

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



In the Matter of:

Revelle Resources, Inc. and
Karen Revelle,

Respondents.

ODS File No. 10-093

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 (Supp. 2009), the Oklahoma Department of Securities (“Department”) conducted an investigation into the activities of Revelle Resources, Inc. (“Revelle Resources”) and Karen Revelle (“Revelle”) (collectively “Respondents”), in connection with the offer and sale of certain fractional interests in oil and gas leases in and/or from the state of Oklahoma.

In anticipation of the institution of an administrative proceeding, Respondents submitted an Offer of Settlement, Consent, and Undertaking (“Offer of Settlement and Undertaking”), attached hereto and incorporated herein by reference, to the Administrator of the Department (“Administrator”) for the purpose of resolving the issues raised as a result of the investigation. Solely for the purpose of this proceeding and without admitting or denying the findings contained in this Order to Cease and Desist (“Order”), except as to jurisdiction over them and the subject matter of this proceeding which is admitted, Respondents consent to the entry of this Order and voluntarily waive their right to notice and hearing as required by the Act, the Rules of the Oklahoma Securities Commission and the Administrator of the Department of Securities (“Rules”), and the Oklahoma Administrative Procedures Act, Okla. Stat. tit. 75, § 250 *et. seq.*

Findings of Fact

1. At all times material hereto, Respondent Revelle Resources was an Illinois corporation engaged in the business of exploring for and producing oil and gas.
2. At all times material hereto, Respondent Revelle was the President of Revelle Resources.
3. In 2007, Respondents began to offer and sell fractional undivided interests in oil, gas, or other mineral rights described by them as the Bell Brothers #4 and the Hartley #22 (collectively the "Working Interests") in the state of Oklahoma.

4. At all times material hereto, the Working Interests were not registered under the Act.

5. It is in the public interest to issue an order to cease and desist against Respondents.

To the extent any of these Findings of Fact are more properly characterized as Conclusions of Law, they should be so considered.

Authorities

1. Section 1-102 of the Act provides in pertinent part:

32. "Security" means a...fractional undivided interest in oil, gas, or other mineral rights.

2. Section 1-301 of the Act provides:

It is unlawful for any person to offer or sell a security in this state unless:

1. The security is a federal covered security;

2. The security, transaction, or offer is exempted from registration under Sections 6 through 8 of this act [Sections 1-201 through 1-203 of this title]; or

3. The security is registered under this act.

3. Section 1-602 of the Act provides in part:

A. The Administrator may:

1. Conduct public or private investigations within or outside of this state which the Administrator considers necessary or appropriate to determine whether a person has violated, is violating, or is about to violate this act or a rule adopted or order issued under this act, or to aid in the enforcement of this act or in the adoption of rules and forms under this act[.]

4. Section 1-604 of the Act provides in pertinent part:

A. If the Administrator determines that a person has engaged, is engaging, or is about to engage in an act, practice, or course of business

constituting a violation of this act or a rule adopted or order issued under this act or constituting a dishonest or unethical practice or that a person has materially aided, is materially aiding, or is about to materially aid in an act, practice, or course of business constituting a violation of this act or a rule adopted or order issued under this act or constituting a dishonest or unethical practice, the Administrator may:

1. Issue an order directing the person to cease and desist from engaging in the act, practice, or course of business or to take other action necessary or appropriate to comply with this act[.]

Conclusions of Law

1. The Working Interests are securities as defined by 1-102 of the Act.
2. Respondents offered and sold securities in the state of Oklahoma.
3. Respondents offered and sold unregistered securities in the state of Oklahoma, in violation of Section 1-301 of the Act.
4. The Administrator has the authority to order Respondents to cease and desist from engaging in an act, practice, or course of business constituting a violation of the Act.
5. It is in the public interest to order Respondents to cease and desist from engaging in an act, practice, or course of business constituting a violation of the Act.

To the extent any of these Conclusions of Law are more properly characterized as Findings of Fact, they should be so considered.

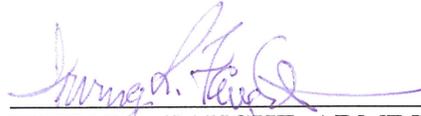
ORDER

NOW THEREFORE, it is hereby ordered that Respondents cease and desist from engaging in any act, practice, or course of business constituting a violation of the Act or a rule adopted or order issued under the Act.

It is further **ORDERED** that any disqualification caused by this Order in connection with the use of the exemptions from registration set forth in Rules 660:11-11-43 and 660:11-11-52 of the Rules is hereby waived.

Witness my Hand and the Official Seal of the Oklahoma Department of Securities this 20th day of September, 2010.

(SEAL)



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

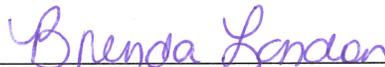
CERTIFICATE OF MAILING

The undersigned hereby certifies that on the 20th day of September, 2010, 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:

Revelle Resources, Inc.
538 Woods Creek Lane
Algonquin, IL 60102

Karen Revelle
538 Woods Creek Lane
Algonquin, IL 60102

Joshua D. Burns, Esq.
Steptoe & Johnson, L.L.P.
115 South LaSalle Street, Suite 3100
Chicago, IL 60603
(Attorney for Respondents)



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OFFER OF SETTLEMENT, CONSENT, AND UNDERTAKING

Revelle Resources, Inc. ("Revelle Resources") and Karen Revelle ("Revelle") (collectively, the "Respondents") hereby submit this Offer of Settlement, Consent, and Undertaking ("Offer of Settlement and Undertaking") to the Administrator of the Oklahoma Department of Securities ("Department") as part of the administrative proceedings instituted against them pursuant to Section 1-604 of the Oklahoma Uniform Securities Act of 2004 ("Act"), Okla. Stat. tit. 71, §§ 1-101 through 1-701 (Supp. 2009).

This Offer of Settlement and Undertaking is submitted solely for the purpose of this proceeding. Without admitting or denying the findings of fact and conclusions of law set forth in the attached Order to Cease and Desist ("Order"), except as to jurisdiction over them and the subject matter of this proceeding which is admitted, Respondents hereby stipulate, consent to, and undertake the following:

1. Respondents consent to the entry of the Order and voluntarily waive their right to notice and hearing as required by the Act, the Rules of the Oklahoma Securities Commission and the Administrator of the Department of Securities ("Rules") and the Oklahoma Administrative Procedures Act, Okla. Stat. tit. 75, § 250 *et. seq.*
2. Respondents voluntarily waive any right they may have to appeal from the entry of the Order.
3. Respondents represent that only one resident of the state of Oklahoma has purchased any fractional undivided interest in any oil, gas, or other mineral right offered by them.

4. As of the date of submission of this Offer of Settlement and Undertaking, Respondent Revelle Resources has refunded to purchaser Y.T., a resident of the state of Oklahoma, all consideration paid for the purchase of any fractional undivided interest in any oil, gas, or other mineral right sold by them. In return for refunding all consideration paid for any fractional undivided interest in any oil, gas, or other mineral right sold by Respondents, Y.T. has conveyed any interest in these undivided interest back to Respondents and released Respondents from any liability.

5. Respondents understand and agree that should Respondents fail to comply with any provision of this Offer of Settlement and Undertaking or have misrepresented any fact relating to this proceeding including, but not limited to, the number of Oklahoma residents who have purchased any fractional undivided interest in any oil, gas, or other mineral right or other security from them or any of their agents, the Administrator may vacate the Order and initiate administrative and/or civil proceedings against Respondents based on the subject matter of the Order.

6. Respondents neither admit nor deny the findings of fact, except as to jurisdiction over them and the subject matter of this proceeding which is admitted, conclusions of law, or any other statements contained in the Order. Respondents agree not to take any action or to make any public statement inconsistent with this provision.

7. Respondents represent that they have read and understand this Offer of Settlement and Undertaking and that it is submitted voluntarily, and that no offer, promise, threat, or inducement of any kind or nature has been made by the Administrator or the staff of the Department to induce Respondents to submit this Offer of Settlement and Undertaking, or to agree to the waivers and consents set forth herein.

Respectfully Submitted,

Revelle Resources, Inc.:

By: Karen Revelle - President
Title:

Date: 9-15-10

Address: 275 Hickory Pt. Ct.
Folsom, CA 95635

Karen Revelle:

Karen Revelle

Date: 9-15-10

Address:

State of Illinois
County of Clay

On this 15 day of September, 2010, Karen Revelle, being known to me to be the individuals who executed the foregoing personally appeared before me and did acknowledge that they executed the same.

(SEAL)



Shannon L French
Notary Public

My Commission No.: _____ ; My Commission Expires: 5-1-11