

STATE OF COLORADO



Division of Securities

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PRESS RELEASE

For Immediate Release

April 6, 2007

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TEXAS OIL AND GAS COMPANY SANCTIONED BY SECURITIES COMMISSIONER

Denver, Colorado --- Colorado Securities Commissioner Fred J. Joseph announced today that he has entered a final cease and desist order against a Texas oil and gas company for allegedly violating the securities registration provisions of the Colorado Securities Act ("Act") in connection with the offer and sale of securities in and from Colorado.

Named in the Order are **Signal Oil and Gas Company**, its Chief Executive Officer, **James E. Van Blaricum**, and a salesman, **James D. Butler**, all of Fort Worth, Texas.

The Staff of the Division of Securities (the "Staff") has alleged that beginning in January of 2003, and through January of 2007, the Respondents sold at least one investment to a Colorado resident in a venture in three oil and gas wells. Respondents represented that the three wells packaged were "proven wells" currently pumping 300 barrels of oil per day with an estimated production time frame of 10 years. Respondents stated that an investor could expect a monthly return of \$4,218.75 on an initial investment of \$51,750.00. The Staff has alleged that after the initial investment did not pay out as promised, the investor was encouraged to leave their investment in the hands of Signal

Oil and Gas to be rolled over into a new oil and gas prospect called “Industry Partner Drilling Program II” in January of 2007. The Staff alleged that Signal Oil offered and sold its securities in Colorado that were not registered, or exempt from registration, in violation of the registration and licensing provisions of the Act.

The cease and desist order, which Signal Oil and Gas, James E. Van Blaricum, and John David Butler agreed to, orders them to immediately and permanently cease and desist offering or selling any “security” in or from the State of Colorado in violation of the registration, licensing and anti-fraud provisions of the Act or otherwise engaging in conduct in violation of any provision of the Act. The order was made final on April 6, 2007.

“In the last 4 months alone, cease and desist orders have been entered against 4 different oil and gas companies for violations of our Act,” said Commissioner Joseph. “It is a strong indication that oil and gas investment schemes are alive and well, and will continue to be a threat to unwary investors.” All investors are encouraged to contact the Division of Securities to verify that these oil and gas deals are in full compliance with law.

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