

DENISE VOIGT CRAWFORD  
SECURITIES COMMISSIONER



DON A. RASCHKE  
DEPUTY SECURITIES COMMISSIONER

Mail: P.O. BOX 13167  
AUSTIN, TEXAS 78711-3167

Phone: (512) 305-8300  
Facsimile: (512) 305-8310

## Texas State Securities Board

208 E. 10th Street, 5th Floor  
Austin, Texas 78701-2407  
www.ssb.state.tx.us

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MEMBER

BRYAN K. BROWN  
MEMBER

BETH ANN BLACKWOOD  
MEMBER

WILLIAM R. SMITH  
MEMBER

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IN THE MATTER OF  
PLATINUM EXPLORATION, INC.  
AND HAL J. RASMUSSEN

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Order No. ENF-05-CDO-1597

TO : Platinum Exploration, Inc.  
550 West Texas Avenue, Suite 500  
Midland, Texas 79701

Hal J. Rasmussen  
550 West Texas Avenue, Suite 500  
Midland, Texas 79701

### AGREED CEASE AND DESIST ORDER

Be it remembered that Platinum Exploration, Inc., by and through its President, Hal J. Rasmussen, and Hal J. Rasmussen, individually ("Respondents"), appeared before the Securities Commissioner 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 a 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. 2004-05) ("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 Platinum Exploration, Inc. ("Respondent Platinum") maintains a last known address at 550 West Texas Avenue, Suite 500, Midland, Texas 79701.

3. Respondent Hal J. Rasmussen maintains a last known address at 550 West Texas Avenue, Suite 500, Midland, Texas 79701.
4. Respondents offered and sold in and from Texas working interests in certain oil and gas leases located in Gaines, Yoakum, and Crockett Counties, Texas and Lea County, New Mexico, which are identified on attached Schedule "A" (the "Projects"). Respondent Platinum entered into separate agreements with its investors to guarantee or commit that, at a minimum, investors would receive a return of the amounts invested in the Projects.
5. The working interests in the Projects were not registered by qualification, notification or coordination and no permit has been granted for their sale in Texas.
6. Respondents were not registered with the Securities Commissioner as dealers or agents at any time during the periods during which the Respondents offered and sold the working interests in the Projects.

#### CONCLUSIONS OF LAW

1. The above-described working interests in the Projects are "securities" as that term is defined in Section 4.A of the Texas Securities Act.
2. Respondents have violated Section 7 of the Texas Securities Act by offering securities for sale in Texas in the Projects at a time when the securities were not registered with the Securities Commissioner.
3. Respondents have violated Section 12 of the Texas Securities Act by offering securities for sale in Texas in the Projects without being registered pursuant to the provisions of Section 12 of the Texas Securities Act.
4. The foregoing violations constitute bases for the issuance of a cease and desist order pursuant to Section 23.A of the Texas Securities Act.

#### ORDER

1. It is therefore ORDERED that Respondents 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 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.

SIGNED AND ENTERED by the Securities Commissioner this 14<sup>th</sup> day of November, 2005.

DENISE VOIGT CRAWFORD  
Securities Commissioner

*Denise Voigt Crawford*

Respondents:

Platinum Exploration, Inc.

*Hal J. Rasmussen*

Hal J. Rasmussen, President

*Hal J. Rasmussen*

Hal J. Rasmussen, Individually

Approved as to Form:

*John R. Morgan*

John R. Morgan  
Director  
Enforcement Division

*Darrell R. Windham*

Darrell R. Windham  
Winstead Sechrest & Minick, P.C.  
401 Congress Ave., Suite 2100  
Austin, Texas 78701  
Attorney for Respondents

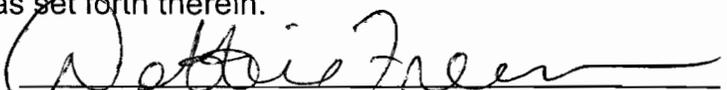
*Sara Scribner*

Sara Scribner  
Enforcement Attorney  
Enforcement Division

**ACKNOWLEDGMENT**

On the 4<sup>th</sup> day of November, 2005, Platinum Exploration, Inc. ("Respondent"), by and through its President, Hal J. Rasmussen, personally appeared before me, executed the foregoing Order and acknowledged that:

1. Hal J. Rasmussen is duly authorized to enter into the foregoing Order on behalf of Respondent;
2. Hal J. Rasmussen has read the foregoing Order;
3. Respondent has been fully advised of its rights under the Texas Securities Act and the Administrative Procedure Act;
4. Respondent knowingly and voluntarily consents to the entry of the foregoing Order and the Findings of Fact and Conclusions of Law contained therein; and,
5. Respondent, by consenting to the entry of the foregoing Order, has knowingly and voluntarily waived its rights as set forth therein.

  
Notary Public in and for the State of Texas

[affix notary seal here]

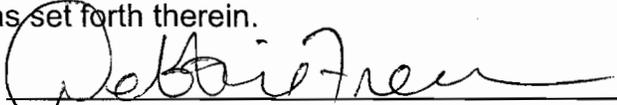
My commission expires on: 10/21/07



**ACKNOWLEDGMENT**

On the 4<sup>th</sup> day of November, 2005, Hal J. Rasmussen, individually ("Respondent"), personally appeared before me, executed the foregoing Order and acknowledged that:

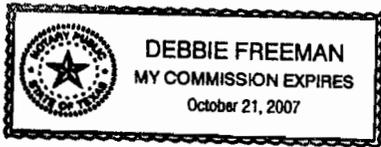
1. Respondent has read the foregoing Order;
2. Respondent has been fully advised of his rights under the Texas Securities Act and the Administrative Procedure Act;
3. Respondent knowingly and voluntarily consents to the entry of the foregoing Order and the Findings of Fact and Conclusions of Law contained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



Notary Public in and for the State of Texas

[affix notary seal here]

My commission expires on: 10/21/07



DENISE VOIGT CRAWFORD  
SECURITIES COMMISSIONER

DON A. RASCHKE  
DEPUTY SECURITIES COMMISSIONER

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IN THE MATTER OF  
PLATINUM EXPLORATION, INC.  
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TO: Platinum Exploration, Inc.  
550 West Texas Avenue, Suite 500  
Midland, Texas 79701

Hal J. Rasmussen  
550 West Texas Avenue, Suite 500  
Midland, Texas 79701

### UNDERTAKING FILED WITH THE SECURITIES COMMISSIONER OF TEXAS

Comes now, Platinum Exploration, Inc. ("Respondent Platinum"), by and through Hal J. Rasmussen in his capacity as President of Respondent Platinum, and Hal J. Rasmussen individually ("Respondents"), who enter into the following Undertaking with the Securities Commissioner of the State of Texas (the "Securities Commissioner") and make the following representations:

1. Respondents hereby undertake and agree to record the working interests acquired by investors in each of the projects identified in the attached Schedule A (the "Projects") in the appropriate county land records on or before December 31, 2005.
2. Respondents further undertake and agree to complete financial statements of Respondent Platinum with balance sheets as of December 31, 2003, 2004 and 2005 and income statements and statements of cash flow for the twelve-month periods ending on December 31, 2004 and 2005, each of which shall be

prepared in accordance with generally accepted accounting principles and shall be audited by the independent accounting firm of Johnson Miller & Company, 2626 JBS Parkway, Suite A200, Odessa, TX 79761 or any other certified public accountant (the "Audited Financial Statements").

3. Respondents further undertake and agree to complete a reserve report estimate by W. Scott Epley, P.E., Consulting Petroleum Engineer, Midland, Texas, Russell K. Hall & Associates, Inc. or any other independent engineering firm appraising the then-current market value of oil and gas assets of Respondent Platinum and of RJR Resources, a Texas general partnership which is an affiliate of Respondent Platinum, and of the working interests in each of the Projects sold to investors (collectively, the "Reserve Reports").
4. Respondents further undertake and agree to commence, on or before April 30, 2006, an offer to each of the investors in the Projects who has not received cash distributions at least equal to 100% of the amount the investor has invested in any such Project; in each such offer Respondent Platinum will offer to repurchase in cash from each such Investor all but not less than all of the working interests in the Projects purchased by the investors for a repurchase price equal to the unpaid amount of such guaranty or commitment and each such offering memorandum will include the Audited Financial Statements and the relevant Reserve Reports.
5. Respondents execute and file this document with the Securities Commissioner with the understanding that knowingly making or causing to be made, in any document filed with the Commissioner, any statement which is, at the time and in the light of the circumstances under which it was made, false or misleading in any material respect, may subject Respondents to criminal penalties pursuant to Section 29.E of The Texas Securities Act.

Platinum Exploration, Inc.

By: Hal J. Rasmussen  
Hal J. Rasmussen, President

Hal J. Rasmussen

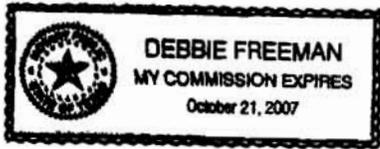
By: Hal J. Rasmussen  
Hal J. Rasmussen, Individually

**ACKNOWLEDGMENT**

Before me, the undersigned authority, on this 4<sup>th</sup> day of October, 2005, appeared Platinum Exploration, Inc., by and through its President, Hal J. Rasmussen, who personally appeared before me and voluntarily executed the foregoing Undertaking for the purposes described therein, and Hal J. Rasmussen did duly acknowledge to me that he was authorized to execute the same on behalf of Platinum Exploration, Inc.

Debbie Freeman  
Notary Public in and for the State of Texas

[affix notary seal here]  
My commission expires: 10/21/07



**ACKNOWLEDGMENT**

Before me, the undersigned authority, on this 4<sup>th</sup> day of October, 2005, Hal J. Rasmussen personally appeared before me and voluntarily executed the foregoing Undertaking for the purposes described therein.



Notary Public in and for the State of Texas

[affix notary seal here]

My commission expires: 10/21/07



## **SCHEDULE A**

### **Platinum Exploration, Inc. Projects Subject To Undertaking Filed With The Securities Commissioner of Texas**

Buckley Pope Venture  
Butler  
Denton Knowles Horizontal  
Diamante  
Fall 2003  
Fall 2004  
Fall 2004 Tax  
Fields Devonian  
Gladiola  
Higg/Jones  
Knowles  
North Gaines County Horizontal  
North Russell Northwest Seminole  
Pin Ni  
Seminole  
Sheridan  
South Denton Knowles  
South Knowles  
Spring 2003 Horizontal  
Spring 2004