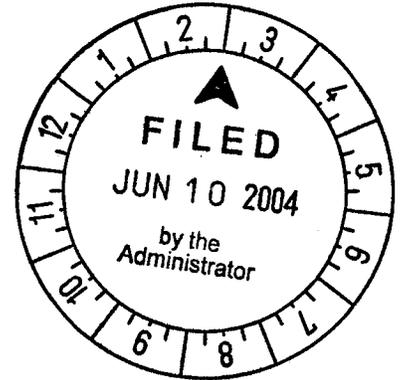


STATE OF OKLAHOMA
DEPARTMENT OF SECURITIES
FIRST NATIONAL CENTER
120 NORTH ROBINSON, SUITE 860
OKLAHOMA CITY, OKLAHOMA 73102



In the Matter of:

Fryco Well Solutions, Inc.,
and Milton Fry,

Respondents.

ODS File No. 04-104

NOTICE OF SERVICE ON THE ADMINISTRATOR
AND
AFFIDAVIT OF COMPLIANCE

STATE OF OKLAHOMA)
) SS.
COUNTY OF OKLAHOMA)

The undersigned affiant, of lawful age, being first duly sworn upon oath deposes and states:

1. That he is the Administrator of the Oklahoma Department of Securities (Department).

2. That a copy of the Notice of Opportunity for Hearing (Notice) with Enforcement Division Recommendation (Recommendation) attached was delivered to Affiant in the office of the Administrator of the Department (Administrator) pursuant to Section 413(h) of the Oklahoma Securities Act (Act), Okla. Stat. *tit.* 71, §§ 1-413, 501, 701-703 (2001 & Supp. 2003).

3. That the Administrator has received service of process on behalf of Fryco Well Solutions, Inc. and Milton Fry pursuant to Section 413(h) of the Act.

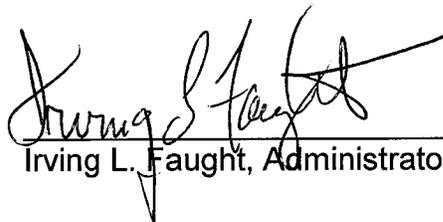
4. That a copy of the Notice, with the Recommendation attached, and a copy of this Notice of Service on the Administrator and Affidavit of Compliance are being sent this 10th day of June, 2004, by certified mail, return receipt requested, delivery restricted to addressee, to the last known addresses of Respondents, in compliance with Section 413(h) of the Act.

5. That this Affidavit of Compliance is declared filed of record as of the date set forth below in compliance with Section 413(h) of the Act.

FURTHER AFFIANT SAYETH NOT.

Dated this 10th day of June, 2004.

(SEAL)


Irving L. Faught, Administrator

Subscribed and sworn to before me this 10th day of June, 2004.


Notary Public

My Commission Expires: August 26, 2005

My Commission No.: 01013792

SEAL

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



In the Matter of:

Fryco Well Solutions, Inc.,
and Milton Fry,

Respondents.

ODS File No. 04-104

NOTICE OF OPPORTUNITY FOR HEARING

1. Pursuant to his authority under Section 405 of the Oklahoma Securities Act (Act), Okla. Stat. *tit.* 71, §§ 1-413, 501, 701-703 (2001 & Supp. 2003), the Administrator of the Oklahoma Department of Securities (Department) authorized an investigation into the activities of Fryco Well Solutions, Inc. (Fryco Well) and Milton Fry (Fry) (collectively, the "Respondents"), in connection with the offer and/or sale of securities in and/or from the state of Oklahoma.

2. On the 9th day of June, 2004, the attached Enforcement Division Recommendation (Recommendation) was left in the office of the Administrator.

3. Pursuant to Section 406(b) of the Act, the Administrator hereby gives notice to Respondents of their right to request a hearing to show why an order based on the Recommendation should not be issued.

4. The request for a hearing on the Recommendation must be received by the Administrator within fifteen (15) days after service of this Notice. Pursuant to Section 406(b) of the Act, failure to request a hearing as provided for herein shall result in the issuance of an order to cease and desist against Respondents.

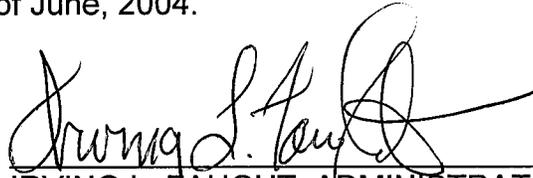
5. The request for hearing shall be in writing and Respondents shall specifically admit or deny each allegation in said request as required by 660:2-9-1(c) of the Rules of the Oklahoma Securities Commission and the Administrator of the Department of Securities (Rules).

6. Upon receipt of a written request, pursuant to 660:2-9-2 of the Rules, a hearing on this Notice shall be set within sixty (60) days or a written order denying hearing shall be issued.

7. Notice of the date, time and location of the hearing shall be given to Respondents not less than ten (10) days in advance thereof pursuant to 660:2-9-3(a) of the Rules. Additionally, the notice may contain matters to supplement this Notice and the Recommendation attached hereto.

Witness my Hand and the Official Seal of the Oklahoma Department of Securities this 10th day of June, 2004.

(SEAL)



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

CERTIFICATE OF MAILING

The undersigned hereby certifies that on the 10th day of June, 2004, a true and correct copy of the above and foregoing Notice of Opportunity for Hearing and attached Enforcement Division Recommendation was mailed by certified mail, return receipt requested, delivery restricted, with postage prepaid thereon addressed to:

Roy Sisco, Registered Agent
Fryco Well Solutions, Inc.
Route 1, Box 330
Wewoka, OK 74884

Fryco Well Solutions, Inc.
Route 1, Box 361
Wewoka, OK 74884

Milton Fry
Route 1, Box 361
Wewoka, OK 74884



Brenda London Smith
Paralegal

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



In the Matter of:

Fryco Well Solutions, Inc.,
and Milton Fry,

Respondents.

ODS File No. 04-104

ENFORCEMENT DIVISION RECOMMENDATION

Pursuant to Section 405 of the Oklahoma Securities Act (Act), Okla. Stat. *tit.* 71, §§ 1-413, 501, 701-703 (2001 & Supp. 2003), an investigation was conducted by the Oklahoma Department of Securities (Department) into the activities of Fryco Well Solutions, Inc. (Fryco Well) and Milton Fry (Fry) (collectively, the "Respondents"), in connection with the offer and/or sale of securities in the state of Oklahoma.

Based thereon, the following Findings of Fact, Authorities, and Conclusions of Law are submitted to the Administrator of the Department (Administrator), or his designee, in support of the issuance of an order to cease and desist.

Findings of Fact

1. Fryco Well was incorporated under the laws of the state of Oklahoma on July 12, 2002. At all times material hereto, Fryco Well purported to be in the business of oil exploration and production.

2. At all times material hereto, Fry represented that he was an owner and agent of Fryco Well.

3. At all times material hereto, Fry was not registered under the Act to transact business in the state of Oklahoma as an agent of a broker-dealer or an issuer.

4. On December 3, 2002, Respondents entered into a sales contract with an Oklahoma resident (Investor) wherein Respondents sold Investor a ten percent (10%) interest in Fryco Well for the sum of \$10,000. The sales contract states that Investor was purchasing a limited partnership interest and that Investor would receive one hundred (100) "shares" of Fryco Well "upon release of certificates from the state of Oklahoma."

5. On January 7, 2003, Respondents sold Investor a twenty-five percent (25%) interest in Fryco Well for the sum of \$22,500. The sales contract states that Investor purchased a limited partnership interest and that Investor would receive two hundred and fifty (250) "shares" of Fryco Well "upon release of certificates from the state of Oklahoma."

6. On May 19, 2003, Investor paid Fry an additional \$10,000. Investor was not provided with a written sales contract but was told by Fry that the terms of the sale were substantially the same as the two previous sales.

7. In connection with the offer and sale of the interests in Fryco Well (Interests), Respondents represented that Investor's principal investment amount would be paid back to Investor on or before one year from the date of the sale and that Fryco Well would pay Investor dividends in December of each year, starting December 15, 2003. To date, Investor has not received any dividends or a return of the principal amount of the investments from Fryco Well.

8. The Interests were not registered pursuant to Section 301 of the Act and no claim of an exemption from the registration provisions of the Act was filed with the Administrator pursuant to Section 401 of the Act.

9. Respondents made untrue statements of material facts in connection with the offer and sale of the Interests including, but not limited to, the following:

- a. that Investor would receive the return of the principal amount of his investments; and
- b. that Fryco Well would pay dividends to Investor on December 15, 2003 and in December of each year thereafter.

10. Respondents omitted to state material facts necessary in order to make statements made, in light of the circumstances under which they were made, not misleading including, but not limited to, the following:

- a. that the Interests are securities;
- b. that the Interests were not registered as securities under the Act or exempt from registration;
- c. that Fry was not registered as a broker-dealer or issuer agent under the Act; and
- d. that neither Fry nor Fryco Well were licensed operators with the Oklahoma Corporation Commission Oil and Gas Division.

11. 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 2 of the Act provides in part:

(d) **"Agent"** means any individual other than a broker-dealer who represents a broker-dealer or issuer in effecting or attempting to effect purchases or sales of securities.

* * *

(v) **"Security"** means any:

* * *

(2) stock;

* * *

(11) investment contract[.]

2. Section 101 of the Act provides:

It is unlawful for any person, in connection with the offer, sale, or purchase of any security, directly or indirectly[:]

* * *

(2) to make any untrue statement of a material fact or to omit to state a material fact necessary in order to make the statements made, in the light of the circumstances under which they are made, not misleading,

(3) to engage in any act, practice, or course of business which operates or would operate as a fraud or deceit upon any person.

3. Section 201 of the Act provides in pertinent part:

(a)(1) It is unlawful for any person to transact business in this state as a broker-dealer or agent unless the person is so registered under this act or unless the person is exempt from registration as provided in paragraph (2) or (3) of this subsection.

* * *

(b) It is unlawful for any broker-dealer or issuer to employ an agent unless the agent is registered or is exempt from registration.

4. Section 301 of the Act provides:

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

(1) it is registered under this act or the security or transaction is exempted under Section 401 of this title; or

(2) it is a federal covered security.

5. Section 406 of the Act provides in pertinent part:

(a) If the Administrator reasonably believes, whether or not based upon an investigation conducted under Section 405 of this title, that a person has violated the Oklahoma Securities Act, except under the provisions of Section 202.1 or 305.2 of this title, or a rule or order of the Administrator under the Oklahoma Securities Act or has engaged in dishonest or unethical practices in the securities business, the Administrator, in addition to any specific power granted by any other section of the Oklahoma Securities Act, may impose one or more of the following sanctions:

(1) issue an order against the person to cease and desist from engaging in such violation or dishonest or unethical practices or doing any act in furtherance thereof[.]

Conclusions of Law

1. The Interests are securities.

2. Respondents offered and sold unregistered securities in the state of Oklahoma, in violation of Section 301 of the Act.

3. Respondent Fry transacted business in the state of Oklahoma as an agent without being registered under the Act, in violation of Section 201 of the Act.

4. Respondent Fryco Well employed an agent to transact business in the state of Oklahoma who was not registered under the Act, in violation of Section 201 of the Act.

5. Respondents made untrue statements of material fact, in connection with the offer and/or sale of securities in the state of Oklahoma, in violation of subsection (2) of Section 101 of the Act.

6. Respondents omitted to state material facts necessary in order to make the statements made, in light of the circumstances under which they were made, not misleading, in connection with the offer and/or sale of securities in the state of Oklahoma, in violation of subsection (2) of Section 101 of the Act.

7. The Administrator has the authority under Section 406 of the Act to order Respondents to cease and desist from engaging in violations of the Act.

8. It is in the public interest to order Respondents to cease and desist from engaging in violations 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.

WHEREFORE, it is recommended that the Administrator order Respondents to cease and desist from engaging in violations of the Act or doing any act in furtherance thereof.

Dated this 9th day of June, 2004

Respectfully submitted,



Rebecca Cryer
Enforcement Attorney
Jennifer Shaw
Legal Intern
Oklahoma Department of Securities
120 North Robinson, Suite 860
Oklahoma City, OK 73102
(405) 280-7700