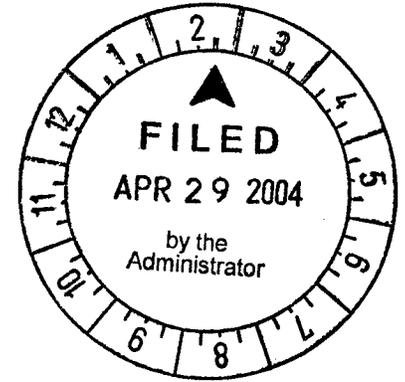


STATE OF OKLAHOMA
DEPARTMENT OF SECURITIES
FIRST NATIONAL CENTER
120 N. ROBINSON, SUITE 860
OKLAHOMA CITY, OKLAHOMA 73102



In the Matter of:

Buckeye Energy Corporation
and Phillip Sharp,

Respondents.

ODS File No. 03-140

ORDER TO CEASE AND DESIST

On March 29, 2004, a recommendation to issue an order to cease and desist (Recommendation) against Buckeye Energy Corporation and Phillip Sharp (Respondents) was filed with the Administrator (Administrator) of the Oklahoma Department of Securities (Department). The issuance of such order is authorized by subsection (a) of Section 406 of the Oklahoma Securities Act (Act), Okla. Stat. tit. 71, §§ 1-413, 501, 701-703 (2001 & Supp. 2003).

On March 29, 2004, the Administrator of the Department issued a Notice of Opportunity for Hearing with the Recommendation attached (Notice). Pursuant to subsection (h) of Section 413 of the Act, the Notice was served on the Administrator of the Department on March 29, 2004, and mailed, with notice of service on the Administrator, to the last known addresses of Respondents, by certified mail, return receipt requested, and delivery restricted. On April 21, 2004, the Notices mailed to Respondents at 32 Courthouse Square, Byrdstown, Tennessee 38549 were returned marked "Returned To Sender, Not Deliverable As Addressed."

The Notice specified that failure to request a hearing within fifteen (15) days of service of the Notice will result in the issuance of an order to cease and desist. No request for hearing or any other response has been received by the Administrator within the time limit specified in the Notice.

The Administrator, being fully advised in the premises, hereby finds that this action is necessary and appropriate in the public interest and sets forth the following Findings of Fact and Conclusions of Law in support thereof.

Findings of Fact

1. Buckeye Energy Corporation (Buckeye) is a Tennessee corporation with its principal place of business at 32 Courthouse Square, Byrdstown, Tennessee.

2. Phillip Sharp is an individual who, at all times relevant hereto, was a resident of the state of Tennessee and the president of Buckeye.

3. Beginning in or about October, 2001, Respondents offered what they referred to as "investment agreements" (the "Investment Agreements") in the state of Oklahoma. The Investment Agreements provided for the investment of money by investors in return for the assignment of a specified royalty interest in certain oil and gas wells in existence on certain leased property and a specified working interest in any new wells to be drilled on the leased property.

4. The Investment Agreements offered by Respondents were not registered pursuant to Section 301 of the Act.

To the extent any of these Findings of Fact should be considered Conclusions of Law, they should be so considered.

Conclusions of Law

1. The Investment Agreements are securities as defined by subsection (v) of Section 2 of the Act.

2. Respondents offered securities in the state of Oklahoma.

3. Respondents offered unregistered securities in the state of Oklahoma, in violation of Section 301 of the Act.

4. The Administrator has the authority pursuant to Section 406 of the Act to issue an order to cease and desist.

5. It is in the public interest to order Respondents to cease and desist from violations of Section 301 of the Act.

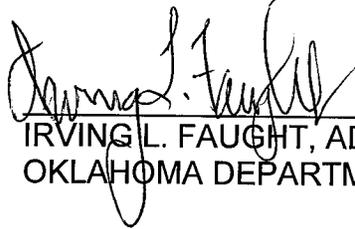
To the extent any of these Conclusions of Law should be considered Findings of Fact, they should be so considered.

ORDER

IT IS HEREBY ORDERED that Respondents cease and desist from engaging in violations of Section 301 of the Act and from doing any act in furtherance thereof.

Witness my Hand and the Official Seal of the Oklahoma Department of Securities this 29th day of April, 2004.

(SEAL)



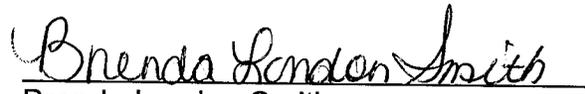
IRVING L. FAUGHT, ADMINISTRATOR OF THE
OKLAHOMA DEPARTMENT OF SECURITIES

CERTIFICATE OF MAILING

The undersigned hereby certifies that on the 29th day of April, 2004, a true and correct copy of the above and foregoing Order to Cease and Desist was mailed by certified mail, return receipt requested, delivery restricted, with postage prepaid thereon addressed to:

Buckeye Energy Corporation
32 Courthouse Square
Byrdstown, TN 38549

Phillip Sharp
32 Courthouse Square
Byrdstown, TN 38549



Brenda London Smith
Paralegal