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CANARGO ENERGY CORP
Form SC 13G/A
January 18, 2006

UNITED STATES SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

OMB APPROVAL
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SCHEDULE 13G/A

Under the Securities Exchange Act of 1934
(Amendment No. _____1_____) *

CANARGO ENERGY CORP.

(Name of Issuer)

COMMON STOCK

(Title of Class of Securities)

137225108

(CUSIP Number)

12/31/05

(Date of Event Which Requires Filing of this Statement)

Check the appropriate box to designate the rule pursuant to which this Schedule is filed:

- Rule 13d-1(b)
- Rule 13d-1(c)
- Rule 13d-1(d)

*The remainder of this cover page shall be filled out for a reporting person's initial filing on this form with respect to the subject class of securities, and for any subsequent amendment containing information which would alter the disclosures provided in a prior cover page.

The information required in the remainder of this cover page shall not be deemed to be "filed" for the purpose of Section 18 of the Securities Exchange Act of 1934 ("Act") or otherwise subject to the liabilities of that section of the Act

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but shall be subject to all other provisions of the Act (however, see the Notes).

CUSIP No. 137225108

13G

1. NAME OF REPORTING PERSON(S)
S.S. OR I.R.S. IDENTIFICATION NO. OF ABOVE PERSON(S)

ROBERT L. GIPSON

2. CHECK THE APPROPRIATE BOX IF A MEMBER OF A GROUP*

(a) []
(b) []

3. SEC USE ONLY

4. CITIZENSHIP OR PLACE OF ORGANIZATION

U.S.A.

NUMBER OF 5. SOLE VOTING POWER AS OF 12/31/05: 6,500,000
AS OF 1/1/06: 6,500,000

SHARES
BENEFICIALLY

OWNED BY 6. SHARED VOTING POWER AS OF 12/31/05: 15,555,556
EACH AS OF 1/1/06: 0

REPORTING 7. SOLE DISPOSITIVE POWER AS OF 12/31/05: 6,500,000
PERSON AS OF 1/1/06: 6,500,000

WITH

8. SHARED DISPOSITIVE POWER AS OF 12/31/05: 16,940,556
AS OF 1/1/06: 1,385,000

9. AGGREGATE AMOUNT BENEFICIALLY OWNED BY EACH REPORTING PERSON

AS OF 12/31/05: 23,440,556
AS OF 1/1/06: 7,885,000

10. CHECK BOX IF THE AGGREGATE AMOUNT IN ROW (9) EXCLUDES CERTAIN SHARES*

11. PERCENT OF CLASS REPRESENTED BY AMOUNT IN ROW (9)

AS OF 12/31/05: 9.8%

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AS OF 1/1/06: 3.3%

12. TYPE OF REPORTING PERSON*

IN

*SEE INSTRUCTIONS BEFORE FILLING OUT!

13G

Item 1. (a) Name of Issuer: CANARGO ENERGY CORP.

(b) Address of Issuer's Principal Executive Offices:
PO BOX 291
ST PETER PORT
GUERNSEY, C.I. XOGV13RR

Item 2. (a) Name of Person Filing: ROBERT L. GIPSON

(b) Address of Principal Business Office, or if None, Residence:

c/o INGALLS & SNYDER, LLC
61 BROADWAY, NEW YORK NY 10006

(c) Citizenship: U.S.A.

(d) Title of Class of Securities:
COMMON STOCK

(e) CUSIP Number: 137225108

Item 3. If this statement is filed pursuant to Rules 13d-1(b), or 13d-2(b), check whether the person filing is a: NOT APPLICABLE

- (a) [] Broker or Dealer registered under Section 15 of the Act,
(b) [] Bank as defined in Section 3(a)(6) of the Act,
(c) [] Insurance Company as defined in Section 3(a)(19) of the Act,
(d) [] Investment Company registered under Section 8 of the Investment Company Act,
(e) [] Investment Adviser registered under Section 203 of the Investment Advisers Act of 1940,
(f) [] Employee Benefit Plan, Pension Fund which is subject to the provisions of the Employee Retirement Income

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Security Act of 1974 or Endowment Fund; see Section 240.13d-1(b) (ii) (F); see Item 7,

- (g) [] Parent Holding Company, in accordance with Section 240.13d-1(b) (1) (ii) (G); see Item 7,
- (h) [] Group, in accordance with Section 240.13d-1(b) (1) (ii) (H).

Item 4. Ownership.

Provide the following information regarding the aggregate number and percentage of the class of securities of the issuer identified in Item 1:

- (a) Amount beneficially owned:
 - AS OF 12/31/05: 23,440,556
 - AS OF 1/1/06: 7,885,000-----,
- (b) Percent of class:
 - AS OF 12/31/05: 9.8%
 - AS OF 1/1/06: 3.3%-----,
- (c) Number of shares as to which such person has:
 - (i) Sole power to vote or to direct the vote
 - AS OF 12/31/05: 6,500,000
 - AS OF 1/1/06: 6,500,000
 - (ii) Shared power to vote or to direct the vote
 - AS OF 12/31/05: 16,940,556
 - AS OF 1/1/06: 0
 - (iii) Sole power to dispose or to direct the disposition of
 - AS OF 12/31/05: 6,500,000
 - AS OF 1/1/06: 6,500,000
 - (iv) Shared power to dispose or to direct the disposition of
 - AS OF 12/31/05: 16,940,556
 - AS OF 1/1/06: 1,385,000

Item 5. Ownership of Five Percent or Less of a Class.

If this statement is being filed to report the fact that as of the date hereof the reporting person has ceased to be the beneficial owner than five percent of the class of securities, check the following: [x]

Item 6. Ownership of More Than Five Percent on Behalf of Another Person.

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Securities reported under shared dispositive power include securities owned by clients of Ingalls & Snyder LLC, a registered broker dealer and a registered investment advisor, in accounts over which Robert L. Gipson ("Gipson") holds discretionary investment authority. Shares reported as of 12/31/05 under shared dispositive power and shared voting power include 15,555,556 shares which are receivable under the assumed conversion of \$14,000,000 par value of Canargo SeniorSecured Convertible Notes due 07/24/09, which are convertible at \$.90 /per share. These Notes are owned by Ingalls & Snyder Value Partners, L.P.("ISVP"), an investment partnership of which as of 12/31/05 Gipson was one of two general partners. As a result of a change in the structure of ISVP as of 1/1/06, Gipson ceased to be the beneficial owner of these securities beneficially owned by ISVP.

Item 7. Identification and Classification of the Subsidiary which Acquired the Security Being Reported on By the Parent Holding Company.

Not applicable

Item 8. Identification and Classification of Members of the Group.

Not applicable

Item 9. Notice of Dissolution of Group.

Not applicable

Item 10. Certification.

By signing below I certify that, to the best of my knowledge and belief, the securities referred to above wand were not acquired and are not held for the purpose of or with the effect of changing or influencing the control of the issuer of the securities and were not acquired and are not held in connection with or as a participant in any transaction having that purpose or effect.

Signature.

After reasonable inquiry and to the best of my knowledge and belief, I certify that the information set forth in this statement is true, complete and correct.

Date: 1/17/06

/S/ ROBERT L. GIPSON /s/

(Signature)*

ROBERT L. GIPSON

(Name/Title)

* Attention. Intentional misstatements or omissions of fact constitute federal criminal violations (see 18 U.S.C. 1001).