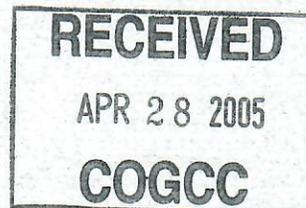




PELICAN HILL OIL & GAS INC.

April 27, 2005

Brian Macke
Colorado Oil and Gas Conservation Commission
1120 Lincoln Street, Ste. 801
Denver, CO 80203



Re: Well name – McKean 1-20
Location: NENW Sec. 20-12s-44w
440' FNL & 1505' FWL
Cheyenne County, Colorado

Dear Mr. Macke,

Per Dennis Ahlstrand's request, Pelican Hill Oil & Gas, Inc., hereby requests an approval from the COGCC in order for PHOG Inc. to drill the above captioned well on an exception location under Rule 318.c.

The proposed location is less than the required setbacks of Rule 318.a. of 1200' from the nearest well and 600' from the nearest lease line. Citation Oil & Gas owns the offset lease and operates the offset well, the Darnall Trust 24-17 #1 in the SESW Section 17, T44W, R44W. Please find the attached waiver from Citation Oil and Gas to drill at this exception location.

In complying with all the COGCC regulations, Pelican Hill Oil & Gas, Inc. hereby requests the above location be granted.

Thank you in advance for the expeditious approval considering this matter.

Sincerely,

Allen J. Gross
President