quite a bit of life left in them yet.

Vertical wells offer substantial cost-savings over alternative drilling approaches, and the capital saved by employing vertical drilling operations expands at a geometric rate when an operation begins to drill extremely deep into the ground. Think of the cost of laying the infrastructure in a straight line as the crow flies; deep drilling is truly a massive undertaking, and it is basically too cost-prohibitive to even attempt to reach these deep oil deposits using other methods with current technology. However, when vertical drilling is employed, recovery costs stay reasonable; thus, many shallow Yates field deposits may have the potential to be re-evaluated for further development using modern vertical drilling technology.

Another technique which is rapidly gaining popularity is the high-grading of shale. Halliburton is aware of these developments, and their unconventional resources branch is working overtime in an attempt to position themselves as the industry leader in terms of shale high-grading. They have an interesting piece from late last year on shale drilling where they discuss using a combination of log analysis and proprietary geostatistical mapping tools to execute their high-grading which can be read here. They also published an article earlier this week that delves into the topic a bit more deeply; directed drilling operations guided by high-grading have yields that outperform random drilling distributions by more than 50%, even in high quality shale deposits.

Taken all together, this information paints a bright picture for the future of vertical drilling. While many Oil & Gas companies have begun to employ directional drilling techniques, there are still plenty of situations in which traditional vertical drilling solutions will yield superior financial performance. Unconventional resources, including infill drill operations and deep drilling, could very well lead to a resurgence in the field of vertical drilling after companies see some of the yields coming out of wells run by firms like Aegis.

In fact, in coming weeks Aegis may have some big news regarding Halliburton and information they recently obtained regarding some of the Aegis drill sites out in the Permian Basin. Stay tuned to the Aegis Oil Perspective for more information in coming weeks.



The Media Finally Recognizes Bakken – Wait Until they See the Petroplex Numbers

Last month, the Willston herald reported that according to apartment rental mega-site Apartment Guide, humble Willston, North Dakota is the most expensive place to rent an apartment in the entire country.

Reporters around the world were absolutely shocked that this small community basically in the middle of nowhere was commanding more than $800/mo. more than equivalent properties in places like New York City, San Francisco, and L.A. However, for those familiar with the Bakken and the incredible economic boom it has created over the past decade, these numbers suddenly become immediately less shocking.

Those in the oil and gas industry have been aware of the boom for a long time; it is amusing to many industry insiders that these trends are finally being picked up by the mainstream media, six or seven years after the fact.

While this is a step in the right direction in terms of responsible economic coverage of the oil and gas industry, what most of the media still has not caught on to is that the so-called "Petroplex" of the Permian Basin quite literally dwarfs the capacity of the Bakken. So what is the Petroplex, specifically, and what are some estimates of its capacity?

Let's start with the definition. The name comes from the fact that in the Permian, there are several different layers of oil bearing shale which are quite literally stacked on top of one another. Ryan Carlyle gives a good description of what this means in his Answer on Quora, which can be found here. In a nutshell, it means that companies can attain much higher rates of efficiency with their conventional reservoirs, as they have access to stacked payzones. Drilling and well costs stay low, yields multiply.

For comparison purposes, the average thickness of the shale layers in the Bakken range from 10-25 feet. Recent average measurements at Eagle Ford, located in the Permian Basin in Texas, come in at 35 feet. In parts of the Petroplex of the Permian, measurements range upwards of 3,500-4000 feet. Taken collectively, the potential yield of the Petroplex of the Permian is upwards of 100x more than the total volume of Eagle Ford, or 140x that of the Bakken.

Another key factor is shale permeability. In the Bakken, vertical drilling, the most cost-effective and time-tested method, is very difficult because even post-fracking, wells will still have permeability

issues. However, when the thickness is such as it is in the Petroplex and Permian basin, mega-fracking all of a sudden becomes an extraordinarily cost-effective solution that produces excellent returns and efficiency – best exploited by vertical well drillers, as in these circumstances yield rates can match or exceed that produced with horizontal or directional drilling.

Collectively, the region could hold as much as a hundred billion barrels of oil that is cost-effective to extract, refine, and transport. This would pole-vault the Permian basin into second-place worldwide in terms of total amounts of recoverable resources, just behind the Ghawar in Saudi Arabia.

Most incredibly of all, investors have not yet seemed to notice many of the smaller oil and gas companies sitting on Permian assets. Despite the fact that Exxon recently engaged in another costly round of property purchase in the area, the share price of companies sitting on proven resources far in excess of their current market value still are extremely easy to find. Keith Kohl describes this phenomenon in his recent article "The Best Oil Field Yet" where he discusses a so-called "Bakken Buster" trading for $8/share.

If techniques like mega-fracking do end up becoming the dominant methodology in the Permian, companies like Aegis Oil will be extremely well-positioned to take advantage of the situation, given their expertise in the field of vertical drilling and well building.



Permian Basin Reserves a Game-Changer in International Energy Markets

If you have paid attention to oil production figures over the past half-decade or so, you may have noticed something quite remarkable. Ever since 2008, the amount of oil produced in the United States has actually been increasing – and rather substantially so.

Much of this resurgence in oil drilling capacity has been attributed to two particular shale oil deposits; the Bakken Formation beneath North Dakota, and the Eagle Ford Shale which stretches across Central and Southern Texas. Currently, these two deposits form the background of the so-called 'shale revolution' which is behind much of the increase in U.S. oil production.

However, as productive as the Bakken and Eagle Ford fields have been, they pale in comparison to the reserves held in the Permian Basin, in West Texas. While the field currently only produces about 12% of US crude oil, some analysts expect that rate to more than double in the next decade or so, surpassing former peak performance levels last set during the 1970s.

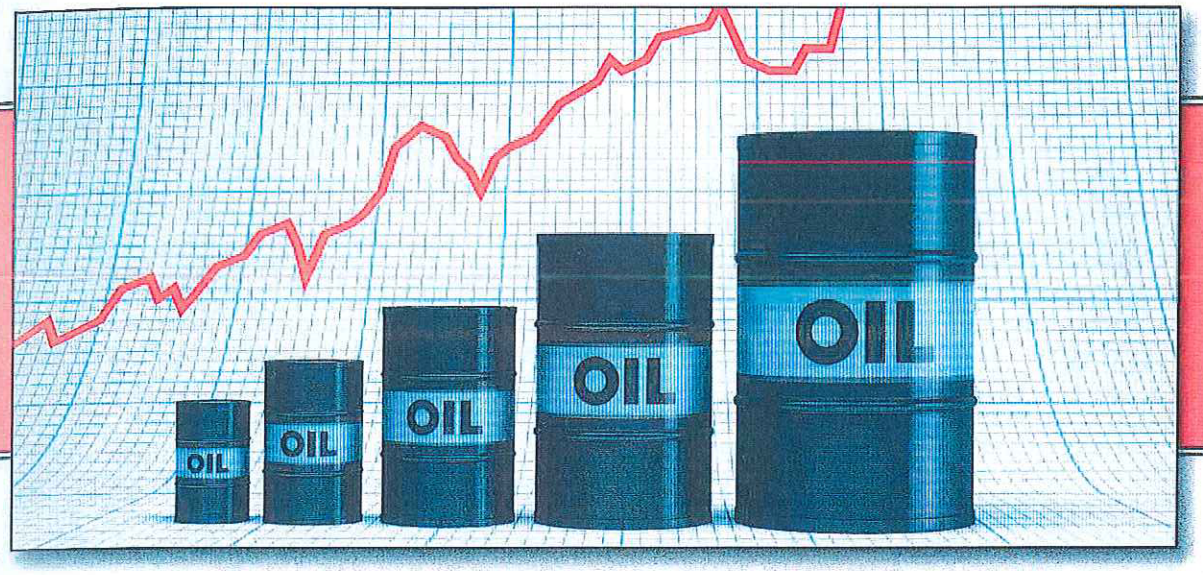
According to the Texas State Railroad Commission's latest report on oil figures, the Permian basin has produced approximately 29 billion barrels of oil during the period from 1921 until the present – and more importantly, still holds further reserves in excess of the total volume of everything produced in the area, ever. Some analysts are working with 3P estimates that show in excess of 100 billion total barrels of capacity in the Basin.

It is reports such as these that have led agencies such as the International Energy Agency to make predictions that the United States will surpass both Russia and Saudi Arabia to become the world's top oil producer within the next several years. In fact, it may even achieve energy self-sufficiency within as short of two decades.

To help put this into perspective, consider the most recent reserve reports out of the countries which comprise OPEC. Collectively, they report about 1.1 trillion barrels of reserves (though there is some dispute in the oil industry as to whether or not these numbers reflect truly proven and provable reserves), with countries such as Venezuela (~295bb), Saudi Arabia (~265bb), and Iran (~150bb) leading the list of individual nation-states. There are 4 members of OPEC (Kuwait, the UAE, Libya,

and Nigeria) whose total reserves are less than that held in the Permian Basin alone – forget the Bakken, Eagle Ford, and the rest.

With the United States poised to become the world leader in short and medium-term oil production, the potential effects for both the nation at large as well as the state of Texas are quite literally incalculable. Trillions and trillions of dollars will be created over the next several decades and hundreds of thousands of jobs created as the massive, game-changing energy resource that is the Permian Basin begins to be fully brought online.



Follow OPEC Projections to Maximize Local, State, and National Profits

One thing is for certain; demand for petroleum and other sources of energy will only increase in the years to come. This has led to an uncomfortable conflict between corporate profits and other short-term benefits associated with developing oil reserves as quickly as possible, and the long-term strategic choice of maximizing the value of oil currently held on our land in places like the Permian Basin by taking things more slowly and methodically.

OPEC countries stand poised to dramatically expand production over the next decade as non-member states reach their peak production levels and then begin to scale back as their national reserves begin to run dry and become more difficult and expensive to access.

Booz & Company, a noted global management and strategic consulting firm, outlined many of these concerns in a study published a few years ago in 2011. The study, entitled "Maximizing the Value of Oil Resources in the MENA Region" and subtitled "The Critical Role of Petroleum Fiscal Systems", the study may be found online here.

Here are some of the key takeaways from the study, along with commentary on what the data may mean to American oil & gas companies:

- Non-OPEC Production Peak – Almost all of the growth in non-OPEC oil production over the past decade is directly attributable to increased production from Russia or former Soviet break away Republics, which seems to be slowing. The yield on existing fields is declining 5%/yr. on average, and the International Energy Agency expects non-OPEC peak oil production to be reached next year in 2015.
- OPEC Poised for Expansion – For OPEC member states, the picture looks significantly rosier. Simply through switching the currently existing OPEC-11 spare production capacity into live mode, member states could easily capture another 10% of global market share by 2035, bringing their control over markets to levels not seen since the 1970s.
- New Infrastructure Investment Slowing – While oil production levels are still increasing across the board, Booz estimates that a scant $200-400b will be invested in new production capacity enhancements on a worldwide basis by the end of the decade. This means that an increasingly large fraction of the so-called 'spare' production mentioned above will be used on a regular

basis. When spare production levels fall to the expected ~2m barrels/day, we may see price spikes similar to those that occurred during 2006-2008.

All this information is well and good, but where is the connection to the Permian Basin, U.S oil reserves, and national interests?

Well, the answer is simple; if companies decide to exploit the Basin using directional drilling technology in an attempt to cash in as quickly as possible, they will earn a profit, but not nearly as large of one as they would earn by waiting until non-OPEC production begins to seize up and fall — something that appears to be a virtual certainty within a matter of a few years at most.



The Total Value of the Permian Basin and Why Efficiency Matters

When it comes to drilling for oil, several key factors matter when establishing how valuable any given field or reserve will be. One of the most important of these factors is the recovery cost associated with developing the resource. Simple, deep oil reserves easily drained by vertical drilling operations are usually the easiest to capture, while more complex geologic formations may require the employ of directional drilling and other, significantly more expensive techniques.

We're going to take a look at three factors related to the oil deposits located in the Permian Basin region, and demonstrate how care for efficiency should be the number one concern both for the people of the State of Texas as well as the oil and gas companies seeking to exploit these resources:

- Size of Oil Reserves – According to a long, multi-part piece published last year in Yahoo Finance, the Spraberry and Wolfcamp oil formations which comprise much of the Permian Basin originally held a total of nearly 100 billion barrels of oil (or hydrocarbon equivalents). As of the writing of this article, oil prices are ~$105/barrel. This makes the total value of reserves in the Permian worth the better part of a trillion dollars (at today's rates alone, let alone the increased prices oil will fetch in the future.)
- Expected Efficiency Rates – While this seems like an immense amount of oil, efficiency and recovery rates are significantly less impressive. The Permian Basin reserves are not one large pool of oil, but are instead spread between at least 18 different fields. Some of these fields, such as Salt Creek, Scurry, and Seminole are able to post extraction efficiency estimates in the area of ~65%, but others, such as the McElroy-Dune field, may yield as little as 25% efficiency according to a recent estimate by the Unites States Geologic Survey.
- New Technologies – In the 1950s, waterfloods were first employed in the area to improve extraction efficiency. By the 1970s, carbon dioxide injection had arrived and further increased efficiency rates. However, carbon injection is expensive, and consequently many of the fields have not yet applied even the older methods already available. Again according to the USGS report, it is believed that tens of billions of barrels of oil could be added to Permian Basin totals once it is 'economically viable' to do so.

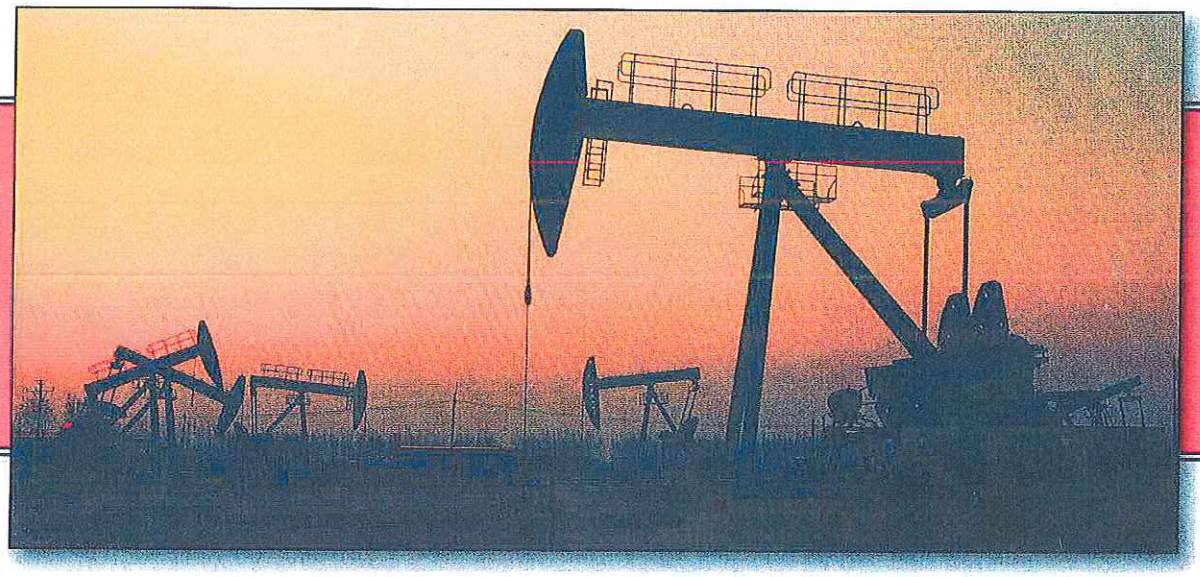
So what does this all mean?

The most important things to take away from these statistics are calculations rated to the efficiency and financial yield of the resources from the Basin. The cost associated with recovering oil is largely based on the cost of the infrastructure, equipment, and drilling operation necessary to reclaim it. Because there is such a high percentage of 'not economically viable for recovery' hydrocarbons currently present in the basin, it makes sense to develop more slowly in order to give technology time to catch up.

Consider the cost of a typical vertical drilling rig compared to a directional one. The vertical drilling setup will prove superior at capturing the 'low hanging fruit', so to speak, at a cost as low as 1/3 of that of a directional drilling rig.

Consequently, vertical drilling could be employed in the Permian to exploit the resources we can easily reach, and directional drilling can be reserved for employ at a later time once carbon dioxide injection and other new technologies have increased the efficiency rate of the yields in the area.

The difference between fields which have been waterflooded and carbon dioxide injected and those which have not is vast. Using cheap, reliable, proven vertical drilling technology while technology and field injections are explored to increase future efficiency is definitely the most efficient way to go in terms of maximizing dollars earned per barrel of oil harvested.



Properly Stewarding the Permian Basin Oil Reserve by Utilizing Traditional Vertical Boring

The Permian Basin, located in West Texas, is the second largest oilfield ever discovered; this makes it a truly massive source of potential revenue for the state. Proper stewardship over the oil and gas deposits in the area is vital to the financial future of the state itself, as well as the large number of businesses and individuals which depend on income generated from developing this resource.

Last year, the State of Texas was able to reap in excess of $2.7 billion just from taxes on production alone. The total economic effect of resources produced in this area easily measures in the hundreds of billions, if not trillions.

As further exploration and drilling efforts have been financed throughout the basin, discussion has heated up as to which one of the two different basic oil drilling methods will provide superior results in the long term for the state. Mr. Reagan Beason, CEO of Aegis oil, is a proponent of the traditional vertical boring methods.

"Using vertical drilling in stacked payzones just makes sense for Permian Basin drilling development," Mr. Beason recently said during an interview. "The deposits are finite. Verts maximize resource capture over time. That's the end of the story as far as I'm concerned."

What does Mr. Beason mean by this? For those unfamiliar with oil drilling methods, let's delve a bit deeper into his statement and take a look at some of the science surrounding vertical boring:

- Capture Over Time Vs. Quick Development – Most of the larger oil and gas companies tend to favor the relatively newer horizontal and directional drilling techniques, but they typically do so for the wrong reasons. Yes, horizontal drilling maximizes the throughput of the drilling operation, but it does so at the expense of efficiency. Vertical drilling, while slower, is the correct choice to maximize resource extraction, which is why states like North Dakota choose the method for employ on the majority of their deposits.
- Oil Prices Trending Upward – Larger drilling companies are looking for quarterly profits, not maximum long term benefit. However, this mentality completely ignores the effect that oil prices are trending upwards over time. There is no rush; the oil isn't going anywhere. Should these finite resources that are only appreciating in value be quickly extracted in pursuit of a quarterly dividend, or shepherded more carefully in order to derive greater value from them?

- Jobs & Employment At Stake – Another concern is the overall economic health of the area. Texas has been enjoying an economic boom recently, and one of the lowest unemployment rates in the nation, partially due to the continued success of the oil and gas industry. Again, it would seem that a cautious, slower, more responsible approach to resource management and development may yield superior long term results for the region and state than ill-considered short-term profit maximization.

It is for these reasons and many others that companies like Aegis Oil recommend that Permian Basin oil resources be developed using traditional vertical drilling methods. It doesn't hurt that vertical drilling technology is beginning to foster technological advancements of its own, either, beginning to fight back against the reputation horizontal drilling enjoys as the more 'modern' of the two methods.

For example, some oil deposits over in Italy are being developed using new and enhanced vertical drilling technology that is even more efficient and low-cost than traditional methods, making it even more competitive when compared against expensive directional drilling methods.

So if the businesses, individuals, and government of the State of Texas are interested in maximizing the benefit they are able to reap from the Permian Basin reserves, rather than handing it over to large corporations, they should definitely investigate vertical drilling technologies, and the companies backing them.

Permian Basin Production Leaps forward to 1.7 Million Bopd

Net Gain of 300,000 Bopd Year over Year

Booming Energy Activity in Permian Basin Grows Midland Jobs, Economy
Monday, October 06, 2014

Oil and gas drilling in the Permian Basin has steadily risen in 2014, according to the Energy Information Administration (EIA). The rise in crude oil production in the formation is outpacing pipeline infrastructure, and the EIA projects that August crude oil productionin the Permian will be nearly 1.7 million barrels of oil per day (bopd), an increase of more than .3 million bopd year-over-year.

Economic development and job growth in Midland, Texas are getting a shot in the arm from rising drilling activity in the Permian Basin, resulting in new housing projects and construction labor shortages, according to a real estate developer and the Midland Chamber of Commerce.

Economists and financial analysts point frequently to the growth in the overall job market from indirect and induced jobs and the subsequent demand for housing that occurs as a result of oil and gas activity, and the link between the Permian Basin and Midland is no exception.

See more at:

http://www.rigzone.com/news/oil_gas/a/135314/Booming_Energy_Activity_in_Permian_Basin_Grows_Midland_Jobs_Economy?utm_source=DailyNewsletter&utm_medium=email&utm_term=2014-10-07&utm_content=&utm_campaign=Company_Ops_1#sthash.RiA0gdtq.dpuf



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A LIMITED LIABILITY COMPANY

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State of Wisconsin

Department of Financial Institutions

Scott Walker, **Governor** Peter Bildsten, **Secretary**

November 11, 2014

Aegis Oil, LLC
812 Lexington Drive
Plano, Texas 75075

Dear Sir or Madam:

It has come to our attention that your firm or individuals representing it may have been engaged in activities connected with the offer or sale of securities to persons in Wisconsin.

As you may be aware, the Wisconsin Uniform Securities Law (Ch. 551, Wis. Stats.), which this office administers, provides that securities, including any stocks, bonds, promissory notes, limited partnership interests, and **investment contracts** in any form, must be registered by the Division of Securities or properly exempted from the requirement for registration before they may be sold or offered for sale to persons in or from Wisconsin.

In keeping with our obligation to ensure compliance with this requirement, we are requesting, pursuant to the authority of the Administrator of the Division of Securities under sec. 551.602, Wis. Stats., that you file with this office the information and documents indicated below:

1. The names and address of all persons who have at any time transacted business with your firm, together with a description of the form of each such transaction and the dates of and amounts paid by each person;

2. True and complete copies of all transaction agreements, notes, contracts and other documents connected with each transaction;

3. True and complete copies of any and all advertising and promotional materials, offering circulars, prospectuses, correspondence and financial statements published, circulated or used to acquaint persons with the same transaction opportunities;

4. The names and titles of all individuals connected with or in any way representing your firm, or who have devoted efforts toward the promotion or sale of such transactions, together with a description of the nature and scope of such activities identified to each such individual, and of the form and amount of compensation in any form earned by the same individuals for such efforts; and

5. The names and addresses of all owners, officers and controlling persons of your firm. (please include titles).

Please note that, if you wish to argue that the interests offered or sold were not "securities" as that

term is defined and used in Ch. 551, Wis. Stats., or are somehow exempt from registration with this agency, we will consider any such argument. However, any such argument is not a substitute for the factual information we have requested.

Your cooperation in providing the information and documents to us, in order to permit us to assist you in meeting the requirements of our law, will be appreciated. Please forward your response to me so as to arrive at this office not later than two weeks from the date of this letter. Questions concerning this investigation may be directed to me at (608) 266-1157, by electronic mail at mark.dorman@wi.gov or at the address or facsimile machine number listed herein. Thank you for your help and cooperation.

Sincerely,

Mark Dorman

Mark Dorman, Examiner
Bureau of Enforcement

State of Wisconsin

Department of Financial Institutions

Scott Walker, **Governor** Peter Bildsten, **Secretary**

November 11, 2014

Steven Seffren
[redacted]

Dear Mr. Seffren:

It has come to our attention that you may have been engaged for pay in activities connected with the offers and sales of securities to persons in Wisconsin. As you may be aware, the Wisconsin Uniform Securities Law (Wis. Stats. Ch. 551), which this office administers, provides that securities agents doing business with persons in Wisconsin must be registered by the Division of Securities unless specifically exempted from such registration requirement. In addition, all securities, such as stocks, bonds, promissory notes, limited partnership interests, and **investment contracts in any form**, offered and sold to persons in Wisconsin must be registered unless specifically exempted from such registration requirement. In keeping with our obligation to ensure compliance with these requirements, we are requesting, pursuant to the authority of the Administrator under Wis. Stat. § 551.602, that you file with this office the information and documents requested below:

1. The names and addresses of all firms for whom you have transacted business in the offer or sale of securities to or for any persons in Wisconsin;

2. The names and addresses of all persons in Wisconsin for or with whom you have transacted business in the offer or sale of securities, on behalf of any firm, together with a statement of all securities you have offered and sold to each such person; and

3. A statement of the compensation you received from the above-referenced activities, and from whom.

Your cooperation in providing this information to us, to permit us to assist you in meeting the registration requirements of our law, will be appreciated. Please forward your response to me so as to arrive at this office not later than two weeks from the date of this letter. Questions concerning this investigation may be directed to me at (608) 266-1157, by electronic mail at mark.dorman@wi.gov, or at the facsimile number or address on this letter.

Please note that, if you wish to argue that the interests offered or sold were not "securities" as that term is defined and used in Wis. Stats. Ch. 551, we will consider any such argument. However, any such argument is not a substitute for the factual information we have requested. Thank you for your help and cooperation.

Mark Dorman

Mark Dorman, Examiner
Bureau of Enforcement