

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



In the Matter of:

Champ Oil Company, Inc. and
Wayne L. Farris,

ODS File No. 04-039

AGREEMENT

THIS AGREEMENT (the "Agreement") is entered into among Champ Oil Company, Inc., a Mississippi corporation, ("Champ") and Wayne Lawrence Farris ("Farris") and the Administrator ("Administrator") of the Oklahoma Department of Securities ("Department") as of the effective date set forth below.

An investigation into the activities of Champ and Farris was conducted by the Department, pursuant to the Oklahoma Uniform Securities Act of 2004 (Act), Okla. Stat. tit. 71, §§ 1-101 through 1-701 (Supp. 2003), in connection with the offer, sale and/or purchase of securities in and/or from Oklahoma.

The Department's investigation revealed that Champ was formed by Farris in 1981 and is engaged in the business of exploring for and producing oil and gas. The investigation further revealed that Farris is the president and sole shareholder of Champ. Until August 2005, Champ maintained its principal place of business in Norman, Oklahoma. As of the effective date of this Agreement, the principal place of business is in the state of Texas.

Champ and Farris desire to conclude the investigation and resolve the issues raised in the investigation expeditiously and in a manner consistent with the purposes fairly intended by the policies and provisions of the Act.

NOW THEREFORE, the parties agree as follows:

1. **Restrictions.** For a period of three years from the date of this Agreement, (a) neither Champ nor Farris shall request to register as a broker-dealer, broker-dealer agent, investment adviser, investment adviser representative and/or issuer agent under the Act and (b) neither Champ nor Farris shall offer and/or sell or cause to be offered and/or sold any working interest or other fractional undivided interest in oil, gas, or other mineral leases or rights or any other security, as defined by Section 1-102 of the Act, in and/or from Oklahoma.

2. **Entire Agreement.** Champ, Farris and the Department acknowledge that the agreements contained herein are given voluntarily and without threat, offer, promise, or inducement of any kind or nature having been made or given by the Department, its staff, the Administrator, or the Oklahoma Securities Commission. This writing constitutes the entire agreement of the parties with respect to the subject matter hereof and supersedes any and all prior and contemporaneous agreements, representations and understandings of the parties. No supplement, modification or amendment to this Agreement shall be binding unless executed in writing by each of the parties hereto.

3. **Limitation on Agreement.** Nothing in this Agreement shall prohibit the Administrator from disclosing, pursuant to Sections 1-607 and 1-608 of the Act, information obtained as a result of the investigation to any other properly constituted agency or authority. In the event any other agency or authority commences an action in connection with information obtained by the Administrator against Champ or Farris, the Administrator may assist in such actions as authorized by law. It is further agreed that the execution of this Agreement does not mean that the Administrator has passed in any way upon the merits or qualifications of, or recommended or given approval to, the transactions to which it relates.

4. **Effective Date.** This Agreement shall be effective as of the date on which it is signed by the Administrator as set forth below his signature hereto.

5. **Consideration.** In consideration for this Agreement, the Administrator shall conclude the investigation and will not take further action against Champ or Farris in connection with any information obtained as a result of the investigation, however, should Champ or Farris fail to comply with the terms of this Agreement in any material respect, or if Champ or Farris have made any false or misleading statements to the Department in connection with this matter, the Department shall have the right to initiate action against Champ or Farris as authorized by the Act.

6. **Applicability.** This Agreement applies only to the activities of Champ and Farris and to no others.

IN WITNESS WHEREOF, the parties have executed this Agreement as of the date and year set forth below their signatures hereto.

Champ Oil Company, Inc.:

By: Wayne L. Farris
Wayne L. Farris, President

Date: 10-2-06

Wayne L. Farris:

Wayne L. Farris

Date: 10-2-06

OKLAHOMA DEPARTMENT OF SECURITIES:

By: Irving L. Faight
Irving L. Faight, Administrator

Date: October 17, 2006

IRVING L. FAUGHT
ADMINISTRATOR



BRAD HENRY
GOVERNOR

STATE OF OKLAHOMA
DEPARTMENT OF SECURITIES

October 17, 2006

Mark H. Bennett
Conner & Winters, P.C.
1700 One Leadership Square
211 North Robinson
Oklahoma City, OK 73102

Re: Champ Oil Company, Inc.
ODS File No. 04-039

Dear Mr. Bennett:

Enclosed is a copy of the executed Agreement between your clients and the Oklahoma Department of Securities. We appreciate your cooperation in resolving this matter.

Sincerely,

Shaun Mullins
Enforcement Attorney

Brenda London
Brenda London
Paralegal

Enclosure