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STATE OF COLORADO
DEPARTMENT OF LAW

RALPH L. CARR
COLORADO JUDICIAL CENTER
1300 Broadway, 7th Floor
Denver, Colorado 80203
Phone (720) 508-6000

**Natural Resources and
Environment Section**

December 15, 2015

Northstar Gas Company, Inc. - Return Receipt Requested
Attn: Ken McKinney
419 Greenpark Drive
Houston, TX 77079

Northstar Gas Company, Inc. - Return Receipt Requested
Attn: Ken McKinney
P.O. Box 440789
Houston, TX 77244

Northstar Gas Company, Inc. - Return Receipt Requested
Attn: Ken McKinney
440 Louisiana Street, #1750
Houston, TX 77002

Northstar Gas Company, Inc. - Return Receipt Requested
1675 Broadway, Suite 1200
Denver, CO 80202

RE: COGCC Docket No. 150900350
COGCC NOAV No. 400950525
Northstar Gas Company, Inc. (Operator No. 64310)
Notice and Application for Hearing

Dear Mr. McKinney:

Enclosed please find a Notice and Application for Hearing and Notice of Alleged Violation ("NOAV") No. 400950525 issued to Northstar Gas Company, Inc. ("Northstar Gas"). This NOAV was issued for violations of the Rules of the Colorado Oil and Gas Conservation Commission ("COGCC" or "Commission").

On April 15, 2015, an NOAV was issued to Northstar Resources, Inc. That NOAV was noticed for hearing on September 11, 2015, and has been continued to the January 26-27, 2015 Commission meeting. COGCC Staff intends to consolidate NOAV No. 400950525 with the prior NOAV so that both NOAVs may be resolved in the same proceeding.

This matter is set for an Order Finding Violation (“OFV”) hearing before the Commission at its January 26-27, 2016 meeting. An OFV hearing is a full evidentiary hearing pursuant to Rule 528, where COGCC Staff and the operator present testimony through witnesses, and documents, and make arguments to the Commission. At the conclusion of an OFV hearing, the Commission determines liability for alleged violations, specifies necessary corrective actions, and assesses a penalty amount. An OFV hearing is open to the public.

Alternatively, Northstar Gas and COGCC Staff may settle the matter by agreement on liability for the violation, penalty amount, corrective actions, and other terms. This settlement agreement is called an Administrative Order on Consent (“AOC”). AOCs are subject to Commission approval, but do not involve contested hearings. A proposed AOC is attached for your consideration.

Please contact me within 10 days of the date of this letter to discuss this enforcement action. If you do not contact me within 10 days, I will begin the OFV hearing process by scheduling a prehearing conference with a hearing officer. The hearing officer will then impose filing and objection deadlines.

For more information regarding the Commission’s enforcement and penalty assessment process, please see the Commission’s Enforcement Guidance and Penalty Policy (available at <http://cogcc.state.co.us/reg.html#/enforcement>) and Rules 522 and 523 (available at <http://cogcc.state.co.us/documents/reg/Rules/LATEST/500Series.pdf>).

I look forward to hearing from you. My phone number is (720) 508-6292 and my email address is kyle.davenport@state.co.us.

Sincerely,

FOR THE ATTORNEY GENERAL



Kyle W. Davenport

CERTIFICATE OF MAILING

On December 15, 2015, a true and correct copy of the above-referenced Notice and Application for Hearing and Notice of Alleged Violation was mailed by first-class mail, return receipt requested, to the following addresses:

Northstar Gas Company, Inc.
Attn: Ken McKinney
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Houston, TX 77079

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Attn: Ken McKinney
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1675 Broadway, Suite 1200
Denver, CO 80202

Steven Mah

Steven Mah, NOAV Specialist
COGCC