

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

In the Matter of
BASIN OIL & GAS CORPORATION,
THOMAS R. WATKINS.,
THOMAS BELDING, and KIRK TURNER,

PETITION FOR ORDER

Respondents.

File No. S-01125(EX)

The staff of the Enforcement Unit, Bureau of Registration & Enforcement, of the Division of Securities, Department of Financial Institutions, State of Wisconsin has conducted an investigation in this matter pursuant to sec. 551.56, Wis. Stats. and as a result thereof alleges as follows:

1. Basin Oil & Gas Corporation ("Basin") is a foreign business entity with a last known business address of 207 E Reynolds Rd., Ste C, Lexington, KY 40517-1275.
2. Thomas R. Watkins ("Watkins") is an individual who at all times material hereto has been President and Treasurer of Basin, with a last known business address at that of Basin.
3. Thomas Belding ("Belding") is an individual who at all times material hereto has been Vice President and Secretary of Basin, with a last known business address at that of Basin.
4. Kirk Turner ("Turner") is an individual who at all times material hereto has been Assistant Vice President and Secretary of Basin, with a last known business address at that of Basin.
5. During the period of April through June, 2001, Belding and Turner, on behalf of Basin, Watkins, and themselves, offered to at least two persons in Wisconsin the opportunity to invest in fractional undivided working interests in an oil and gas drilling project.
6. Upon information and belief, investors can play a passive role in the company with no duties and responsibilities.
7. The working interests 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 Basin 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 in Wisconsin.
10. On March 7, 2001, the State of Missouri issued a Cease and Desist Order against Basin and Watkins, based on allegations of securities law violations.
11. In connection with the offer of the securities described in Paragraph 5, the Respondents omitted to disclose the issuance of the order referred to in Paragraph 10.

