

UNITED STATES OF AMERICA
Before the
SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

ADMINISTRATIVE PROCEEDINGS RULINGS
Release No. 1943/October 24, 2014

ADMINISTRATIVE PROCEEDING
File No. 3-16000

In the Matter of

HOUSTON AMERICAN ENERGY CORP.,	:	PROTECTIVE ORDER
JOHN F. TERWILLIGER, JR.,	:	
UNDISCOVERED EQUITIES INC., and	:	
KEVIN T. MCKNIGHT	:	

On October 20, 2014, this Office received non-party SK E&P Company's (SK) Motion for Entry of Protective Order (Motion) to protect the confidential, proprietary, and trade secret information contained in the documents subject to the Subpoena Duces Tecum issued on October 7, 2014, by Respondents Houston American Energy Corp. and John F. Terwilliger, Jr. (collectively, Houston American Respondents). The Division of Enforcement (Division) and the Houston American Respondents have represented to this Office that they do not intend to file an Opposition to this Motion.

IT IS THEREFORE ORDERED that the following provisions shall govern the production, handling, and review of the documents produced by SK to the Houston American Respondents and the Division, which include the following: (1) documents and data regarding geological studies, seismic studies, porosity maps, drainage patterns, fault lines, and the analysis of reservoirs, resources, reserves, leads, and prospects in the Llanos Basin in Colombia contained in multiple forms, including but not limited to, weekly seismic reports, PowerPoint presentations, meeting minutes, Authorizations for Expenditure, Colombia Operation Reports, and email communications regarding same (collectively, the Geological Documents); (2) communications regarding drilling plans and operations in the Llanos Basin, including, but not limited to, Authorizations for Expenditure, documents relating to the approval of contractors, meeting minutes, preliminary well prognoses, Colombia Operation Reports, and email communications and PowerPoint presentations regarding same (collectively, the Drilling Documents); and (3) the operative agreements relating to the exploration and drilling in the Llanos Basin, including, but not limited to, the Farmout Agreement, the Joint Operating Agreement, and any drafts and amendments thereto, as well as communications with the Agencia Nacional de Hidrocarburos regarding the operations in the Llanos Basin (collectively, the Operating Documents).

1. Except as otherwise provided herein, the attorneys employed by the law firms that have been engaged to represent the Houston American Respondents in this proceeding

(Respondents' Counsel) and the Division shall not disclose the Geological Documents, the Drilling Documents, the Operating Documents, or any information contained therein to any person other than: (a) the Houston American Respondents; (b) office personnel of the Respondents' Counsel who are engaged in the preparation for the hearing in this proceeding; (c) independent outside persons (*i.e.*, persons not employees of or business consultants of a Respondent) requested by Respondents' Counsel to furnish technical or expert services or to give testimony in this proceeding who execute an acknowledgment agreeing to be bound by and to comply with the terms of this Protective Order; (d) the presiding Administrative Law Judge, including necessary administrative, stenographic, secretarial, and clerk personnel assisting the Administrative Law Judge; (e) the person or entity whose confidential, proprietary, and trade-secret information are reflected in the Geological Documents, the Drilling Documents, or the Operating Documents; and (f) any other persons as the parties and non-party SK may agree to in writing or as the Commissioners or Administrative Law Judge may, upon hearing, so direct.

2. All persons obtaining access to the Geological Documents, the Drilling Documents, the Operating Documents, or information contained therein, including Respondents' Counsel, the Houston American Respondents, and the Division, shall use those documents and that information solely for preparation for the hearing in this proceeding, including any appeal, and shall not use those documents or information for any other purpose. In no event, other than during the presentation of evidence in the public hearing in this matter, shall the Geological Documents, the Drilling Documents, the Operating Documents, or information contained therein be disclosed to any person other than: (a) the Houston American Respondents and Respondents' Counsel and their office personnel engaged in the preparation for the hearing in this proceeding; (b) independent outside persons (*i.e.*, persons not employees of or business consultants of a Respondent) requested by Respondents' Counsel to furnish technical or expert services or to give testimony in this proceeding who execute an acknowledgment agreeing to be bound by and to comply with the terms of this Protective Order; (c) the Division and their office personnel engaged in the preparation for the hearing in this proceeding; (d) independent outside persons (*i.e.*, persons not employees of or business consultants of the Division) requested by the Division to furnish technical or expert services or to give testimony in this proceeding who execute an acknowledgment agreeing to be bound by and to comply with the terms of this Protective Order; (e) the Administrative Law Judge, including necessary administrative, stenographic, secretarial, and clerk personnel assisting the Judge; (f) the person or entity whose confidential, proprietary, and trade-secret information are reflected in the Geological Documents, the Drilling Documents, and the Operating Documents; and (g) any other persons as the parties and non-party SK may agree to in writing or on the record, or as the Commissioners or Administrative Law Judge may, upon hearing, so direct. The acknowledgement required to be executed by each independent outside person to whom disclosure may be made shall be retained by the Respondents' Counsel or the Division that engages such person and need not be disclosed except at the direction of the Administrative Law Judge.
3. If the Houston American Respondents or the Division file any Geological Documents, the Drilling Documents, or the Operating Documents with the Securities and Exchange

Commission (Commission) without providing advance notice to non-party SK, except documents that have been received in evidence during the hearing on this matter and are not subject to additional confidentiality restrictions pursuant to an agreement between the offering party and non-party SK, those documents filed shall be (a) clearly labeled on the cover page as containing confidential information subject to this Protective Order, and (b) filed in sealed envelopes or other appropriate sealed containers on which shall be listed the title of this proceeding, an indication of the nature of its contents, and a statement substantially in the following terms:

CONFIDENTIAL. Filed Pursuant to Protective Order. Not to be opened nor the contents revealed except (1) to the Administrative Law Judge and his staff in the Commission's Office of Administrative Law Judges, (2) by agreement of the parties and SK, or (3) by prior order of the Administrative Law Judge.

4. The Houston American Respondents or the Division may file Geological Documents, the Drilling Documents, or the Operating Documents with the Commission in unsealed form, and not subject to the provisions of Paragraph 6 herein, provided that those documents have been received in evidence during the hearing on this matter and are not subject to additional confidentiality restrictions pursuant to an agreement between the offering party and non-party SK. The Houston American Respondents or the Division may file other Geological Documents, the Drilling Documents, or the Operating Documents with the Commission in unsealed form provided that Respondents' Counsel or the Division provide to non-party SK a written list of the specific other Geological Documents, the Drilling Documents, or the Operating Documents it intends to file. Within ten business days after receipt of this notice, non-party SK will state whether it has any objection to the filing of any such documents in unsealed form. In the event of a dispute between Respondents' Counsel or the Division, on the one hand, and non-party SK, on the other hand, as to whether any Geological Documents, the Drilling Documents, the Operating Documents, or the information derived from those documents should be filed without sealing, that dispute shall be submitted to the Administrative Law Judge for a ruling.
5. If any party receiving Geological Documents, the Drilling Documents, the Operating Documents, or information contained therein (a) is subpoenaed in another action or proceeding, served with a demand in another action or proceeding in which it is a party, or is served with any other legal process (or other request for production with which it intends to comply) seeking the Geological Documents, the Drilling Documents, the Operating Documents, or information contained therein; or (b) is subject to a court order, administrative ruling, or statutory or regulatory obligation seeking to compel the disclosure of any such material (collectively, a compelled disclosure), the party shall give actual prompt written notice to counsel for non-party SK, by hand, email or facsimile transmission, but in no event later than three (3) business days after receipt of such compelled disclosure. Unless otherwise ordered by a court or appropriate tribunal, the receiving party shall not produce any of the Geological Documents, the Drilling Documents, the Operating Documents, or information contained therein for a period of at least ten (10) days after providing the required notice to non-party SK. During that ten-

day period, non-party SK may seek protection from, or file objections to, the production of the Geological Documents, the Drilling Documents, the Operating Documents, or information contained therein in the appropriate forum. Provided that the appropriate notice set forth in this Paragraph was given, only non-party SK shall be responsible for asserting any objection to the requested production. Nothing herein shall be construed as requiring the receiving party or anyone else covered by this Protective Order to (a) challenge or appeal any order issued in another proceeding that requires production or disclosure of any Geological Documents, the Drilling Documents, the Operating Documents, or information contained therein, (b) subject himself/itself to any penalties for non-compliance with any legal process, order, or statutory or regulatory obligation, or (c) seek any relief in the appropriate forum.

6. If, during the hearing in this proceeding, a party intends to offer into evidence any of the Geological Documents, the Drilling Documents, the Operating Documents, or exhibits, testimony, or other materials that reveal or may tend to reveal information in the Geological Documents, the Drilling Documents, or the Operating Documents that have not already been the subject of an agreement between the offering party and non-party SK, counsel for the party shall provide non-party SK with as much notice as practicable, and thereafter counsel for all parties shall meet and confer in an attempt to agree on the procedures for offering into evidence at hearing the Geological Documents, the Drilling Documents, the Operating Documents, or the information contained therein. If the parties and non-party SK are unable to agree, they shall submit to the Administrative Law Judge their proposals for such procedures.
7. In the event of an unauthorized use or disclosure of a Geological Document, Drilling Document, Operating Document, or any information contained therein, the party responsible for such use or disclosure shall notify counsel for non-party SK immediately and make good faith efforts to remedy the unauthorized use or disclosure and prevent further unauthorized use or disclosure.
8. The restrictions on dissemination of the Geological Documents, the Drilling Documents, the Operating Documents, or the information contained therein, shall not apply to information which is public knowledge or which, after disclosure, becomes public knowledge other than through a violation of the terms of this Protective Order or any applicable confidentiality agreement.
9. This Protective Order shall remain in force and effect until modified, superseded or terminated on the record by agreement of the parties and non-party SK or by order of the Administrative Law Judge.
10. Upon final termination of this proceeding, the Division and each Respondent that is subject to this Protective Order shall either destroy or assemble and return to non-party SK all of the Geological Documents, the Drilling Documents, or the Operating Documents in its possession and all items containing the information found in the Geological Documents, the Drilling Documents, or the Operating Documents, including all copies of such matter which may have been made, but not including record files or

attorney-work product files. Any documents permitted to be retained under this provision shall remain, at all times, subject to this Protective Order. If a Respondent or the Division elects to destroy the Geological Documents, the Drilling Documents, the Operating Documents, and other materials containing information obtained therefrom, that Respondent or the Division shall by letter, within thirty (30) days of the final termination of this proceeding, certify that all Geological Documents, the Drilling Documents, the Operating Documents, and materials containing information obtained therefrom (subject to the exceptions noted herein) have been destroyed.

11. Any notice required or permitted herein shall be made to counsel of record in this proceeding or such other persons as subsequently may be designated by a party or by non-party SK. Notice may be made by either facsimile or email, provided that a hard copy is provided by hand delivery or overnight courier.

IT IS SO ORDERED.

Jason S. Patil
Administrative Law Judge