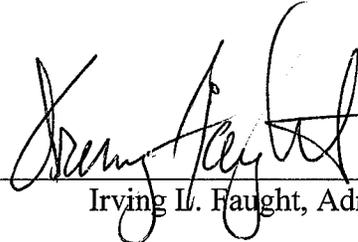


FURTHER AFFIANT SAYETH NOT.

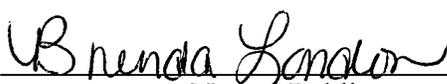
Dated this 13th day of April, 2005.

(SEAL)



Irving L. Faught, Administrator

Subscribed and sworn to before me this 13th day of April, 2005.



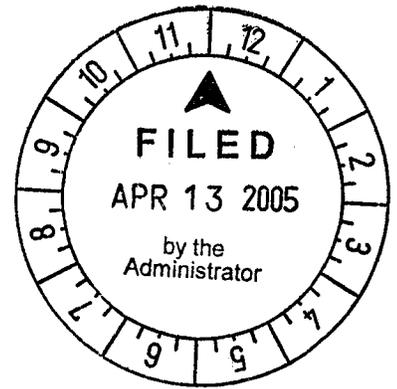
Brenda London
Notary Public

My Commission Expires: August 26, 2005

My Commission No.: 01013792

SEAL

STATE OF OKLAHOMA
DEPARTMENT OF SECURITIES
FIRST NATIONAL CENTER
120 N. ROBINSON, SUITE 860
OKLAHOMA CITY, OKLAHOMA 73102



In the Matter of:

Lance Duane Barron,

Respondent.

ODS File No. 04-090

NOTICE OF OPPORTUNITY FOR HEARING

1. On the 12th day of April, 2005, the attached Enforcement Division Recommendation (Recommendation) was left in the office of the Administrator concerning the activities of Lance Duane Barron (Respondent) in connection with the offer and/or sale of securities in and/or from Oklahoma.

2. Pursuant to Section 406(b) of the Oklahoma Securities Act (Predecessor Act), Okla. Stat. tit. 71, §§ 1-413, 501, 701-703 (2001 & Supp. 2003), and Section 1-701 of the Oklahoma Uniform Securities Act of 2004 (Act), Okla. Stat. tit. 71, §§ 1-101 through 1-701 (Supp. 2003), the Administrator hereby gives notice to Respondent of his right to request a hearing to show why an order based on the Recommendation should not be issued.

3. The request for a hearing on the Recommendation must be received by the Administrator within fifteen (15) days after service of this Notice of Opportunity for Hearing (Notice). Failure to request a hearing as provided for herein shall result in the issuance of an order to cease and desist against Respondent.

4. The request for hearing shall be in writing and Respondent shall specifically admit or deny each allegation in said request as required by 660:2-9-2(a) of the Rules of the Oklahoma Securities Commission and the Administrator of the Department of Securities (Rules).

5. Upon receipt of a written request, a hearing on this Notice shall be set within ninety (90) days or a written order denying hearing shall be issued, pursuant to 660:2-9-2(b) of the Rules.

6. Notice of the date, time and location of the hearing shall be given to Respondent not less than forty-five (45) days in advance thereof pursuant to 660:2-9-2(c) of the Rules. Additionally, the notice may contain matters to supplement this Notice and the Recommendation attached hereto.

Witness my Hand and the Official Seal of the Oklahoma Department of Securities this
13th day of April, 2005.

(SEAL)



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

CERTIFICATE OF MAILING

The undersigned hereby certifies that on the 13th day of April, 2005, a true and correct copy of the above and foregoing Notice of Opportunity for Hearing and attached Enforcement Division Recommendation was mailed by certified mail, return receipt requested, delivery restricted, with postage prepaid thereon, addressed to:

Lance Duane Barron
P.O. Box 582
Ringling, OK 73456

Lance Duane Barron
305 South 7th Street
Ringling, OK 73456

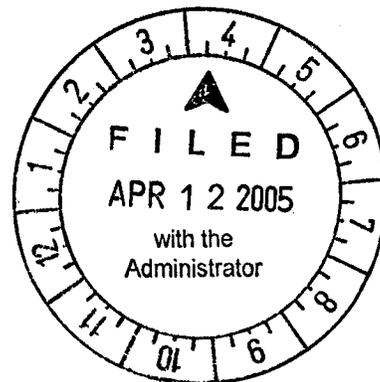
Lance Duane Barron
P.O. Box 5682
Fort Smith, AR 72913

Lance Duane Barron
1314 North Albert Pike D
Fort Smith, AR 72904



Brenda London
Paralegal

STATE OF OKLAHOMA
DEPARTMENT OF SECURITIES
FIRST NATIONAL CENTER
120 N. ROBINSON, SUITE 860
OKLAHOMA CITY, OKLAHOMA 73102



In the Matter of:

Lance Duane Barron,

Respondent.

ODS File No. 04-090

ENFORCEMENT DIVISION RECOMMENDATION

The Enforcement Division of the Oklahoma Department of Securities (Department) conducted an investigation into the activities of Lance Duane Barron in connection with the offer and/or sale of securities in and/or from Oklahoma. Based thereon, the following Findings of Fact, Authorities, and Conclusions of Law are submitted to the Administrator of the Department (Administrator), or his designee, in support of the issuance of an order to cease and desist pursuant to Section 406 of the Oklahoma Securities Act (Predecessor Act), Okla. Stat. tit. 71, §§ 1-413, 501, 701-703 (2001 & Supp. 2003), and Section 1-604 of the Oklahoma Uniform Securities Act of 2004 (Act), Okla. Stat. tit. 71, §§ 1-101 through 1-701 (Supp. 2003).

Findings of Fact

1. At all times material hereto, Lance Duane Barron (Respondent), an individual and a resident of Oklahoma, represented himself as being affiliated with South Texas Petroleum, a company engaged in oil and gas exploration and production.
2. In June of 2003, Respondent offered and sold contractual interests (Interests) in a Texas oil well investment to certain investors (Investors). Investors met Respondent while he was traveling outside Oklahoma to promote a multi-level marketing business.
3. Respondent told Investors that he had "doubled" his previous investment with South Texas Petroleum. Respondent offered contracts with South Texas Petroleum relating to a specific well and guaranteed that Investors would at least double their money within six (6) months through the efforts of South Texas Petroleum. Respondent told Investors to make their checks payable to him as the investment opportunity was closed to new Investors. Respondent represented that he would pool the Investor funds with his personal money and with that of approximately twenty-four (24) other Investors. Respondent promised that there was no risk to Investors because their money would be refunded or they would receive an interest in another oil well if the specified well did not "hit."

4. One Investor mailed a cashier's check payable to Respondent to a post office box in Oklahoma. Investor funds were deposited into two accounts in the name of Respondent at a bank in Ringling, Oklahoma. Respondent disbursed the Investor funds from these accounts for his personal expenses and did not send Investor funds to South Texas Petroleum.

5. Respondent was not registered under the Predecessor Act to transact business as a broker-dealer or agent.

6. The Interests offered and sold by Respondent were not registered pursuant to Section 301 of the Predecessor Act.

To the extent any of these Findings of Fact are more properly characterized as Conclusions of Law, they should be so considered.

Authorities

1. Section 1-701 of the Act provides in part:

A. The predecessor act exclusively governs all actions or proceedings that are pending on the effective date of this act or may be instituted on the basis of conduct occurring before the effective date of this act, but a civil action may not be maintained to enforce any liability under the predecessor act unless instituted within any period of limitation that applied when the cause of action accrued or within five (5) years after the effective date of this act, whichever is earlier.

2. Section 406 of the Predecessor Act provides in pertinent part:

(a) If the Administrator reasonably believes, whether or not based upon an investigation conducted under Section 405 of this title, that a person has violated the Oklahoma Securities Act, except under the provisions of Section 202.1 or 305.2 of this title, or a rule or order of the Administrator under the Oklahoma Securities Act or has engaged in dishonest or unethical practices in the securities business, the Administrator, in addition to any specific power granted by any other section of the Oklahoma Securities Act, may impose one or more of the following sanctions:

(1) issue an order against the person to cease and desist from engaging in such violation or dishonest or unethical practices or doing any act in furtherance thereof[.]

3. Section 2 of the Predecessor Act provides in part:

(d) "*Agent*" means any individual other than a broker-dealer who represents a broker-dealer or issuer in effecting or attempting to effect purchases or sales of securities.

* * *

(e) "*Broker-dealer*" means any person engaged in the business of effecting transactions in securities for the account of others or for his or her own account.

(v) "*Security*" means any:

* * *

(11) investment contract[.]

4. Section 101 of the Predecessor Act provides:

It is unlawful for any person, in connection with the offer, sale, or purchase of any security, directly or indirectly[:]

* * *

(2) to make any untrue statement of a material fact or to omit to state a material fact necessary in order to make the statements made, in the light of the circumstances under which they are made, not misleading,

(3) to engage in any act, practice, or course of business which operates or would operate as a fraud or deceit upon any person.

5. Section 201 of the Predecessor Act provides in pertinent part:

(a)(1) It is unlawful for any person to transact business in this state as a broker-dealer or agent unless the person is so registered under this act or unless the person is exempt from registration as provided in paragraph (2) or (3) of this subsection.

6. Section 301 of the Predecessor Act provides:

It is unlawful for any person to offer or sell any security in this state unless:

(1) it is registered under this act or the security or transaction is exempted under Section 401 of this title; or

(2) it is a federal covered security.

7. Section 1-604 of the Act provides in part:

A. If the Administrator determines that a person has engaged, is engaging, or is about to engage in an act, practice, or course of business constituting a violation of this act or a rule adopted or order issued under this act or constituting a dishonest or unethical practice or that a person has materially aided, is materially aiding, or is about to materially aid an act, practice, or course of business constituting a violation of this act or a rule adopted or order issued under this act or constituting a dishonest or unethical practice, the Administrator may:

1. Issue an order directing the person to cease and desist from engaging in the act, practice, or course of business or to take other action necessary or appropriate to comply with this act[.]

Conclusions of Law

1. The Interests are securities pursuant to the Predecessor Act.

2. Respondent offered and sold unregistered securities in and/or from Oklahoma, in violation of Section 301 of the Predecessor Act.

3. Respondent was not registered under the Predecessor Act to transact business as a broker-dealer or agent, in violation of Section 201 of the Predecessor Act.

4. In connection with the offer, sale, or purchase of securities, Respondent made untrue statements of material fact and omitted to state material facts necessary in order to make the statements made, in light of the circumstances under which they were made, not misleading, in violation of subsection (2) of Section 101 of the Predecessor Act.

5. In connection with the offer, sale, or purchase of securities, Respondent engaged in acts, practices, or a course of business, which operated, as a fraud or deceit upon Oklahoma residents, in violation of subsection (3) of Section 101 of the Predecessor Act.

6. The Administrator has the authority to order Respondent to cease and desist from offering and selling unregistered securities in and/or from Oklahoma; transacting business as a broker-dealer or agent without registration in the state of Oklahoma; making untrue statements of material fact in connection with the offer, sale, or purchase of securities; omitting to state material facts necessary in order to make the statements made, in light of the circumstances

under which they were made, not misleading, in connection with the offer, sale, or purchase of securities; and engaging in acts, practices, or a course of business, which operates, as a fraud or deceit upon Oklahoma residents.

7. It is in the public interest to order Respondent to cease and desist from the conduct described above.

To the extent any of these Conclusions of Law are more properly characterized as Findings of Fact, they should be so considered.

WHEREFORE, it is recommended that the Administrator order Respondent to cease and desist from offering and selling unregistered securities in and/or from Oklahoma; transacting business as a broker-dealer or agent without registration in the state of Oklahoma; making untrue statements of material fact in connection with the offer, sale, or purchase of securities; omitting to state material facts necessary in order to make the statements made, in light of the circumstances under which they were made, not misleading, in connection with the offer, sale, or purchase of securities; and engaging in acts, practices, or a course of business, which operates, as a fraud or deceit upon Oklahoma residents.

Dated this 24 day of April, 2005.

Respectfully submitted,



Patricia A. Labarthe
Enforcement Attorney
Oklahoma Department of Securities
120 North Robinson, Suite 860
Oklahoma City, OK 73102
(405) 280-7700