

AGREED CEASE AND DESIST ORDER

Be it remembered that Allied Energy Group, Allied Syndications, Inc., Chaucer Fredricksburg Prospect, Richard Underwood aka Rick Underwood aka Ric Underwood, Ray Spagnuolo aka Ray H. Spagnuolo aka Harvey R. Spagnuolo aka H. Ray Spagnuolo aka Ray Spagnuola, Terrence McCaffrey, and Mark DeForest Beck ("Respondents") appeared before the Securities Commissioner of the State of Texas ("Securities Commissioner") and consented to the entry of this Order and the Findings of Fact and Conclusions of Law contained herein.

FINDINGS OF FACT

1. Respondents have waived (a) Respondents' right to notice and hearing in this matter; (b) Respondents' right to appear and present evidence in this matter; (c) Respondents' right to appeal this Order; and (d) all other procedural rights granted to Respondents by The Securities Act, TEX. REV. CIV. STAT. ANN. art. 581-1 et seq. (Vernon 1964 & Supp. 2004) ("Texas Securities Act"), and the Administrative Procedure Act, TEX. GOV'T CODE ANN. §2001.001 et seq. (Vernon Supp. 2004) ("Administrative Procedure Act").
2. Respondent Allied Energy Group maintains last known addresses of 5075 Westheimer, Suite 790, Houston, TX 77056 and 2800 Griffin Drive, Bowling Green, Kentucky 42101.
3. Respondent Allied Syndications, Inc. maintains last known addresses of 510 Bering Drive, Suite 300, Houston, TX 77057 and 2800 Griffin Drive, Bowling Green, Kentucky 42101.
4. Respondent Chaucer Fredricksburg Prospect maintains last known addresses of 5075 Westheimer, Suite 790, Houston, TX 77056 and 2800 Griffin Drive, Bowling Green, Kentucky 42101.
5. Respondent Richard Underwood aka Rick Underwood aka Ric Underwood maintains last known addresses of 510 Bering Drive, Suite 300, Houston, TX 77057 and 2800 Griffin Drive, Bowling Green, Kentucky 42101.
6. Respondent Ray Spagnuolo aka Ray H. Spagnuolo aka Harvey R. Spagnuolo aka H. Ray Spagnuolo aka Ray Spagnuola maintains last known addresses of 510 Bering Drive, Suite 300, Houston, TX 77057 and 2800 Griffin Drive, Bowling Green, Kentucky 42101.
7. Respondent Terrence McCaffrey maintains last known addresses of 5075 Westheimer, Suite 790, Houston, TX 77056 and 2800 Griffin Drive, Bowling Green, Kentucky 42101.
8. Respondent Mark DeForest Beck maintains a last known address of 5075 Westheimer, Suite 790, Houston, TX 77056.

9. Respondents offered to Texas residents 45 units, representing a 45% working interest in an oil and gas well to be drilled in Shelby County, Texas, for \$24,500 per unit (\$38,000 per unit including completion costs). The offering documents stated that Respondent Allied Energy Group has an Advisory Board composed of Samuel "Sam" W. Meek, III, Dirk Olsen, Steve Stengell, Michael Laznicka and Lyle G. "Buck" Meyers.
10. The units have not been registered by qualification, notification or coordination and no permit has been granted for their sale in Texas.
11. Respondents have not been registered with the Securities Commissioner as dealers or agents at any time material hereto.
12. In connection with the offer for sale of the above-described units, Respondents have represented that executive management is composed of H. Ray Spagnuolo and Terrence McCaffrey and that the advisory board is composed of Samuel "Sam" W. Meek, III, Dirk Olsen, Steve Stengell, Michael Laznicka and Lyle G. "Buck" Meyers, which is materially misleading in light of the fact that there is no disclosure that Respondent Ric Underwood, an individual who was the subject of a Stop Order And Order To Cease And Desist issued by the Kentucky Department of Financial Institutions on or about May 12, 2003 for violations of various Kentucky laws including sales of unregistered securities and sales of securities through unregistered agents, is a principal of Allied Energy Group, Allied Syndications, Inc., and the Chaucer Fredricksburg Prospect.
13. On March 5, 2004, the Securities Commissioner of the State of Texas issued Emergency Cease and Desist Order No. ENF-04-CDO-1555 (the "Emergency Order") against Respondents based on the conduct, events and circumstances identified above. The Emergency Order has continued in force and effect from March 5, 2004, through the date that this Order is entered by the Securities Commissioner.
14. By executing this Order and upon entry of the Order by the Securities Commissioner, Respondents agree that their request for a hearing on the Emergency Order is withdrawn and non-appealable and that they will not oppose dismissal of the proceeding from the docket of the State Office of Administrative Hearings.

CONCLUSIONS OF LAW

1. The above-described units are "securities" as that term is defined by Section 4.A of the Texas Securities Act.
2. Respondents violated Section 7 of the Texas Securities Act by offering securities for sale in Texas at a time when the securities were not registered with the Securities Commissioner.

3. Respondents violated Section 12 of the Texas Securities Act by offering securities for sale in Texas without being registered pursuant to the provisions of Section 12 of the Texas Securities Act.
4. Respondents have engaged in conduct that is materially misleading and likely to deceive the public in connection with the offer for sale of securities.
5. The foregoing violations constitute bases for the issuance of an Agreed Cease and Desist Order pursuant to Section 23.A of the Texas Securities Act.

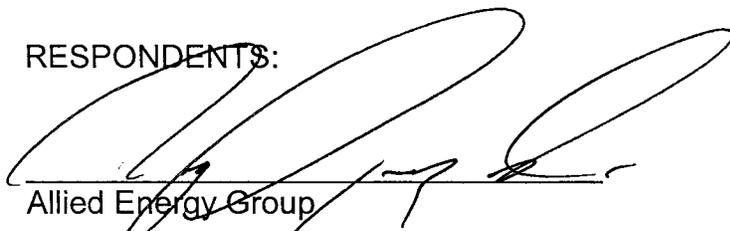
ORDER

1. It is therefore ORDERED that Respondents immediately CEASE AND DESIST from offering for sale any security in Texas until the security is registered with the Securities Commissioner or is offered for sale pursuant to an exemption from registration under the Texas Securities Act.
2. It is further ORDERED that Respondents immediately CEASE AND DESIST from acting as securities dealers or agents in Texas until Respondents are registered with the Securities Commissioner or are acting pursuant to an exemption from registration under the Texas Securities Act.
3. It is further ORDERED that Respondents immediately CEASE AND DESIST from engaging in conduct that is materially misleading or is otherwise likely to deceive the public in connection with the offer for sale of any security in Texas.
4. It is further ORDERED that Emergency Cease and Desist Order No. ENF-04-CDO-1555, is modified by this Order solely as the Emergency Order relates to Respondents herein.
5. It is further ORDERED that Respondents are ASSESSED AN ADMINISTRATIVE FINE in the amount of Eight Thousand Dollars (\$8,000). Payment shall be made by deliver of a cashier's check to the Securities Commissioner in the amount of Eight Thousand Dollars (\$8,000), payable to the State of Texas, contemporaneously with the delivery of this Order.

SIGNED AND ENTERED by the Securities Commissioner this 27th day of May, 2004.


DENISE VOIGT CRAWFORD
Securities Commissioner

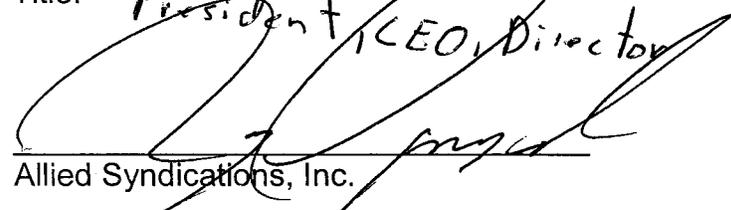
RESPONDENTS:



Allied Energy Group

Printed Name: Ray Spagnuolo

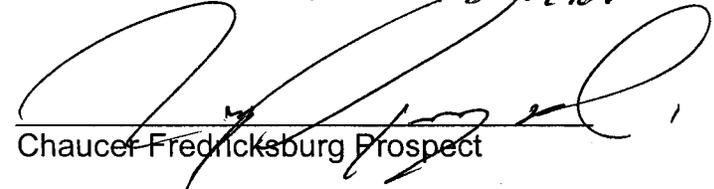
Title: President, CEO, Director



Allied Syndications, Inc.

Printed Name: Ray Spagnuolo

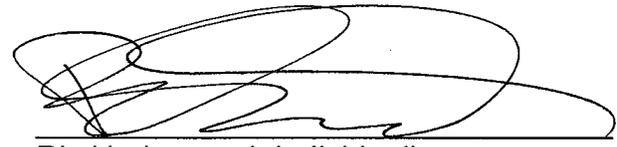
Title: President, CEO, Director



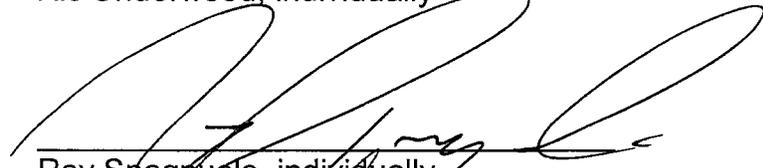
Chaucer-Fredricksburg Prospect

Printed Name: Ray Spagnuolo

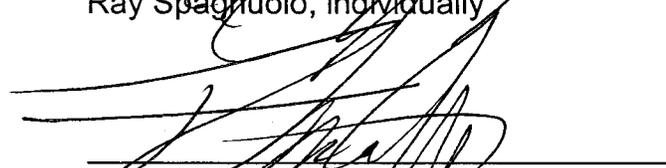
Title: President, CEO, Director



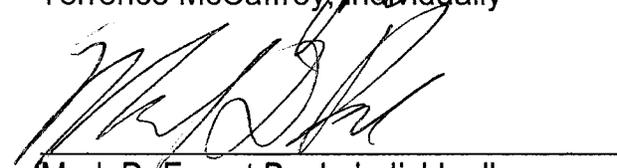
Ric Underwood, individually



Ray Spagnuolo, individually



Terrence McCaffrey, individually

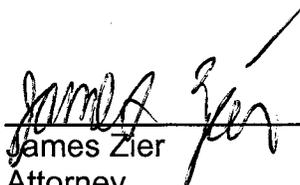


Mark DeForest Beck, individually

Approved as to Form:



John R. Morgan
Director
Enforcement Division



James Zier
Attorney
Enforcement Division



Hunter Durham
Attorney for Respondents

ACKNOWLEDGMENT

On the 11th day of May, 2004, Ric Underwood ("Respondent") personally appeared before me, executed the foregoing Order and acknowledged that:

1. Respondent read the foregoing Order;
2. Respondent has been fully advised of his rights under the Texas Securities Act and the Administrative Procedure Act;
3. Respondent knowingly and voluntarily consents to the entry of the foregoing Order and the Findings of Fact and Conclusions of Law contained therein; and,
4. Respondent, by consenting to the entry of the foregoing Order, has knowingly and voluntarily waived his rights as set forth therein.

Ruth Renee Bennett
Notary Public in and for
The State of Kentucky

[affix notary seal here]

My commission expires on: 8/18/2007

ACKNOWLEDGMENT

On the 11th day of May, 2004, Ray Spagnuolo ("Respondent") personally appeared before me, executed the foregoing Order and acknowledged that:

1. Respondent read the foregoing Order;
2. Respondent has been fully advised of his rights under the Texas Securities Act and the Administrative Procedure Act;
3. Respondent knowingly and voluntarily consents to the entry of the foregoing Order and the Findings of Fact and Conclusions of Law contained therein; and,
4. Respondent, by consenting to the entry of the foregoing Order, has knowingly and voluntarily waived his rights as set forth therein.

Luth Linné Barnett
Notary Public in and for
The State of Kentucky

[affix notary seal here]

My commission expires on: 8/18/2007

ACKNOWLEDGMENT

On the 11th day of May, 2004, Terrence McCaffrey ("Respondent") personally appeared before me, executed the foregoing Order and acknowledged that:

1. Respondent read the foregoing Order;
2. Respondent has been fully advised of his rights under the Texas Securities Act and the Administrative Procedure Act;
3. Respondent knowingly and voluntarily consents to the entry of the foregoing Order and the Findings of Fact and Conclusions of Law contained therein; and,
4. Respondent, by consenting to the entry of the foregoing Order, has knowingly and voluntarily waived his rights as set forth therein.

Luth Renee Bennett
Notary Public in and for
The State of Kentucky

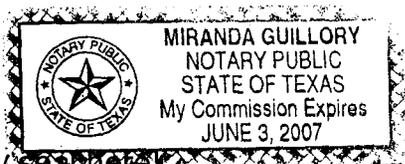
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My commission expires on: 8/18/2007

ACKNOWLEDGMENT

On the 30 day of April, 2004, Mark DeForest Beck ("Respondent") personally appeared before me, executed the foregoing Order and acknowledged that:

1. Respondent read the foregoing Order;
2. Respondent has been fully advised of his rights under the Texas Securities Act and the Administrative Procedure Act;
3. Respondent knowingly and voluntarily consents to the entry of the foregoing Order and the Findings of Fact and Conclusions of Law contained therein; and,
4. Respondent, by consenting to the entry of the foregoing Order, has knowingly and voluntarily waived his rights as set forth therein.



[affix notary seal here]

Miranda Guillory
Notary Public in and for
The State of Texas

My commission expires on: 6/3/07