

STATE OF ILLINOIS  
SECRETARY OF STATE  
SECURITIES DEPARTMENT

---

IN THE MATTER OF: MATRIX PETROLEUM, INC., )  
BASIN OIL AND GAS CORPORATION, )  
THIER OFFICERS, DIRECTORS, ) File No. 0800026  
EMPLOYEES, AFFILIATES, SUCCESSORS, )  
AGENTS AND ASSIGNS )

---

ORDER OF PROHIBITION

TO THE RESPONDENTS: Matrix Petroleum, Inc.  
Basin Oil and Gas Corporation  
207 E. Reynolds, Suite C  
Lexington, KY 40517

WHEREAS, a Temporary Order of Prohibition was issued by the Secretary of State on September 2, 2008, prohibiting Matrix Petroleum, Inc. and Basin Oil and Gas Corporation, their Officers, Directors, Employees, Agents, Affiliates, Successors and Assigns, from offering or selling securities in the State of Illinois until further order of the Secretary of State.

WHEREAS, pursuant to Section 11.F of the Illinois Securities Law of 1953 [815 ILCS 5/1 et seq.] (the "Act"), the failure to request a hearing within thirty days of the entry of the Temporary Order of Prohibition shall constitute a sufficient basis to make the Temporary Order final.

WHEREAS, Matrix Petroleum, Inc. and Basin Oil and Gas Corporation, their Officers, Directors, Employees, Agents, Affiliates, Successors and Assigns, have failed to request a hearing on the matters contained in the said Temporary Order within thirty days of the entry of said Temporary Order and are hereby deemed to have admitted the facts alleged in the said Temporary Order.

WHEREAS, the Secretary of State, by and through his duly authorized representative, has adopted the Findings of Fact contained in the said Temporary Order as the Secretary of State's final Findings of Fact as follows:

1. That Respondents, Matrix Petroleum, Inc. and Basin Oil and Gas Corporation, are purported business entities, with a last known address of 207 E. Reynolds, Suite C, Lexington, KY 40517;

Order of Prohibition

-2-

2. That between the dates of November 29, 2001 and June 26, 2006, Respondents Matrix Petroleum, Inc. and Basin Oil and Gas Corporation, by and through their Officers, Directors, Employees, Affiliates, Successors, Agents and Assigns, offered and sold to JT, an Illinois resident, working interests in multiple oil well developments for a total investment amount of \$314,625;
3. That each of the aforesaid oil well interests is a security as that term is defined pursuant to Section 2.1. of the Illinois Securities Law of 1953 [815 ILCS 5/1 et seq.] (the "Act");
4. That Section 5 of the Act provides, inter alia, that all securities except those exempt under Section 3 of the Act or those offered and sold in transactions exempt under Section 4 of the Act shall be registered with the Secretary of State prior to their offer or sale in the State of Illinois;
5. That Section 12.A of the Act provides, inter alia, that it shall be a violation of the Act for any person to offer or sell securities except in accordance with the provisions of the Act;
6. That Section 12.D of the Act provides, inter alia, that it shall be a violation of the Act for any person to fail to file with the Secretary of State any document or application required to be filed under the provisions of the Act;
7. That at all times relevant hereto, Respondents Matrix Petroleum, Inc. and Basin Oil and Gas Corporation, by and through their Officers, Directors, Employees, Affiliates, Successors, Agents and Assigns, failed to file an application for registration of the above-referenced securities with the Secretary of State prior to their offer or sale in the State of Illinois;
8. That Section 11.F(2) of the Act provides, inter alia, that the Respondent's failure to request a hearing within 30 days after the date of the entry of the Temporary Order shall constitute an admission of any facts alleged therein and shall constitute sufficient basis to make the Temporary Order final;

WHEREAS, the Secretary of State, by and through his duly authorized representative, has adopted the Conclusions of Law

Order of Prohibition

-3-

contained in the said Temporary Order as the Secretary of State's final Conclusions of Law as follows:

1. That by virtue of the foregoing, Respondents Matrix Petroleum, Inc. and Basin Oil and Gas Corporation, by and through their Officers, Directors, Employees, Affiliates, Successors, Agents and Assigns, have violated Sections 12.A and 12.D of the Act;
2. That by virtue of the foregoing, the Respondents Matrix Petroleum, Inc. and Basin Oil and Gas Corporation, by and through their Officers, Directors, Employees, Affiliates, Successors, Agents and Assigns, are subject, pursuant to Section 11.F of the Act, to an Order which permanently prohibits them from offering or selling securities in the State of Illinois.

NOW THEREFORE, IT IS HEREBY ORDERED THAT: pursuant to the authority granted by Section 11.F of the Act, Respondents Matrix Petroleum, Inc. and Basin Oil and Gas Corporation, by and through their Officers, Directors, Employees, Affiliates, Successors, Agents and Assigns, are hereby prohibited from offering or selling securities in the State of Illinois until further order of the Secretary of State.

ENTERED: This 7<sup>th</sup> day of October, 2008



Jesse White  
Secretary of State  
State of Illinois

NOTICE: Failure to comply with the terms of this Order shall be a violation of the Section 12.D of the Act. Any person or entity who fails to comply with the terms of this Order of the Secretary of State, having knowledge of the existence of the Order, shall be guilty of a Class 4 felony.

This is a final order subject to administrative review pursuant to the Administrative Review Law, [735 ILCS 5/3-101 et seq.] and the Rules and Regulations of the Illinois Securities Act, [14

Order of Prohibition

-4-

Ill. Admin. Code Ch. I, Section 130.1123]. Any action for Judicial Review must be commenced within thirty-five (35) days from the date a copy of this Order is served upon the party seeking review.

Attorney for the Secretary of State:  
Johan Schripsema  
Illinois Securities Department  
350 Seright, Suite C  
Harrisburg, Illinois 62946  
Telephone: (618) 253-2007