

TRAVIS J. ILES
SECURITIES COMMISSIONER



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Texas State Securities Board

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IN THE MATTER OF §
PRT CONSULTING, LLC DBA PETROLEUM §
RESOURCES OF TEXAS; EMILIO BARRERA, §
JR. AKA MIKE BARRERA; BEELER 2H JOINT §
VENTURE; TODD PRINCE; RICHMOND §
ENGINEERING, INC; SMARTOILANDGAS.ORG §
D/B/A SMART OIL AND GAS; AND §
MARK ALLAN PLUMMER AKA M.A. PLUMMER §

Order No. ENF-20-CDO-1810

PRT Consulting, LLC dba Petroleum Resources of Texas

1101 E. Arapaho Road, Suite 120, Richardson, Texas 75081, and to Emilio Barrera Jr., its registered agent, at 1101 E. Arapaho Road, Suite 120, Richardson, Texas 75081.

Emilio Barrera, Jr., aka Mike Barrera

addressed to his attention at the office for PRT Consulting, LLC, and 8917 Soldiers Home, McKinney, Texas 75070.

Beeler 2H Joint Venture

addressed to its attention at the office for PRT Consulting, LLC.

Todd Prince

addressed to his attention at the office for PRT Consulting, LLC.

Richmond Engineering, Inc.

1101 E. Arapaho Road, Suite 120, Richardson, Texas 75081, and to Mark Plummer, its registered agent, at 1101 E. Arapaho Road, Suite 120, Richardson, Texas 75081.

SmartOilAndGas.org dba Smart Oil and Gas

addressed to its attention at the office for Richmond Engineering, Inc.

Mark Allan Plummer aka M.A. Plummer

addressed to his attention at the office for Richmond Engineering, Inc.

EMERGENCY CEASE AND DESIST ORDER

This is your OFFICIAL NOTICE of the issuance by the Securities Commissioner of the State of Texas (the "**Securities Commissioner**") of an EMERGENCY CEASE AND DESIST ORDER pursuant to Section 23-2 of The Securities Act, Tex. Rev. Civ. Stat. Ann. arts. 581-1-581-45 (the "**Securities Act**").

The Enforcement Division of the Texas State Securities Board (the "**Enforcement Division**") has presented evidence sufficient for the Securities Commissioner to find:

FINDINGS OF FACT

OVERVIEW

1. Emilio Barrera, Jr. is the managing member and president of PRT Consulting, LLC, d/b/a Petroleum Resources of Texas, and it has been offering investments tied to an oil and gas drilling program.
2. Mr. Barrera is on felony probation. Since February 27, 2020, he has been placed under house arrest and ordered to wear an electronic monitoring device.
3. Mark Allan Plummer controls Smart Oil and Gas, and Smart Oil and Gas has been acting as a sales agent for Petroleum Resources of Texas. Mr. Plummer and Smart Oil and Gas have been soliciting investors through radio advertisements, a radio program, and an internet website.
4. Mr. Plummer is a recidivist. He was found liable for operating a fraudulent oil and gas investment scheme and was ordered to disgorge \$399,011.19 of misappropriated investor funds and ordered to pay a civil penalty of \$75,000 plus prejudgment interest of \$33,007.93. Numerous customer complaints administered by FINRA have resulted in Mr. Plummer being ordered to pay \$2,165,771.70 in compensatory and punitive damages. On January 30, 2017, Mr. Plummer was permanently barred by FINRA from associating with any FINRA member firm in any capacity and he is no longer registered to sell securities.
5. The Securities Board and the United States Securities and Exchange Commission have also brought enforcement actions against Mr. Plummer.
6. This is not the first time Mr. Barrera and Mr. Plummer have dealt in oil and gas investments. They previously managed a failed oil and gas drilling company. The oil company filed for bankruptcy and creditors filed over 160 claims totaling more than \$20 million in the case.

7. As described herein, the parties are engaging in new illegal, deceptive, and fraudulent practices in connection with the offer of units in a new oil and gas venture to Texans.
8. The Commissioner is entering this Emergency Cease and Desist Order to protect Texans from immediate and irreparable harm.

THE RESPONDENTS

9. PRT Consulting, LLC. dba Petroleum Resources of Texas ("**Respondent Petroleum Resources**") is a Texas Limited Liability Company. It can be served by certified mail addressed to its principal office at 1101 E. Arapaho Road, Suite 120, Richardson, Texas 75081, and addressed to Emilio Barrera, Jr., its registered agent, at 1101 E. Arapaho Road, Suite 120, Richardson, Texas 75081.
10. Emilio Barrera, Jr., aka Mike Barrera ("**Respondent Barrera**") is the Registered Agent, President and Managing Member of Respondent Petroleum Resources. He can be served by certified mail addressed to the principal office of Respondent Petroleum Resources and at 8917 Soldiers Home, McKinney, Texas 75070.
11. Beeler 2H Joint Venture ("**Respondent Beeler 2H**") will be a Texas Joint Venture that can be served by certified mail addressed to 1101 E. Arapaho Road, Suite 120, Richardson, Texas 75081. Respondent Beeler 2H can also be served by certified mail addressed to Respondent Petroleum Resources, its Managing Venturer, at the principal office for Respondent Petroleum Resources and to Respondent Barrera, the Registered Agent for Respondent Petroleum Resources, at his office and home addresses.
12. Todd Prince ("**Respondent Prince**") is a sales agent for Respondent Petroleum Resources, Respondent Smart Oil and Gas and Respondent Beeler 2H. He can be served by certified mail addressed to the office for Respondent Petroleum Resources, the address for Respondent Smart Oil and Gas and 5045 Lorimar, Suite 220, Plano, Texas 75093.
13. Richmond Engineering, Inc. ("**Respondent Richmond**") is a Texas For-Profit Corporation that is affiliated with Respondent Smart Oil and Gas. It can be served by certified mail addressed to its office at 1101 E. Arapaho Road, Suite 120, Richardson, Texas 75081, and by certified mail addressed Respondent Plummer, its Director and Registered Agent, at 1101 E. Arapaho Road, Suite 120, Richardson, Texas 75081.
14. SmartOilAndGas.org dba Smart Oil and Gas ("**Respondent Smart Oil and Gas**") is controlled by Respondent Richmond and Respondent Plummer as described herein and is an agent of Respondents Petroleum Resources and Beeler 2H as described herein. It can be served by certified mail addressed to the offices of Respondents Richmond, Petroleum Resources and Beeler 2H.

15. Mark Allan Plummer aka M.A. Plummer ("**Respondent Plummer**") is the Registered Agent, President and Director of Respondent Richmond Engineering. Respondent Plummer can be served by certified mail at the address for Respondent Richmond Engineering.

THE RADIO ADVERTISEMENTS, RADIO SHOW
AND INTERNET WEBSITE FROM RESPONDENT SMART OIL AND GAS

16. Respondent Plummer is the owner of Respondent Richmond and serves as its President and Director.
17. Respondents Plummer and Richmond control Respondent Smart Oil and Gas.
18. Respondent Smart Oil and Gas purports to provide information and education about the evaluation of investments in oil and gas wells.
19. Respondent Smart Oil and Gas has been publishing radio advertisements describing oil and gas investments broadcast on Sirius XM ESPN Radio and MSNBC Radio, and the radio advertisements have been carried in Austin, Texas. These advertisements have been broadcast to the public as recently as May 29, 2020.
20. Respondent Smart Oil and Gas is also hosting a radio show that describes oil and gas investments.
21. The radio show broadcasts on 1080 KLRD AM, a radio station for the geographic area in and around Dallas, Texas.
22. The radio shows are also available as podcasts on various online platforms including Radio.com, Stitcher.com and Apple Podcasts, and prior segments are archived in and publicly accessible through a website maintained by Smart Oil and Gas Website at www.smartoilandgas.org.
23. The radio advertisements, the radio shows, and the internet website direct potential investors to contact Respondent Smart Oil and Gas for additional information.

THE OFFER OF OIL AND GAS
INVESTMENTS ISSUED BY RESPONDENT BEELER 2H

24. Respondent Barrera controls Respondent Petroleum Resources, and Respondent Petroleum Resources is a "proud sponsor" of the Smart Oil and Gas Radio Show.
25. Respondents Petroleum Resources and Prince are responding to potential investors who contact Respondent Smart Oil and Gas.

26. Respondents Petroleum Resources and Prince are telling potential investors Respondent Prince works in investor relations for Respondents Petroleum Resources and Smart Oil and Gas.
27. Respondents Petroleum Resources and Prince are offering potential investors the opportunity to purchase an oil and gas investment issued by Respondent Beeler 2H.

RESPONDENT BEELER 2H

28. Respondent Beeler 2H purports to become a joint venture dedicated to drilling a prospect well described as follows:
 - A. The prospect well will be a horizontal oil well in the Subclarksville Sand in the Elkhart Field in Anderson County, Texas; and
 - B. The prospect well will be an offset of the Beeler 1H Well.
29. Respondent Beeler 2H is issuing 58 units of participation for a total of 58% Joint Venture Working Interest and 43.5% net revenue interest in the new horizontal well.
30. The units cost \$140,000 per unit, meaning the total offering amount is \$8.12 million.
31. Respondents Petroleum Resources and Prince are telling potential investors that Respondent Petroleum Resources acquired the prospect well as follows:
 - A. They are claiming Respondent Petroleum Resources acquired the prospect well from a previous company that went bankrupt;
 - B. They are identifying the bankrupt company as "Chestnut Petroleum;" and
 - C. They are claiming Respondent Petroleum resources does not "have any association" with Chestnut Petroleum and has "no affiliation" with Chestnut Petroleum.
32. Although not disclosed to prospective investors, the prospect well was actually previously owned by Respondent Richmond, a company controlled by Respondent Plummer.
33. Although not disclosed to prospective investors, Respondent Richmond sold a portion of the prospect well to Respondent Petroleum Resources for \$2.5 million.

34. Although not disclosed to prospective investors, as of February 20, 2020, Respondent Petroleum Resources only paid around \$400,000 of the \$2.5 million, and it owed Respondent Richmond \$2.1 million.
35. Although not disclosed to prospective investors, as of February 20, 2020, Respondent Richmond continued to own a portion of the prospect well.

MANAGEMENT OF THE BEELER 2H

36. Respondent Petroleum Resources will be the Managing Venturer of Respondent Beeler 2H.
37. Respondent Petroleum Resources claims to be an independent oil and natural gas firm that raises capital through the sale of investments in oil and gas wells.
38. Respondent Petroleum Resources is touting its success in dealing in oil and gas investments as follows:
 - A. Respondent Petroleum Resources is claiming it has a "long successful track record" dating back to its founding in 2009;
 - B. Respondent Petroleum Resources is also claiming it specializes only in developing highly productive oil and gas fields, and as such Respondent Petroleum Resources and its investors can receive "multiple returns" on their investments; and
 - C. Respondent Petroleum Resources is also claiming it is committed to developing "top quality" investment opportunities that provide a "high potential for substantial profitability" that can "build a financial legacy" lasting for years.
39. Respondent Petroleum Resources is also touting the business repute and qualifications of the company and its personnel. It is representing as follows:
 - A. Respondent Petroleum Resources is attributing its success to "open and transparent relationships" built on "mutual trust and respect" earned by conducting itself with "honesty and integrity;"
 - B. Respondent Petroleum Resources is representing it hires employees based on characteristics that include "experience [and] integrity," as well as "industry knowledge;" and
 - C. Respondent Petroleum Resources is representing it conducts "complete background checks" for all employees, and they must adhere to "very stringent policies, procedures and guidelines."

REPRESENTATIONS OF PROFITABILITY

40. Respondents Smart Oil and Gas, Beeler 2H, Petroleum Resources, Barrera and Prince are touting the profitability of the units issued by Respondent Beeler 2H as follows:
- A. Respondents Smart Oil and Gas, Beeler 2H, Petroleum Resources, Barrera and Prince are representing that the Beeler 2H well should initially produce at 2,000 barrels of oil per day and recover up to 2,000,000 barrels of oil in total; and
 - B. Respondents Smart Oil and Gas, Beeler 2H, Petroleum Resources, Barrera and Prince are representing the purchase of units may provide an annual return between 54 percent and 221 percent of the principal investment assuming the price of oil is \$60 per barrel.
41. Despite recent changes to the price of oil, Respondents Beeler 2H, Petroleum Resources, Barrera, and Prince are touting the profitability and safety of the units. They are representing the purchase of units may provide a return of between 22% and 74% if oil is priced at \$20 per barrel and will break even if oil is priced at \$14 per barrel.
42. Respondents Petroleum Resources and Prince are also describing the units issued by Respondent Beeler 2H:
- A. They are explaining that people do not have the time to take the necessary steps to develop oil wells, "so we take care of it for you;" and
 - B. They are referring to the profits as "mailbox money," which means they just "send you a check every month in the mail."

**RESPONDENT BARRERA WAS PROSECUTED FOR AGGRAVATED
ASSAULT WITH A DEADLY WEAPON AND IS CURRENTLY SATISFYING
HIS FELONY BOND BY SERVING HOUSE ARREST WITH GPS ELM
MONITORING**

43. As described herein, Respondent Barrera controls Respondent Petroleum Resources, and Respondent Petroleum Resources is the Managing Venturer of Respondent Beeler 2H.
44. On or about June 13, 2014, Respondent Barrera was indicted in the 204th Judicial District Court in Dallas County, Texas, and charged with the 2nd degree felony offense of aggravated assault with a deadly weapon in Cause No. F-1333943.

45. Respondent Barrera entered a plea of nolo contendere to the charge in State of Texas v. Emilio Barrera Jr., Cause No. F-1333943-T, in the 283rd Judicial District Court of Dallas County, Texas.
46. The Court found Respondent Barrera used a deadly weapon in the commission of the offense and ordered him to serve a four-year term of deferred adjudication community supervision. The Court also ordered Respondent Barrera to pay a fine of \$2,000.
47. On or about October 4, 2017, the Court issued a capias warrant for the arrest of Respondent Barrera for violating the conditions of his community supervision.
48. On or about October 9, 2017, the State of Texas filed a Motion to Revoke Probation or Proceed with an Adjudication of Guilt against Respondent Barrera for violating the conditions of his community supervision.
49. On or about October 12, 2017, the Court ordered Respondent Barrera's bond be conditioned on his wearing of an ELM GPS monitoring device. Respondent Barrera wore the ELM GPS monitoring device through on or about February 2, 2018.
50. On or about June 21, 2018, the State withdrew its Motion to Revoke Probation or Proceed with an Adjudication of Guilt. On the same day, the Court ordered the extension of Respondent Barrera's community supervision through December 16, 2020.
51. On or about February 17, 2020, the Court again issued a capias warrant for Respondent Barrera's arrest. This capias warrant also charged Respondent Barrera with violating the conditions of his community supervision.
52. On or about February 20, 2020, the State of Texas filed another Motion to Revoke Probation or Proceed with an Adjudication of Guilt against Respondent Barrera for violating the conditions of his community supervision.
53. On or about February 21, 2020, the Sheriff arrested Respondent Barrera and Respondent Barrera was confined to the Dallas County Jail.
54. On or about February 27, 2020, the Court ordered that Respondent Barrera serve his bond on full house arrest with ELM GPS monitoring until released by the court.
55. Respondent Barrera is still on house arrest and the State's Motion to Revoke Probation or Proceed with an Adjudication of Guilt remains pending against him.

IN JANUARY 2012
THE SECURITIES COMMISSIONER BROUGHT AN ENFORCEMENT
ACTION AGAINST A DEALER CONTROLLED BY RESPONDENT PLUMMER

56. Respondent Plummer was the President of Texas E&P Partners, Inc., fka Plummer Securities, Inc., fka Chestnut Energy Partners, Inc. fka Chestnut Exploration Partners, Inc. ("**Texas E&P Partners**").
57. Texas E&P Partners was previously registered as a dealer with the Securities Commissioner.
58. On or about January 10, 2012, the Securities Commissioner entered Order No. IC12-CAF-06 against Texas E&P Partners. The order found that:
 - A. Texas E&P Partners engaged in the sale of interests in oil and gas joint ventures and limited partnerships managed by its affiliates;
 - B. Texas E&P Partners sold interests in Chestnut Production Fund II, L.P. (the "**Fund**") to investors;
 - C. The Fund purchased a property from Chestnut Petroleum, an affiliate, for \$664,469 plus a seven percent acquisition fee even though Chestnut Petroleum had acquired the property for \$45,000;
 - D. The sale was contrary to the Fund's private placement memorandum and rendered the Fund's private placement memorandum inaccurate; and
 - E. Texas E&P Partners did not enforce its written supervisory procedures because Respondent Plummer did not conduct any review or interviews to determine the accuracy and completeness of the information in the Fund's private placement memorandum after the purchase of the property.
59. The Securities Commissioner reprimanded Texas E&P Partners and assessed an administrative fine of \$50,000 against it. The Securities Commissioner also ordered Texas E&P Partners to comply with an undertaking that required it to repay \$619,469 to the Fund.

IN DECEMBER 2016 FINRA PERMANENTLY BARRED TEXAS E&P
PARTNERS AND RESPONDENT PLUMMER FROM THE SECURITIES
INDUSTRY

60. As referenced herein, Texas E&P Partners was previously registered as a broker-dealer with FINRA.
61. On or about July 21, 2015, FINRA filed a complaint against Texas E&P Partners and Respondent Plummer in Department of Enforcement v. Texas E&P Partners,

Inc., F/K/A Chestnut Exploration Partners, Inc., F/K/A Chestnut Energy Partners, Inc., and Mark A. Plummer, Disciplinary Proceeding No. 2014040501801.

62. On or about December 13, 2016, a Hearings Officer for an Extended Hearing Panel entered an Extended Hearing Panel Decision that found as follows:
- A. Respondent Plummer intentionally misused \$567,110 raised from more than 80 investors in an oil and gas investment program and failed to repay the misused funds to investors; and
 - B. Respondent Plummer, intentionally or recklessly, gave false and misleading testimony during the course of FINRA's investigation.
63. The Extended Hearing Panel ordered as follows:
- A. It expelled Texas E&P Partners from FINRA membership;
 - B. It barred Respondent Plummer from association, in any capacity, with any FINRA member firm; and
 - C. It ordered Respondent Plummer to pay restitution plus pre-judgment interest to affected customers.

BETWEEN AUGUST 2017 AND JULY 2018 ARBITRATORS AWARDED MORE THAN \$2.16 MILLION AGAINST RESPONDENT PLUMMER AND HIS COMPANIES

64. Respondent Plummer and Texas E&P Partners were named as respondents in FINRA Arbitration Case No. 16-00955, wherein:
- A. The claimants asserted causes of action that included omission of facts, breach of contract, failure to pay dividends, intentional fraud, deceit and misrepresentation; and
 - B. On or around August 31, 2017, the arbitration panel determined the respondents were jointly and severally liable for \$299,771.70 in compensatory damages plus interest.
65. Respondent Plummer and Texas E&P Partners were named as respondents in FINRA Arbitration Case No. 16-02150, wherein:
- A. The claimants asserted causes of action that included, in part, breach of fiduciary duty, misrepresentations, omission of facts.
 - B. On or around June 25, 2018, the arbitration panel determined respondents were jointly and severally liable for \$345,000 in compensatory damages.

66. Respondent Plummer and Texas E&P Partners were named as respondents in FINRA Arbitration Case No. 17-03069, wherein:
- A. The claimant asserted causes of action that included, in part, breach of fiduciary duty, negligence and gross negligence, material misrepresentations and omissions of fact and unsuitable investment recommendations.
 - B. On or around July 7, 2018, the arbitrator determined respondents were joint and severally liable for \$521,000 in compensatory damages and \$1 million in punitive damages.

IN NOVEMBER 2017
RESPONDENT PLUMMER'S OIL AND GAS BUSINESS FILED FOR
BANKRUPTCY

67. Respondent Plummer was the President of Texas E&P Operating, Inc., fka Chestnut Exploration and Petroleum, Inc., fka Chestnut Petroleum, Inc. ("**Texas E&P Operating**").
68. On or about November 29, 2017, Texas E&P Operating filed a petition for Chapter 11 Bankruptcy in Case No. 17-34386-sgj-7, in the United States Bankruptcy Court, Northern District of Texas, and the bankruptcy case is still active.
69. On or about January 17, 2018, the Court appointed a Trustee and, on or about January 23, 2019, the Court appointed a successor Trustee.
70. On or around July 27, 2018, the Court converted the case from a Chapter 11 Bankruptcy to a Chapter 7 Bankruptcy.
71. On or about November 27, 2019, the Trustee filed Trustee's Original Complaint against Respondent Plummer and others, alleging over 160 trade creditors, governmental agencies, taxing authorities and investors filed claims totaling more than \$20 million.
72. On or about April 27, 2020, the Trustee filed Trustee's First Amended Complaint against Respondent Plummer and others. It prayed for judgment for various claims and causes of action, alleging in part as follows:
- A. Respondent Plummer controlled Texas E&P Operating and various other entities that operated as one integrated entity often called the Texas E&P Group of Companies;
 - B. The Texas E&P Group of Companies sold private placement investments in oil and gas drilling ventures to investors;

- C. Beginning in or around 2014 and continuing through the filing of the bankruptcy petition, the Texas E&P Group of Companies was “experiencing [a] complete economic meltdown” due to two expensive and unsuccessful oil wells in Anderson County, Texas, the expense of defending dozens of lawsuits filed by creditors and investors and the expulsion of Respondent Plummer from FINRA;
 - D. Despite the “economic meltdown,” the Texas E&P Group of Companies continued paying for sporting events, travel, conferences and personal expenses such as college tuition, and they continued paying large amounts of money to a law firm for work for Respondent Plummer’s personal benefit; and
 - E. Although Texas E&P Operating was insolvent for years and unable to pay creditors, it still paid millions of dollars to Respondent Plummer and his other entities.
73. On or about November 26, 2019, the Trustee filed a complaint against Respondent Barrera in Case No. 19-03218-sgj. The complaint prayed for the recovery of \$145,339.21 from Respondent Barrera and alleged as follows:
- A. Respondent Barrera received transfers at the direction of Respondent Plummer and other employees of Texas E&P Operating from 2013 through 2017 totaling \$145,339.21.
 - B. The transfers were made to Respondent Barrera during a period when Respondent Plummer and Texas E&P Operating were engaged in fraudulent conduct;
 - C. The transfers were made to Respondent Barrera while Texas E&P Operating, Inc. was insolvent; and
 - D. The consideration received by Texas E&P Operating for the transfers to Respondent Barrera were not reasonably equivalent in value.

IN OCTOBER 2018 A SALES AGENT
FILED A LAWSUIT ALLEGING RESPONDENT PLUMMER
AND HIS COMPANY STOLE MORE THAN \$1.16 MILLION IN INVESTOR
MONEY

74. On or about October 19, 2018, Enterra Capital Investor Trust filed a petition in Enterra Capital Investor Trust v. Mark Plummer and Texas E&P Funding, Inc., Civil Action No. DC-18-15847, in the 134th District Court of Dallas County, Texas.
75. The petition alleges common theft, statutory fraud, common law fraud, and misrepresentation based on the following allegations:

- A. The plaintiff agreed to raise capital for Respondent Plummer's oil and gas businesses;
- B. The plaintiff raised more than \$1.16 million for Respondent Plummer to use for oil and gas exploration; and
- C. Respondent Plummer instead used the money to further his own purpose and goals.

76. The case is pending in the 134th District Court of Dallas County, Texas.

IN FEBRUARY 2019 A COURT ORDERED RESPONDENT PLUMMER
TO PAY MORE THAN \$1.5 MILLION TO AN OIL AND GAS INVESTMENT
VICTIM

77. On or about October 19, 2018, an investor filed an Original Petition in Michael C. Eberhardt v. Mark A. Plummer, Civil Action No. DC-18-15860, in the 162nd Judicial District Court of Dallas County, Texas.

78. The plaintiff alleged Respondent Plummer induced the purchase of units in a fraudulent oil and gas program as follows:

- A. The plaintiff learned of the investment through a radio advertisement presented by Respondent Plummer on KRLD;
- B. The plaintiff purchased a 1/2 unit in an oil and gas program for \$100,000.00, a 1/4 unit for \$37,500.00, and paid \$71,250 for completion and testing costs;
- C. Respondent Plummer engaged in a pattern of misleading communications and claimed the well program was experiencing delays; and
- D. Respondent Plummer failed to drill the well.

79. On or about February 25, 2019, following Respondent Plummer's failure to Answer Plaintiff's Original Petition, the Court entered a Final Judgment in favor of the plaintiff and ordered Respondent Plummer to pay \$377,000.00 in actual damages, \$1,131,000.00 in exemplary damages and \$5,622.91 in attorney fees.

IN JUNE 2019 THE UNITED STATES SECURITIES AND EXCHANGE
COMMISSION FILED A LAWSUIT AGAINST RESPONDENT PLUMMER

80. On or about June 26, 2019, the United States Securities and Exchange Commission (the "SEC") filed a civil action against Respondent Plummer in Securities and Exchange Commission v. Mark Allan Plummer, Civil Action No.:

3:19-cv-01538, in the United States District Court for the Northern District of Texas, Dallas Division.

81. The complaint alleged, in part, as follows:
- A. Respondent Plummer defrauded investors by misappropriating investor funds from February 2015 through April 2017;
 - B. At least 100 investors from at least 18 different states, including Texas, were solicited and invested with Respondent Plummer;
 - C. By April 2017, Respondent Plummer had raised \$6.1 million and misappropriated \$399,011 on country club membership fees, college tuition, income tax, personal travel, a 'racquet club' and other personal expenses; and
 - D. Respondent Plummer knowingly, recklessly, or negligently omitted to disclose the "widespread misappropriation" to investors.
82. On or about July 1, 2019, the Court, with the consent of Respondent Plummer, entered a Final Judgment that ordered, adjudged, and decreed as follows:
- A. Respondent Plummer was permanently restrained and enjoined from violating the antifraud provisions of Section 17(a) of the Securities Act of 1933 and Section 10(b) of the Securities Exchange Act of 1934 and Rule 10b-5 thereunder; and
 - B. Respondent Plummer was liable for disgorgement of \$399,011.19, together with prejudgment interest of \$33,007.93 and a civil penalty of \$75,000.

IN DECEMBER 2019 INVESTORS
FILED A LAWSUIT AGAINST RESPONDENTS PLUMMER
AND BARRERA CLAIMING FRAUD IN THE SALE OF OIL AND GAS
INVESTMENTS

83. On or about December 12, 2019, plaintiffs filed suit in Timothy and Louella Hollingsworth and TNL Holdings, LLC, v. Texas E&P Funding, Inc. F/K/A Chestnut Exploration, Inc., Petroleum Resources of Texas, Richmond Engineering, Inc., Mark Allan Plummer and Emilio "Mike" Barrera, Jr., Cause Number DC-19-19780, in the 134th Judicial District of Dallas County, Texas.
84. The plaintiffs allege Respondents Plummer and Barrera and others are liable for fraud, securities fraud, and violations of the Texas Deceptive Trade Practices Act in connection with an oil and gas investment purchased from Respondent Plummer.

FRAUD AND DECEIT AND THE RELATIONSHIP
BETWEEN RESPONDENTS PETROLEUM RESOURCES AND PLUMMER

85. In connection with the offer of units issued by Respondent Beeler 2H, Respondents Beeler 2H, Petroleum Resources, Smart Oil and Gas, Richmond, Barrera and Plummer are intentionally failing to disclose the following material facts:
- A. The prior and current relationships between and among Respondents Petroleum Resources, Richmond, Smart Oil and Gas, Barrera and Plummer; and
 - B. The success of prior oil and gas investment opportunities issued or sold by Respondents Barrera and Plummer or entities controlled or managed in whole or part, directly or indirectly, by Respondents Barrera and Plummer.

FRAUD AND DECEIT AND THE PURCHASE
OF THE PROSPECT WELL BY RESPONDENT PETROLEUM RESOURCES

86. In connection with the offer of units issued by Respondent Beeler 2H, Respondents Beeler 2H, Petroleum Resources, Richmond Smart Oil and Gas, Barrera and Plummer are intentionally failing to disclose the following material facts relating to the purchase of the prospect well:
- A. Respondent Richmond sold a portion of the prospect well to Respondent Petroleum Resources for \$2.5 million; and
 - B. As of February 20, 2020, Respondent Petroleum Resources only paid around \$400,000 of the \$2.5 million, and it owed Respondent Richmond \$2.1 million.
87. In connection with the offer of units issued by Respondent Beeler 2H, Respondents Beeler 2H, Petroleum Resources and Barrera are intentionally failing to disclose the capitalization of Respondent Petroleum Resources, its assets and liabilities, its cash flow or other financial information that reflects its ability to pay for the prospect well, and this information constitutes a material fact.
88. As described herein, Respondents Petroleum Resources and Prince are telling potential investors that Respondent Petroleum Resources acquired the prospect well as follows:
- A. They are claiming Respondent Petroleum Resources acquired the prospect well from a previous company that went bankrupt;
 - B. They are identifying the bankrupt company as "Chestnut Petroleum;" and

- C. They are claiming Respondent Petroleum Resources does not “have any association” with Chestnut Petroleum and has “no affiliation” with Chestnut Petroleum.
89. These statements are materially misleading or otherwise likely to deceive the public because:
- A. Respondent Plummer controlled Chestnut Petroleum, a prior owner of the prospect well;
 - B. The most recent owner of the prospect well was actually Respondent Richmond, a company controlled by Respondent Plummer; and
 - C. Respondent Petroleum Resources is affiliated with and has an association with Respondent Richmond and other entities directly or indirectly controlled by Respondent Plummer as described herein.
90. These statements are also materially misleading or otherwise likely to deceive the public because:
- A. Respondent Richmond sold a portion of the prospect well to Respondent Petroleum Resources for \$2.5 million;
 - B. As of February 20, 2020, Respondent Petroleum Resources only paid around \$400,000 of the \$2.5 million, and it owed Respondent Richmond \$2.1 million; and
 - C. As of February 20, 2020, Respondent Richmond continued to own a portion of the prospect well.

FRAUD AND DECEIT AND OWNERSHIP OF THE WELL

91. In connection with the offer of units issued by Respondent Beeler 2H, Respondents Beeler 2H, Petroleum Resources, Richmond, Smart Oil and Gas, Barrera and Plummer are intentionally failing to disclose that Respondent Richmond continued to own a portion of the prospect well after selling an interest in the prospect well to Respondent Petroleum Resources, and this information constitutes material facts.
92. In connection with the offer of units issued by Respondent Beeler 2H, Respondents Beeler 2H, Petroleum Resources, Richmond, Smart Oil and Gas, Barrera and Plummer are intentionally failing to disclose that Respondent Richmond, as an owner of the prospect well, may continue to be responsible for liabilities, including liabilities for personal injuries and damage to the environment, and this information constitutes material facts.

FRAUD AND THE CRIMINAL PROSECUTION OF RESPONDENT BARRERA

93. In connection with the offer of units issued by Respondent Beeler 2H, Respondents Beeler 2H, Petroleum Resources, and Barrera are intentionally failing to disclose the information set forth herein relating to the criminal prosecution of Respondent Barrera, and this information constitutes material facts.

FRAUD AND THE 2012 ENFORCEMENT ACTION
BROUGHT BY THE TEXAS STATE SECURITIES BOARD

94. In connection with the offer and sale of units issued by Respondent Beeler 2H, Respondents Richmond, Smart Oil and Gas and Plummer are intentionally failing to disclose the information set forth herein relating Order No. IC12-CAF-06, and this information constitutes material facts.

FRAUD AND THE 2016 FINRA ACTION
BARRING RESPONDENT PLUMMER FROM THE SECURITIES INDUSTRY

95. In connection with the offer and sale of units issued by Respondent Beeler 2H, Respondents Richmond, Smart Oil and Gas and Plummer are intentionally failing to disclose the information set forth herein relating to FINRA Disciplinary Proceeding No. 2014040501801, and this information constitutes material facts.

FRAUD AND THE 2017 AND 2018 ARBITRATION AWARDS OF MORE
THAN \$2.16 MILLION AGAINST RESPONDENT PLUMMER AND HIS
COMPANIES

96. In connection with the offer and sale of units issued by Respondent Beeler 2H, Respondents Richmond, Smart Oil and Gas and Plummer are intentionally failing to disclose the information set forth herein relating to FINRA Arbitration Case No. 16-00955, and this information constitutes material facts.
97. In connection with the offer and sale of units issued by Respondent Beeler 2H, Respondents Richmond, Smart Oil and Gas and Plummer are intentionally failing to disclose the information set forth herein relating to FINRA Arbitration Case No. 16-02150, and this information constitutes material facts.
98. In connection with the offer and sale of units issued by Respondent Beeler 2H, Respondents Richmond, Smart Oil and Gas and Plummer are intentionally failing to disclose the information set forth herein relating to FINRA Arbitration Case No. 17-03069, and this information constitutes material facts.

FRAUD AND THE 2017 BANKRUPTCY FILED BY
RESPONDENT PLUMMER'S OIL AND GAS BUSINESS

99. In connection with the offer and sale of units issued by Respondent Beeler 2H, Respondents Beeler 2H, Petroleum Resources, Richmond, Smart Oil and Gas, Barrera and Plummer are intentionally failing to disclose the information set forth herein relating to Bankruptcy in Case No. 17-34386-sgj-7, and this information constitutes material facts.

FRAUD AND THE 2018 LAWSUIT ALLEGING RESPONDENT
PLUMMER STOLE MORE THAN \$1.16 MILLION FROM INVESTORS

100. In connection with the offer and sale of units issued by Respondent Beeler 2H, Respondents Richmond, Smart Oil and Gas and Plummer are intentionally failing to disclose the information set forth herein relating to Enterra Capital Investor Trust v. Mark Plummer and Texas E&P Funding, Inc., Civil Action No. DC-18-15847, and this information constitutes material facts.

FRAUD AND THE 2019 ORDER THAT RESPONDENT PLUMMER
PAY MORE THAN \$1.5 MILLION TO AN OIL AND GAS INVESTMENT VICTIM

101. In connection with the offer and sale of units issued by Respondent Beeler 2H, Respondents Richmond, Smart Oil and Gas and Plummer are intentionally failing to disclose the information set forth herein relating to Michael C. Eberhardt v. Mark A. Plummer, Civil Action No. DC-18-15860, and this information constitutes material facts.

FRAUD AND THE 2019 SEC ACTION FILED AGAINST RESPONDENT

102. In connection with the offer and sale of units issued by Respondent Beeler 2H, Respondents Richmond, Smart Oil and Gas and Plummer are intentionally failing to disclose the information set forth herein relating to Securities and Exchange Commission v. Mark Allan Plummer, Civil Action No.: 3:19-cv-01538, and this information constitutes material facts.

FRAUD AND THE 2019 LAWSUIT ALLEGING RESPONDENTS
PLUMMER AND BARRERA DEFRAUDED AN OIL AND GAS VICTIM

103. In connection with the offer and sale of units issued by Respondent Beeler 2H, Respondents Beeler 2H, Petroleum Resources, Richmond, Smart Oil and Gas, Beeler and Plummer are intentionally failing to disclose the information set forth herein relating to Timothy and Louella Hollingsworth and TNL Holdings, LLC, v. Texas E&P Funding, Inc. F/K/A Chestnut Exploration, Inc., Petroleum Resources of Texas, Richmond Engineering, Inc., Mark Allan Plummer and Emilio "Mike" Barrera, Jr., Cause Number DC-19-19780, and this information constitutes material facts.

DECEPTION AND THE REPRESENTATIONS
REGARDING TRANSPARENCY, HONESTY, EXPERIENCE,
AND INTEGRITY OF RESPONDENT PETROLEUM RESOURCES

104. As described herein, Respondents Petroleum Resources and Barrera are touting the business repute and qualifications of Respondent Petroleum Resources and its personnel, As also described herein, Respondent Prince is providing potential investors with and directing potential investors to information that touts the business repute and qualifications of Respondent Petroleum Resources and its personnel. These representations include the following:
- A. Respondent Petroleum Resources' success is attributable to "open and transparent relationships" built on "mutual trust and respect" earned by conducting itself with "honesty and integrity;"
 - B. Respondent Petroleum Resources hires employees based on characteristics that include "experience [and] integrity," as well as "industry knowledge;" and
 - C. Respondent Petroleum Resources conducts "complete background checks" for all employees, and they must adhere to "very stringent policies, procedures and guidelines."
105. These statements are materially misleading or otherwise likely to deceive the public because Respondents are not disclosing the following information:
- A. The prior and current relationships between and among Respondents Petroleum Resources, Richmond, Smart Oil and Gas, Barrera and Plummer;
 - B. The success of prior oil and gas investment opportunities issued or sold by Respondents Barrera and Plummer or entities controlled or managed in whole or part, directly or indirectly, by Respondents Barrera and Plummer;
 - C. The information set forth herein relating to the criminal prosecution of Respondent Barrera;
 - D. The information set forth herein relating to Order No. IC12-CAF-06;
 - E. The information set forth herein relating to FINRA Disciplinary Proceeding No. 2014040501801;
 - F. The information set forth herein relating to FINRA Arbitration Case No. 16-00955;

- G. The information set forth herein relating to FINRA Arbitration Case No. 16-02150;
- H. The information set forth herein relating to FINRA Arbitration Case No. 17-03069;
- I. The information set forth herein relating to Bankruptcy Case No. 17-34386-sgj-7;
- J. The information set forth herein relating to Enterra Capital Investor Trust v. Mark Plummer and Texas E&P Funding, Inc., Civil Action No. DC-18-15847;
- K. The information set forth herein relating to in Michael C. Eberhardt v. Mark A. Plummer, Civil Action No. DC-18-15860;
- L. The information set forth herein relating to The Securities and Exchange Commission v. Mark Allan Plummer, Civil Action No.: 3:19-cv-01538; and
- M. The information set forth herein relating Timothy and Louella Hollingsworth and TNL Holdings, LLC, v. Texas E&P Funding, Inc. F/K/A Chestnut Exploration, Inc., Petroleum Resources of Texas, Richmond Engineering, Inc., Mark Allan Plummer and Emilio "Mike" Barrera, Jr.

CONCLUSIONS OF LAW

1. The units issued by Respondent Beeler 2H are securities as the term is defined by Section 4.A of the Texas Securities Act.
2. Respondents Beeler 2H, Petroleum Resources, Richmond, Smart Oil and Gas, Barrera and Plummer are engaging in fraud in connection with the offer for sale of securities.
3. Respondents Beeler 2H, Petroleum Resources, Richmond, Smart Oil and Gas, Barrera, Plummer and Prince have made an offer containing a statement that is materially misleading or otherwise likely to deceive the public.
4. The conduct, acts, and practices of Respondents Beeler 2H, Petroleum Resources, Richmond, Smart Oil and Gas, Barrera, Plummer and Prince threaten immediate and irreparable public harm.
5. The foregoing violations constitute bases for the issuance of an Emergency Cease and Desist Order pursuant to Section 23-2 of the Texas Securities Act.

ORDER

1. It is therefore ORDERED Respondents Beeler 2H, Petroleum Resources, Richmond, Smart Oil and Gas, Barrera and Plummer immediately CEASE AND DESIST from engaging in any fraud in connection with the offer for sale of any security in Texas.
2. It is further ORDERED Respondents Beeler 2H, Petroleum Resources, Richmond, Smart Oil and Gas, Barrera, Plummer and Prince immediately CEASE AND DESIST from offering securities in Texas through an offer containing a statement that is materially misleading or otherwise likely to deceive the public.

NOTICE

Pursuant to Section 23-2 of the Texas Securities Act, you may request a hearing before the 31st day after the date you were served with this Order. The request for a hearing must be in writing, directed to the Securities Commissioner, and state the grounds for the request to set aside or modify the Order. Failure to request a hearing will result in the Order becoming final and non-appealable.

You are advised under Section 29.D of the Texas Securities Act that any knowing violation of an order issued by the Securities Commissioner under the authority of Section 23-2 of the Texas Securities Act is a criminal offense punishable by a fine of not more than \$10,000, or imprisonment in the penitentiary for two to ten years, or by both such fine and imprisonment.

SIGNED AND ENTERED by the Securities Commissioner this 17th day of June, 2020.



TRAVIS J. ILES
Securities Commissioner