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

TO: Sedona Oil and Gas Corporation
5646 Milton St., Suite 130
Dallas, TX 75206

and

Kenneth Crumbley, Pres.
c/o Sedona Oil and Gas Corporation
5646 Milton St., Suite 130
Dallas, TX 75206

and

Reece Bostick, Asst. Vice Pres.
c/o Sedona Oil and Gas Corporation
5646 Milton St., Suite 130
Dallas, TX 75206

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, Kenneth Crumbley (Crumbley), an individual, was the President of Sedona Oil and Gas Corporation (Sedona). Sedona is a Texas Corporation with a last known business address of 5646 Milton St, Suite 130, Dallas, TX 75206.
2. At all relevant times, Reece Bostick (Bostick), and individual, was an agent of Crumbley and Sedona, specifically as an Assistant Vice President of Sedona.

1 3. Beginning in or about February, 2007, Sedona, Bostick, and Crumbley, offered and sold
2 securities in the form of working interests in Double Diamond #1 Prospect - - an oil and gas
3 developmental well project in Dawson County, Texas (hereinafter, the “securities”).

4 5. Through general solicitations in the form of cold calling, Sedona, Bostick, and Crumbley
5 offered and sold the securities in the state of California. These securities are not registered in the state
6 of California and are non-exempt from the registration requirement.

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

10 7. In connection with these offers and sales, Sedona, Bostick, and Crumbley and others made the
11 following material misrepresentations or omissions:

12 a. Sedona, Bostick, and Crumbley fail to disclose that in June, 2001, the State of
13 Wisconsin issued an order against Sedona for soliciting and selling unregistered securities in
14 Wisconsin.

15 b. Sedona, Bostick, and Crumbley fail to disclose that in September, 2000, the State of
16 Pennsylvania issued a cease and desist order against Sedona for soliciting and sales of unregistered
17 securities.

18 c. Sedona, Bostick, and Crumbley fail to disclose that in May, 2005, in their home state of
19 Texas, the Texas Railroad Commission approved an Enforcement Order O & G 03-0235918 against
20 Sedona for environmental violations.

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22 Based upon the foregoing findings, the California Corporations Commissioner is of the opinion
23 that the investments that are being or have been offered and sold by Sedona, Bostick, and Crumbley,
24 are securities subject to qualification under the California Corporate Securities Law of 1968 and are
25 being or have been offered and sold without being qualified in violation of Corporations Code section
26 25110. Pursuant to section 25532 of the Corporate Securities Law of 1968, Sedona, Bostick, and
27 Crumbley, and any associated individuals, partnerships, corporations, or companies are hereby ordered
28 to desist and refrain from the further offer or sale in the State of California of securities, including but

1 not limited to working interests in Vista Joint Venture - - a gas developmental well project in Logan
2 County, Colorado, unless and until qualification has been made under the law or unless exempt.

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4 Further, the California Corporations Commissioner is of the opinion that the securities
5 were offered or sold in this state by means of written or oral communications which included an untrue
6 statement of a material fact or omitted to state a material fact necessary in order to make the
7 statements made, in the light of the circumstances under which they were made, not misleading, in
8 violation of section 25401 of the Corporate Securities Law of 1968. Pursuant to section 25532 of the
9 Corporate Securities Law of 1968, Sedona, Bostick, and Crumbley and any other employees or agents
10 of Sedona are hereby ordered to desist and refrain from offering or selling or buying or offering to buy
11 any security in the State of California, including but not limited to securities in Double Diamond #1
12 Prospect, by means of any written or oral communication which includes an untrue statement of a
13 material fact or omits to state a material fact necessary in order to make the statements made, in the
14 light of the circumstances under which they were made, not misleading.

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

18

19 Dated: March 30, 2007
Sacramento, California

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21 PRESTON DuFAUCHARD
California Corporations Commissioner

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23 By _____
24 SHARON LUERAS
25 Lead Counsel
26 Enforcement Division

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