

STATE OF OKLAHOMA
OKLAHOMA DEPARTMENT OF SECURITIES
204 NORTH ROBINSON, SUITE 400
OKLAHOMA CITY, OKLAHOMA 73102



In the Matter of:

Pangean Energy, LLC; and
Pangean Energy Bakken Shale #1H, LLC;

Respondents.

ODS File 14-025

AGREED ORDER TO CEASE AND DESIST

Pursuant to Section 1-602 of the Oklahoma Uniform Securities Act of 2004 (“Act”), Okla. Stat. tit. 71, §§ 1-101 through 1-701 (2011), the Oklahoma Department of Securities (“Department”) conducted an investigation into the activities of Pangean Energy, LLC and Pangean Energy Bakken Shale #1H, LLC (collectively, “Respondents”), in connection with the offer and/or sale of securities in and/or from Oklahoma, to determine whether violations of the Act and/or the Rules of the Oklahoma Securities Commission and the Administrator of the Department of Securities (effective August 1, 2013), Okla. Admin. Code §§ 660:1-1-1 through 660:25-7-1, may have occurred.

The Administrator of the Department, being fully advised in this matter, does hereby adopt the Findings of Fact and Conclusions of Law as set forth below.

Findings of Fact

1. Pangean Energy, LLC is a Texas limited liability company with its principal place of business in Bedford, Texas.
2. Pangean Energy Bakken Shale #1H, LLC is a Texas limited liability company with its principal place of business in Bedford, Texas.
3. Pangean Energy, LLC is the sole managing member and control person of Pangean Energy Bakken Shale #1H, LLC.
4. Beginning in at least July, 2013, Respondents employed individuals on their behalf, to contact Oklahoma residents by telephone, to offer them membership interests in Pangean Energy Bakken Shale #1H, LLC (the “Interests”). Offering documents provided to potential investors described the investment as a one well oil and natural gas drilling prospect in North Dakota. The contacted residents of Oklahoma had no preexisting business relationship with the Respondents.

5. At least three Oklahoma residents ("Investors") purchased Interests as a result of the telephone calls from the individuals employed by Respondents.

6. The individuals employed by Respondents in connection with the offer and/or sale of the Interests to Oklahoma residents were not registered as agents under the Act.

7. In order to resolve this matter, Respondents voluntarily agreed to the entry of this order.

Conclusions of Law

1. The Interests are securities within the definition of Section 1-102(32) of the Act.

2. Respondents are issuers of the Interests within the definition of Section 1-102(19) of the Act.

3. The individuals employed by Respondents to represent them in effecting or attempting to effect purchases or sales of the Interests are agents within the meaning of Section 1-102(2) of the Act.

4. Respondents and/or their agents offered and sold securities in and/or from Oklahoma.

5. Respondents violated Section 1-402(D) of the Act by employing agents to transact business on their behalf, in Oklahoma, without registration as agents under Section 1-402(A) of the Act.

6. Pursuant to Section 1-604 of the Act, the Administrator has the authority to order Respondents to cease and desist from employing agents to transact business on their behalf, in Oklahoma, without registration as agents.

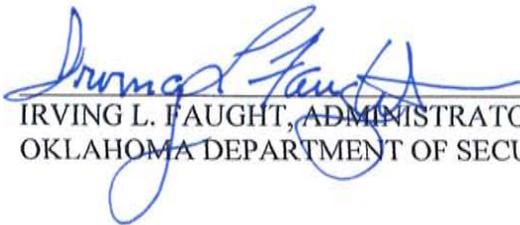
Order

IT IS HEREBY ORDERED that Respondents cease and desist from employing unregistered agents to transact business on their behalf in Oklahoma.

This order is not intended to subject Respondents to disqualification under federal securities laws, rules or regulations thereunder, or the rules and regulations of any self-regulatory agency, nor the laws, rules or regulations of the various states and U.S. Territories, including without limitation, any disqualification from relying upon the registration exemption or the safe harbor provisions. In addition, this order is not intended to be the basis for any such disqualifications.

Witness my Hand and the Official Seal of the Oklahoma Department of Securities this
10th day of August, 2016.

(SEAL)



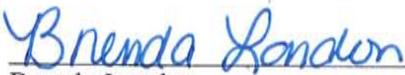
IRVING L. FAUGHT, ADMINISTRATOR OF THE
OKLAHOMA DEPARTMENT OF SECURITIES

CERTIFICATE OF MAILING

The undersigned hereby certifies that on the **10th** day of **August**, 2016, a true and correct copy of the above and foregoing *Agreed Order to Cease and Desist* was mailed by U.S. Mail, with postage prepaid thereon, addressed to:

Pangean Energy, LLC
2520 Harwood Road, Suite 200
Bedford, Texas 76021

Pangean Energy Bakken Shale #1H, LLC
2520 Harwood Road, Suite 200
Bedford, Texas 76021



Brenda London
Paralegal

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In the Matter of:

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AGREEMENT

THIS AGREEMENT is entered into among Pangean Energy, LLC and Pangean Energy Bakken Shale #1H, LLC (collectively, "Respondents"), and the Administrator of the Oklahoma Department of Securities ("Department") (collectively, "Parties"), as of the Effective Date set forth below.

Pursuant to Section 1-602 of the Oklahoma Uniform Securities Act of 2004 ("Act"), Okla. Stat. tit. 71, §§ 1-101 through 1-701 (2011), the Department conducted an investigation into the activities of Respondents in connection with the offer and/or sale of securities in and/or from Oklahoma to determine whether violations of the Act and/or the Rules of the Oklahoma Securities Commission and the Administrator of the Department of Securities (effective August 1, 2013), Okla. Admin. Code §§ 660:1-1-1 through 660:25-7-1, may have occurred.

Respondents Pangean Energy, LLC and Pangean Energy Bakken Shale #1H, LLC represent that they offered and sold, in and/or from this state, securities in an oil and natural gas drilling project. Shortly after the Oklahoma offers and sales, Respondents' manager died unexpectedly. Respondents are currently operated by new management.

Respondents desire to settle this matter expeditiously in a manner consistent with the purposes fairly intended by the policies and provisions of the Act and the Rules. Respondents voluntarily waive their right to a hearing provided by the Act, the Rules, and the Oklahoma Administrative Procedures Act, and any right to appeal.

The undersigned parties hereto agree as follows:

1. **Jurisdiction.** The Administrator has jurisdiction over Respondents and the subject matter of this action.
2. **Order.** The Administrator will issue an order in the form attached hereto as Exhibit "A".
3. **Transacting Business; Offer and Sale of Securities.** Respondents agree that neither they nor any entity or person controlled by them including, but not limited to, Pangean Energy

McKenzie 7, LLC; Midwest Holdings, LLC/NV; and/or Midwest Holdings McKenzie 7, LLC, will transact business in and/or from this state as an issuer, issuer agent, broker-dealer, or broker-dealer agent or otherwise offer or sell any security in or from this state on or for their own account or on behalf of any person directly or indirectly controlled by them.

4. **No Coercion.** Respondents enter into this Agreement voluntarily and without any duress, undue influence, or coercion by the Administrator, any employee of the Department, or any member of the Oklahoma Securities Commission.

5. **Public Record.** Respondents acknowledge and understand that this Agreement is a public record and will be available for public examination, pursuant to Section 1-607 of the Act.

6. **Consideration.** In consideration for this Agreement, the Administrator will not take further action against Respondents in connection with their activities prior to the Effective Date hereof described in the order.

7. **Failure to Comply.** If Respondents fail to comply with any provision of this Agreement, this Agreement shall be treated as an order issued under the Act, and the Administrator may take any action authorized by law.

8. **Limitation on Agreement.** Nothing in this Agreement shall prohibit the Administrator from furnishing information to any other properly constituted agency or authority. In the event any other agency or authority commences an action based on information obtained by the Administrator against Respondents, the Administrator may assist in such action as authorized by law.

9. **Entire Agreement.** 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.

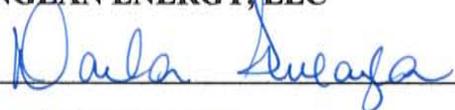
10. **Applicability.** This Agreement applies only to the activities of Respondents and to no others. It is further agreed that the execution of this Agreement does not mean that the Administrator has approved, condoned or passed in any way upon the merits or qualifications of, or recommended, the transactions to which it relates or any future securities transactions.

11. **Facsimile Signatures.** Facsimile signatures shall be and are hereby declared by all parties to this Agreement to be the same as original signatures.

12. **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.

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

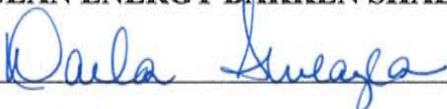
PANGEAN ENERGY, LLC

By: 

Title: MANAGER

Date: JULY 28, 2016

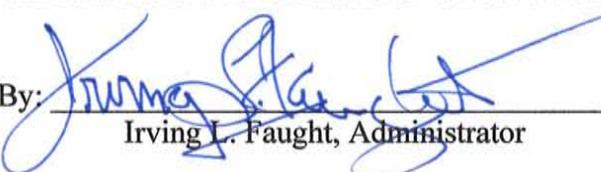
PANGEAN ENERGY BAKKEN SHALE #1H, LLC

By: 

Title: MANAGER

Date: JULY 28, 2016

OKLAHOMA DEPARTMENT OF SECURITIES

By: 
Irving L. Faught, Administrator

Date: August 10, 2016

**STATE OF OKLAHOMA
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204 NORTH ROBINSON, SUITE 400
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EXHIBIT

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Witness my Hand and the Official Seal of the Oklahoma Department of Securities this
_____ day of _____, 2016.

(SEAL)

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

CERTIFICATE OF MAILING

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Brenda London
Paralegal