

**IN THE DISTRICT COURT OF OKLAHOMA COUNTY
STATE OF OKLAHOMA**

OKLAHOMA DEPARTMENT OF SECURITIES)
 ex rel.Irving L. Faught, Administrator,)
)
 Plaintiff,)
 v.)
)
 enTERRA ENERGY, LLC, DAVID G. ROSE, DAVID)
 G. ROSE dba ENERGY ASSOCIATES, ROBERT P.)
 MALONE, RICHARD D. MARTIN, COLIN PURCELL)
 aka "PATRICK RYAN," BRIAN C. ROSE, GARY S.)
 TARBIS, McKEAN COUNTY 3 WELL, LLP,)
 PENNSYLVANIA 3 WELL DEVELOPMENT, LLP,)
 GREAT OKLAHOMA OIL DEAL, LLP, LOT)
 DEVELOPMENT WELLS, LLP, enTERRA SEVEN,)
 LLP, PROSPECT 87, LLP, KAT-5, LLP, and)
 KEN-TEX, LLP,)
)
 Defendants.)

No. CJ-2007-1082

FILED IN THE DISTRICT COURT
OKLAHOMA COUNTY, OKLA.

MAY 16 2007

PATRICIA PRESLEY, COURT CLERK
by _____
DEPUTY

ANSWER OF DEFENDANT GARY S. TARBIS

For his Answer to the Petition filed by Defendant OKLAHOMA DEPARTMENT OF SECURITIES ex rel.Irving L. Faught, Administrator, ("ODS"), Defendant Gary L. Tarbis (Mr.Tarbis) alleges and states as follows:

ANSWER TO ALLEGATIONS REGARDING DEFENDANTS

1. Mr. Tarbis is without knowledge or information sufficient to form a belief as to the truth of the allegations in paragraph 1 of the Petition as to the legal status of or legal filings relating to Defendant enTerra Energy or Defendant David C. Rose.
2. Mr. Tarbis admits that a part of the business of enTerra Energy is the sale of limited liability Partnerships for the purpose of drilling oil and gas wells, but Mr.

Tarbis has insufficient knowledge or information to form a belief as to the truth of the remaining allegations in paragraph 2.

3. Mr. Tarbis has insufficient knowledge or information to form a belief as to the truth of the allegations in paragraph 3.

4. Mr. Tarbis has insufficient knowledge or information to form a belief as to the truth of the allegations in paragraph 4.

5. Mr. Tarbis has insufficient knowledge or information to form a belief as to the truth of the allegations in paragraph 5.

6. Mr. Tarbis has insufficient knowledge or information to form a belief as to the truth of the allegations in paragraph 6, and the allegations of this paragraph do not relate to him.

7. Mr. Tarbis has insufficient knowledge or information to form a belief as to the truth of the allegations in paragraph, and the allegations of this paragraph do not relate to him.

8. Mr. Tarbis has insufficient knowledge or information to form a belief as to the truth of the allegations in paragraph 8, and the allegations of this paragraph do not relate to him.

9. Mr. Tarbis has insufficient knowledge or information to form a belief as to the truth of the allegations in paragraph 9, and the allegations of this paragraph do not relate to him.

10. Mr. Tarbis admits he is a resident of Kentucky. Mr. Tarbis is without knowledge and information sufficient to form a belief as to the truth of the allegations regarding how his phone calls were routed. Mr. Tarbis admits the contacts and sales

described in paragraph 10 to Mr. Duck, Mr. Scott and Mr. Vanlandingham, but denies any impropriety in these sales and further states that all of the described transactions are exempt from regulation by OSC under the Oklahoma Securities Act.

11. Mr. Tarbis admits employment by enTerra but is without knowledge or information sufficient to form a belief as to the truth of the remaining allegations in paragraph 11.

ANSWER TO JURISDICTION AND VENUE

12. Mr. Tarbis denies that any Interests he offered or sold in Oklahoma were securities and, therefore, denies the jurisdiction of the OSC.

13. Mr. Tarbis denies the allegations of paragraph 13.

14. Mr. Tarbis denies the allegations of paragraph 14.

15. Mr. Tarbis denies the allegations of paragraph 15.

FACTUAL ALLEGATIONS

16. Mr. Tarbis adopts and incorporates by reference paragraphs 1 through 15 above.

17. Mr. Tarbis has insufficient knowledge or information to form a belief as to the truth of the allegations in paragraph 17, and states that the allegations of this paragraph do not relate to him.

18. Mr. Tarbis has insufficient knowledge or information to form a belief as to the truth of the allegations in paragraph 18, and states that the allegations of this paragraph do not relate to him.

19. Mr. Tarbis has insufficient knowledge or information to form a belief as to the truth of the allegations in paragraph 19, and states that the allegations of this paragraph do not relate to him.

20. Mr. Tarbis has insufficient knowledge or information to form a belief as to the truth of the allegations in paragraph 20, and states that the allegations of this paragraph do not relate to him.

21. Mr. Tarbis has insufficient knowledge or information to form a belief as to the truth of the allegations in paragraph 21.

22. Mr. Tarbis has insufficient knowledge or information to form a belief as to the truth of the allegations in paragraph 22, and states that the allegations of this paragraph do not relate to him.

23. Mr. Tarbis has insufficient knowledge or information to form a belief as to the truth of the allegations in paragraph 23, and states that the allegations of this paragraph do not relate to him.

24. Mr. Tarbis has insufficient knowledge or information to form a belief as to the truth of the allegations in paragraph 24.

25. Mr. Tarbis has insufficient knowledge or information to form a belief as to the truth of the allegations in paragraph 25.

26. Mr. Tarbis has insufficient knowledge or information to form a belief as to the truth of the allegations in paragraph 26.

27. Mr. Tarbis has insufficient knowledge or information to form a belief as to the truth of the allegations in paragraph 27.

28. For answer to paragraph 28, Mr. Tarbis denies that if he distributed any written materials in Oklahoma regarding the Interests he was aware of any inaccuracies in the description of the legal status of the Interests therein. As to the remaining allegations in said paragraph, Mr. Tarbis has insufficient knowledge or information to form a belief as to the truth of the allegations.

29. Mr. Tarbis has insufficient knowledge or information to form a belief as to the truth of the allegations in paragraph 29, and states that the allegations of this paragraph do not relate to him.

30. Mr. Tarbis has insufficient knowledge or information to form a belief as to the truth of the allegations in paragraph 30, and states that the allegations of this paragraph do not relate to him.

ANSWER TO FIRST CLAIM (Violation of Section 301 of the Predecessor Act and Section 1-301 of the Act: Offering and/or Selling Unregistered Securities)

31. For answer to paragraph 31, Mr. Tarbis adopts and incorporates by reference his answers to paragraphs 1 through 30.

32. Mr. Tarbis denies the allegations of paragraph 32.

33. Mr. Tarbis denies the allegations of paragraph 33.

34. Mr. Tarbis denies the allegations of paragraph 34.

35. Mr. Tarbis denies the allegations of paragraph 35

ANSWER TO SECOND CLAIM (Violation of Section 201 of the Predecessor Act and section 1-402 of the Act; Failure to Register as Agents and Employing Unregistered Agents)

36. For answer to paragraph 36, Mr. Tarbis adopts and incorporates by reference his answers to paragraphs 1 through 35.

37. Mr. Tarbis denies the allegations in paragraph 37

38. Mr. Tarbis denies the allegations of paragraph 38.

39. Mr. Tarbis admits he has not registered as an issuer agent in Oklahoma, but denies he is or was required to.

40. Mr. Tarbis denies all allegations in paragraph 40 as to the necessity for him to register as an issuer agent in Oklahoma, and further states that he has insufficient knowledge or information to form a belief as to the truth of the remaining allegations of said paragraph.

ANSWER TO THIRD CLAIM (Violation of Section 101 of the Predecessor Act and Section 1-501 of the Act; Untrue Statements of Material Fact and Omissions of Material Fact in Connection with Offer, Sale or Purchase of Securities)

41. For answer to paragraph 41, Mr. Tarbis adopts and incorporates by reference his answers to paragraphs 1 through 40.

42. Mr. Tarbis denies the allegations of paragraph 42.

43. Mr. Tarbis has insufficient knowledge or information to form a belief as to the truth of the allegations in paragraph 43, and states that the allegations of this paragraph do not relate to him.

44. Mr. Tarbis denies the allegations of paragraph 44.

45. Mr. Tarbis denies the allegations of paragraph 45.

46. Mr. Tarbis has insufficient knowledge or information to form a belief as to the truth of the allegations in paragraph 46, and states that the allegations of this paragraph do not relate to him.

47. Mr. Tarbis denies the allegations of paragraph 47.

48. Mr. Tarbis denies the allegations of paragraph 48.

ANSWER TO FOURTH CLAIM: (Violation of Section 101 of the Predecessor Act and Section 1-501 of the Act, Practice, or Course of Business which Operates or Would Operate as a Fraud or Deceit upon any Person)

49. For answer to paragraph 49, Mr. Tarbis adopts and incorporates paragraphs 1 through 48 above.

50. Mr. Tarbis denies the allegations of paragraph 50.

51. Mr. Tarbis denies the allegations of paragraph 51.

ANSWER TO FIFTH CLAIM: (Violation of Section 1-505 of the Act: Misleading Filings).

52. For answer to paragraph 52, Mr. Tarbis adopts and incorporates paragraphs 1 through 51 above.

53. Mr. Tarbis has insufficient knowledge or information to form a belief as to the truth of the allegations in paragraph 53, and further states that the allegations of said paragraph do not relate to him.

54. Mr. Tarbis has insufficient knowledge or information sufficient to form a belief as to the truth of the allegations in paragraph 54, and further states that the allegations of said paragraph do not relate to him.

55. Mr. Tarbis has insufficient knowledge or information to form a belief as to the truth of the allegations in paragraph 55, and further states that the allegations of said paragraph do not relate to him.

ANSWER TO PLEADING IN THE ALTERNATIVE

56. For answer to paragraph 56, Mr. Tarbis adopts and incorporates paragraphs 1 through 55 above.

57. Mr. Tarbis has insufficient knowledge or information to form a belief as to the truth of the allegations in paragraph 57, and further states that the allegations of said paragraph do not relate to him.

58. Mr. Tarbis has insufficient knowledge or information to form a belief as to the truth of the allegations in paragraph 58, and further states that the allegations of said paragraph do not relate to him.

59. Mr. Tarbis has insufficient knowledge or information to form a belief as to the truth of the allegations in paragraph 59, and further states that the allegations of said paragraph do not relate to him.

AFFIRMATIVE DEFENSES

1. The Petition fails to state a claim for relief against Mr. Tarbis upon which relief can be granted.

2. Any Interests Mr. Tarbis may have been involved in offering for sale or selling to Oklahoma residents were not investment contracts or securities. Alternatively, if the Interests described in the Petition are found to be investment contracts or securities, they were exempt from the registration requirements of the Oklahoma Securities Act.

3. Mr. Tarbis did not possess the requisite intent or *scienter* required to establish a material misrepresentation or omission claim under the Oklahoma Securities Act.



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TARBIS

CERTIFICATE OF SERVICE

The undersigned hereby certifies that on this 16th day of May, 2007, a true and correct copy of the above and foregoing was mailed with postage prepaid, to:

Terra Shamas (OBA#20838)
Patricia LaBarthe (OBA #10391)
Oklahoma Department of Securities
120 North Robinson Avenue, Suite 860
Oklahoma City, OK 73102
405-280-7700
405-280-7742 - facsimile
ATTORNEY FOR PLAINTIFF



Bill Powell Guest