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STATE OF CALIFORNIA
BUSINESS, TRANSPORTATION AND HOUSING AGENCY
DEPARTMENT OF CORPORATIONS

TO: Travis Coomer
John Chapin
Mid South Energy, L.L.C.
Payne Janes 3, L.L.P.
101 Westwood Drive
Columbia, KY 42728

DESIST AND REFRAIN ORDER
(For violations of sections 25110 and 25401 of the Corporations Code)

The California Corporations Commissioner finds that:

1. At all relevant times, Travis Coomer was the President and control person of Mid South Energy, L.L.C., an entity of unknown form.
2. At all relevant times, John Chapin was a sales person for Mid South Energy, L.L.C.
3. At all relevant times, Stacy Terrell was the registered contact person for Energy Marketing, a fictitious business name filed with the county clerk’s office in Sumner County, Tennessee on April 7, 2006. Its principal place of business is at 321 Victor Reiter Parkway, # 119, Portland, TN 37148.
4. At all relevant times, Cletus Melton was a control person of Energy Marketing.
5. At all relevant times, John Melton was a control person of Energy Marketing.

1 6. In or about January 2006, Stacey Terrell, Cletus Melton, John Melton and Energy Marketing
2 began arranging radio advertising spots, which aired on XM Satellite radio, to solicit listeners to invest
3 in oil and gas well projects. The radio advertisements invited listeners to call Energy Marketing for
4 further information. Interested listeners that called Energy Marketing would be asked for their contact
5 information. Stacey Terrell, Cletus Melton, John Melton and Energy Marketing then sold lists of
6 contact information to companies such as Mid South Energy, L.L.C.

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8 7. Beginning in or about June 2006, Travis Coomer, John Chapin and Mid South Energy, L.L.C.
9 offered or sold securities in the form of limited liability partnership units, in oil and gas well projects
10 such as Payne Janes 3, L.L.P., an entity of unknown form, to California residents.

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12 8. Through general solicitation in the form of telephone cold-calls, Travis Coomer, John Chapin
13 and Mid South Energy, L.L.C. offered and sold limited liability partnership units in oil and gas well
14 projects.

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16 9. According to solicitation materials distributed to potential investors by Travis Coomer, John
17 Chapin and Mid South Energy, L.L.C., the “Partnership’s business purpose is to conduct primary
18 recovery of oil on leased properties in Adair County, State of Kentucky.” The solicitation materials
19 indicate that Mid South Energy, L.L.C.’s principal place of business is 101 Westwood Drive,
20 Columbia, KY 42728.

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22 10. These securities were offered and sold in this state in issuer transactions. The Department of
23 Corporations has not issued a permit or other form of qualification authorizing any person to offer and
24 sell these securities in this state.

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1 11. In connection with these offers or sales, Travis Coomer, John Chapin, Payne Janes 3, L.L.P.
2 and Mid South Energy, L.L.C. misrepresented to investors that Mid South Energy, L.L.C. is “a
3 Kentucky Corporation.” In fact according to the Kentucky Secretary of State, Mid South Energy,
4 L.L.C. is not a Kentucky Corporation or Limited Liability Company.

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6 Based upon the foregoing findings, the California Corporations Commissioner is of the opinion
7 that the investments that are being or have been offered and sold by Travis Coomer, John Chapin,
8 Payne Janes 3, L.L.P. and Mid South Energy, L.L.C. are securities subject to qualification under the
9 California Corporate Securities Law of 1968 and are being or have been offered and sold without
10 being qualified in violation of Corporations Code section 25110. Pursuant to section 25532 of the
11 Corporate Securities Law of 1968, Travis Coomer, John Chapin, Payne Janes 3, L.L.P. and Mid South
12 Energy, L.L.C. are hereby ordered to desist and refrain from the further offer or sale in the State of
13 California of securities, including but not limited to investment contracts in the form of limited
14 liability partnership units in oil and gas well projects such as Payne Janes 3, L.L.P., unless and until
15 qualification has been made under the law or unless exempt.

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17 Further, the California Corporations Commissioner is of the opinion that the securities that are
18 being or have been offered and sold by Travis Coomer, John Chapin, Payne Janes 3, L.L.P. and Mid
19 South Energy, L.L.C. were offered or sold in this state by means of written or oral communications
20 which included an untrue statement of a material fact or omitted to state a material fact necessary in
21 order to make the statements made, in the light of the circumstances under which they were made, not
22 misleading, in violation of section 25401 of the Corporate Securities Law of 1968. Pursuant to section
23 25532 of the Corporate Securities Law of 1968, Travis Coomer, John Chapin, Payne Janes 3, L.L.P.
24 and Mid South Energy, L.L.C. are hereby ordered to desist and refrain from offering or selling or
25 buying or offering to buy any security in the State of California, including but not limited to
26 investment contracts in the form of limited liability partnership units in oil and gas well projects, by
27 means of any written or oral communication which includes an untrue statement of a material fact or
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1 omits to state a material fact necessary in order to make the statements made, in the light of the
2 circumstances under which they were made, not misleading.

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This Order is necessary, in the public interest, for the protection of investors and consistent with the purposes, policies, and provisions of the Corporate Securities Law of 1968.

Dated: March 7, 2007
Los Angeles, California

PRESTON DuFAUCHARD
California Corporations Commissioner

By _____

ALAN S. WEINGER
Lead Corporations Counsel
Enforcement Division