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BEFORE THE ARIZONA CORPORATION COMMISSION

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COMMISSIONERS

JEFF HATCH-MILLER, Chairman  
WILLIAM A. MUNDELL  
MIKE GLEASON  
KRISTIN K. MAYES  
BARRY WONG

AZ CORP COMMISSION  
DOCUMENT CONTROL

In the matter of:

Docket No. S-20442A-06-0110

Mid America Energy, Inc.,  
a Nevada Corporation  
321 Victor Reiter Parkway  
Portland, TN 37148

**DIVISION'S MOTION TO CONTINUE  
ADMINISTRATIVE HEARING**

Mid America Oil & Gas, LLC  
a Kentucky Limited Liability Company,  
493 Pleasant Run Church  
Campbellsville, KY

Arizona Corporation Commission

**DOCKETED**

SEP 08 2006

Gary M. Milby a/k/a  
Gary Moss Milby a/k/a  
Gary M. Milley  
and Wanda Milby,  
husband and wife  
321 Victor Reiter Parkway  
Portland, TN 37148

DOCKETED BY

Jim and Rita Whatcott,  
husband and wife  
222 Basin Creek Road  
Durango, CO 81303-3647

John and Lucille Blitz,  
husband and wife  
225 Marneh Avenue  
Santa Cruz, CA 95062

Clinton Goff a/k/a Clint Goff,  
an un-married man  
321 Victor Reiter Parkway  
Portland, TN 37148

1 Warren Exploration, LLC )  
 1 A Nevada Limited Liability Company )  
 2 321 Victor-Reiter Parkway )  
 2 Portland, TN 37148 )  
 3 )  
 3 Energy Marketing, Inc., )  
 4 a Nevada Corporation )  
 4 129 Haven Street, Unit A )  
 5 Hendersonville, TN 37075 )  
 6 )  
 6 Respondents. )

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7  
 8 The Securities Division (“Division”) of the Arizona Corporation Commission hereby  
 9 moves to continue the administrative hearing scheduled for October 24 and 25 of 2006 to a date  
 10 after November 2006. Additionally, the Division requests that the Division’s obligation to  
 11 exchange exhibits on September 22, 2006, be extended to a few weeks prior to the new hearing  
 12 date. Finally, the Division requests that at least 3 days be allocated for any new hearing that is  
 13 scheduled.

14 For the reasons addressed in the following Memorandum of Points and Authorities, the  
 15 Division’s Motion to Continue Administrative Hearing should be allowed.  
 16

17 **MEMORANDUM OF POINTS AND AUTHORITIES**

18 On February 28, 2006, the Arizona Corporation Commission (“ACC”) issued a Temporary  
 19 Order to Cease and Desist and Notice of Opportunity for Hearing (“TC&D”) against Gary M.  
 20 Milby, Mid America Energy, Inc, and Mid America Oil and Gas, LLC, among others (collectively  
 21 “Respondents”), in which the Division alleged multiple violations of the Arizona Securities Act  
 22 (“Act”) in connection with the offer and sale of securities in the form of limited liability  
 23 partnerships in oil and gas wells. On March 27, 2006, Respondents affirmatively filed a request for  
 24 a hearing. On April 20, 2006, by Procedural Order, a pre-hearing conference was held. On July  
 25 18, 2006, another pre-hearing conference was held, and by Procedural Order, a hearing was  
 26 scheduled for October 24 – 25, 2006.

1           On August 4, 2006, an Application for the Issuance Of an Order to Show Cause and For an  
2 Order Requiring Respondents Produce Subpoenaed Records was filed in Superior Court. As a  
3 consequence of this filing, Judge Colin F. Campbell issued an order requiring respondents to  
4 appear on September 27, 2006, to show cause as to why they should not be held in contempt of the  
5 TC&D entered by the ACC on February 28, 2006. Additionally, Judge Campbell's order requires  
6 Respondents produce documents and records responsive to subpoenas issued and served upon them  
7 be delivered by October 5, 2006, to the Division. Service of the Superior Court proceedings was  
8 recently completed on all respondents. It is anticipated that at the September 27, 2006 hearing  
9 Judge Campbell will schedule an evidentiary hearing. A hearing in Superior Court will hopefully  
10 be scheduled in October or November of 2006.

11           On August 14, 2006, the Division filed a Motion to Amend Temporary Order to Cease and  
12 Desist and Notice of Opportunity for Hearing. No objections were filed to the motion and the  
13 motion was granted on September 6, 2006. On September 7, 2006, the Division filed a First  
14 Amended Temporary Order to Cease and Desist and Notice of Opportunity for Hearing. The  
15 amended order names new Respondents and will require service upon out of state respondents,  
16 responses to be filed and appearances to be made. Counsel for the Division is making attempts to  
17 secure a stipulation for the continuation of the administrative hearing through the attorneys that  
18 have appeared. However, in view of the impending disclosure deadline the Division has filed this  
19 motion.

20           In view of the recent filings, activity in Superior Court, and in the interest of judicial  
21 economy, the Division RESPECTFULLY REQUESTS THIS COURT:

22           1.       Vacate the hearing dates of October 24-25, 2006 and the Division's deadline to  
23 exchange exhibits and witnesses on September 22, 2006.

24           2.       Schedule a 3 day hearing not sooner than December of 2006. Further, that any  
25 deadline imposed for the Division to exchange exhibits and witnesses be a reasonable amount of  
26 time before the hearing.

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3. Such other and further relief as This Court deems equitable or just.

RESPECTFULLY SUBMITTED this 8<sup>th</sup> day of September, 2006.

By   
Shoshana O. Epstein  
Attorney for the Securities Division of the  
Arizona Corporation Commission

ORIGINAL AND THIRTEEN (13) COPIES of the foregoing  
filed this 8<sup>th</sup> day of September, 2006, with

Docket Control  
Arizona Corporation Commission  
1200 West Washington  
Phoenix, AZ 85007

COPY of the foregoing hand-delivered this  
8<sup>th</sup> day of September, 2006, to:

ALJ Marc Stern  
Arizona Corporation Commission/Hearing Division  
1200 West Washington  
Phoenix, AZ 85007

COPY of the foregoing mailed  
this 8<sup>th</sup> day of September, 2006, to:

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By 