

BEFORE THE
STATE OF WISCONSIN
DEPARTMENT OF FINANCIAL INSTITUTIONS
DIVISION OF SECURITIES

In the Matter of
CHAMPION DRILLING, INC., TRENTON J DAVIS,
COTTON T GRAHAM, RICK HERRERA, and
RANDY STEVENS,

PETITION FOR ORDER

Respondent.

File No. S-03017(EX)

The staff of the State of Wisconsin Department of Financial Institutions, Division of Securities, Bureau of Registration & Enforcement has conducted an investigation in this matter pursuant to sec. 551.56, Wis. Stats., and as a result thereof alleges as follows:

1. Champion Drilling, Inc. ("CDI") is a foreign business entity with a last known business address of 2300 McDermott Rd., 200 Dept 179, Plano TX 75025.
2. Trenton J. Davis (CRD #4293936; DOB 12/23/74) ("Davis") is an individual who at all times material hereto has purportedly been the President of CDI, with a last known business address at that of CDI.
3. Cotton T Graham (CRD #4293909; DOB 10/29/73) ("Graham") is an individual who at all times material hereto has purportedly been an owner and controlling person of CDI, with a last known business address at that of CDI.
4. Rick Herrera ("Herrera") is an individual who at all times material hereto has purportedly been Vice President of CDI, with a last known business address at that of CDI.
5. Randy Stevens ("Stevens") is an individual who at all times material hereto has been an agent of CDI, Davis, Graham, and Herrera, with a last known business address at that of CDI.
6. During the period of January and February 2003, Stevens, Herrera, and Davis, on behalf of CDI, Davis, Graham, and Herrera, offered to at least one person in Wisconsin overriding royalty interests of oil and gas wells.
7. The person in Wisconsin referred to above had no pre-existing relationship with any of the Respondents.
8. Pursuant to the offering materials received by persons in Wisconsin, CDI will engage in the business of owning, detecting, and selling productive oil and gas wells
9. Upon information and belief, investors can play a passive role in the company with no duties and responsibilities.
10. Upon information and belief, each investor will not be involved in the day-to-day management of CDI, since there are too many investors for them to each have any meaningful input, and they do not have the expertise or experience necessary to perform its duties.
11. Since the investors will be involved in a common enterprise with the expectation of profits to be derived from the essential managerial efforts of others, the royalty interests offered by the

