

STATE OF OKLAHOMA
DEPARTMENT OF SECURITIES
THE FIRST NATIONAL CENTER, SUITE 860
120 NORTH ROBINSON
OKLAHOMA CITY, OKLAHOMA 73102



In the Matter of:

EnTerra Energy, LLC,

Respondent.

ODS File No. 05-061

ORDER INITIATING INVESTIGATION

It has come to the attention of the Administrator of the Oklahoma Department of Securities ("Department") that the referenced Respondent may have violated certain sections of the Oklahoma Uniform Securities Act of 2004 ("Act"), Okla. Stat. tit. 71, §§ 1-101 through 1-701 (Supp. 2003); the Oklahoma Securities Act ("Predecessor Act"), Okla. Stat. tit. 71, §§ 1-413, 501, 701-703 (2001 & Supp. 2003); and/or the Rules of the Oklahoma Securities Commission and the Administrator of the Department of Securities ("Rules").

Section 1-602 of the Act provides in part:

A. The Administrator may:

1. Conduct public or private investigations within or outside of this state which the Administrator considers necessary or appropriate to determine whether a person has violated, is violating, or is about to violate this act or a rule adopted or order issued under this act, or to aid in the enforcement of this act or in the adoption of rules and forms under this act;
2. Require or permit a person to testify, file a statement, or produce a record, under oath or otherwise as the Administrator determines, as to all the facts and circumstances concerning a matter to be investigated or about which an action or proceeding is to be instituted; and
3. Publish a record concerning an action, proceeding, or an investigation under, or a violation of, this act or a rule adopted or order issued under this act if the Administrator determines it is necessary or appropriate in the public interest and for the protection of investors.

Section 405 of the Predecessor Act provides in part:

(a) The Administrator in his discretion:

(1) may make such public or private investigations within or outside of this state as he deems necessary to determine whether any person has violated or is about to violate any provision of this act or any rule or order hereunder, or to aid in the enforcement of this act or in the prescribing of rules and forms hereunder; and

(2) may require or permit any person to file a statement in writing, under oath or otherwise as the Administrator determines, as to all the facts and circumstances concerning the matter to be investigated.

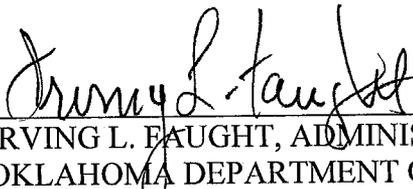
Based upon information received by the Department, and in light of the provisions of the Act and Predecessor Act, the Administrator has determined it to be in the public interest to conduct an investigation into the activities of the referenced Respondent.

IT IS THEREFORE ORDERED that an investigation be commenced into the activities of the referenced Respondent or associated or affiliated entities or individuals, to determine whether such persons have violated, or are continuing to violate, any provision of the Act, the Predecessor Act or the Rules.

If the Administrator determines that violations of the Act, the Predecessor Act, and/or the Rules have occurred, the Administrator may pursue any course of action authorized by law. If, however, the facts indicate that no corrective action by the Administrator is warranted, the investigation will be closed.

Witness my Hand and the Official Seal of the Oklahoma Department of Securities this 24th day of February, 2006.

(SEAL)



IRVING L. FAUGHT, ADMINISTRATOR OF THE
OKLAHOMA DEPARTMENT OF SECURITIES