

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

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In the Matter of  
PETROMARC, INC.,  
DAVID D. SWANTNER, and  
JAMES E. FULP, JR.,

PETITION FOR ORDER

Respondents.

File No. S-06172(EX)

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

1. Petromarc, Inc. ("Petromarc") is a foreign business entity with a last known business address of 8310 North Capital of Texas Highway, Suite 190, Austin, Texas 79731;
2. David D. Swantner ("Swantner") is an individual with a CRD number of 1181158, a date of birth of August 26, 1953, a last known residence address of 2121 Madison #1029, Arlington, Texas 76011, and who at all times material hereto has been the president of Petromarc, with a last known business address at that of Petromarc;
3. James E. Fulp, Jr. ("Fulp") is an individual who at all times material hereto has been an agent of Petromarc, with a last known business address at that of Petromarc;
4. During the period of 2006, Fulp, on behalf of Petromarc, offered to at least one person in Wisconsin working interests in Petromarc's Quintana-Storey #1 oil and gas well, located in La Salle County, Texas;
5. Upon information and belief, investors can play a passive role in the Quintana-Storey #1 oil and gas well venture with no duties and responsibilities;
6. Upon information and belief, each investor will not be involved in the day-to-day management of the Quintana-Storey #1 oil and gas well venture, 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;
7. 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 working interests in the Quintana-Storey #1 oil and gas well venture of Petromarc as offered by the respondents are investment contracts as defined by section DFI-Sec. 1.02(6)(a), Wis. Adm. Code, and are therefore securities as defined by sec. 551.02(13), Wis. Stats.;
8. The working interests of the Quintana-Storey #1 oil and gas well venture of Petromarc are investment contracts have never been registered for offer and sale in Wisconsin pursuant to Ch. 551, Wis. Stats.;
9. All Respondents have violated sec. 551.21(1), Wis. Stats., by offering unregistered securities to a person in Wisconsin;

10. In connection with the offers of the securities described above, Fulp transacted business in Wisconsin as an "agent" for Petromarc and Swantner, as that term is defined by sec. 551.02(2), Wis. Stats.;

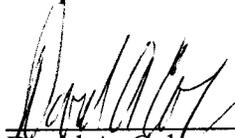
11. At no time has Fulp been licensed as a securities agent pursuant to Ch. 551, Wis. Stats.;

12. Fulp has violated sec. 551.31(1), Wis. Stats., by transacting business in Wisconsin as a securities agent without a license; and

13. Petromarc and Swantner have violated sec. 551.31(2), Wis. Stats., by employing an unlicensed agent to represent them in Wisconsin.

Therefore, the staff of the Bureau of Registration & Enforcement petitions the Administrator of the Division of Securities for the issuance of the attached Order pursuant to Ch. 551, Wis. Stats.

 12-11-06  
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Mark E. Dorman Date  
Examiner

 12/11/06  
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David A. Cohen Date  
Supervising Attorney