

State of Colorado
Oil and Gas Conservation Commission

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NOTICE OF ALLEGED VIOLATION - ISSUED

Per Rule 522, the Director has reasonable cause to believe that a violation of the Act, or of any Commission rule, order, or permit has occurred, the Director will require the operator to remedy the violation and may commence an enforcement action seeking penalties by issuing a Notice of Alleged Violation (NOAV). Per Rule 523, an operator who violates the Act, or a Commission rule, order, or permit may be subject to a penalty imposed by Commission order.

OPERATOR INFORMATION

OGCC Operator Number: 64310
Name of Operator: NORTHSTAR GAS COMPANY INC
Address: PO BOX 440789
City: HOUSTON State: TX Zip: 77244
Contact Name and Telephone:
Name: Ken McKinney
Phone: (832) 721-4775 Fax: ()
Email: kkmacgas@concentric.net

Well Location, or Facility Information (if applicable):

API Number: 05-077-08122-00 Facility or Location ID:
Name: FEDERAL Number: 32-3
QtrQtr: NESW Sec: 32 Twp: 8S Range: 104W Meridian: 6
County: MESA

ALLEGED VIOLATION

Rule: 309
Rule Description: Operator's Monthly Production Report
Initial Discovery Date: Was this violation self-reported by the operator? No
Date of Violation: Approximate Time of Violation:
Was this a discrete violation of obvious duration? No
Description of Alleged Violation:
Federal #32-3 Well was spud on April 9, 1978, but to date no Form 7 Monthly Reports have been submitted to COGCC, violating Rule 309.
Abatement or Corrective Action Required to be Performed by Operator: Corrective Action Due Date: 12/15/2015
Proper and timely abatement does not preclude the assessment of penalties and an Order Finding Violation.
Northstar Gas shall submit Form 7 Monthly Reports to COGCC to bring the Federal #32-3 Well production records up to date.

Rule: 312
Rule Description: Certificate of Clearance and/or Change of Operator
Initial Discovery Date: Was this violation self-reported by the operator? No
Date of Violation: Approximate Time of Violation:
Was this a discrete violation of obvious duration? No
Description of Alleged Violation:
Northstar Gas failed to file a Form 10 Change of Operator within thirty (30) days of taking operatorship of the Federal #32-3 Well, violating Rule 312. Based on the Sundry Notice submitted by Northstar Gas to the United States Department of the Interior Bureau of Land Management on October 1, 2015 (See Attachment), COGCC believes that Northstar gas is the present operator of the Federal #32-3 Well.
Abatement or Corrective Action Required to be Performed by Operator: Corrective Action Due Date: 12/15/2015

Proper and timely abatement does not preclude the assessment of penalties and an Order Finding Violation.

Northstar Gas shall file a Form 10 Change of Operator for Federal #32-3 Well with the COGCC.

Rule: 326.b

Rule Description: Shut-in Wells

Initial Discovery Date: _____ Was this violation self-reported by the operator? No

Date of Violation: _____ Approximate Time of Violation: _____

Was this a discrete violation of obvious duration? No

Description of Alleged Violation:

On August 20, 2014, a COGCC Field Inspection (Document #675200428) found the Federal #32-3 Well in violation of COGCC Rule 326.b.(1) because a Mechanical Integrity Test (MIT) was not completed within two years of the shut in status.

Abatement or Corrective Action Required to be Performed by Operator: _____ Corrective Action Due Date: 12/15/2015

Proper and timely abatement does not preclude the assessment of penalties and an Order Finding Violation.

Northstar Gas must either 1) Provide proof of well integrity with passing MIT and submit a Form 4 Sundry Notice requesting Temporarily Abandoned status, or 2) Plug and abandon the well while adhering to the requirements of Rule 311.

PENALTY

Penalties for violations alleged in this NOAV will be calculated pursuant to Rule 523, with daily penalties accruing pursuant to Section 34-60-121(1), C.R.S.

ANSWER

Pursuant to Rule 522.d.(2), the operator must file an Answer to this NOAV within 28 days of its receipt, or a default judgement may be entered. Hard copy answers are filed with the Commission Secretary at the Commission's Denver office and should also be emailed to dnr_cogccenforcement@state.co.us.

NOAV ISSUED

NOAV Issue Date: 12/15/2015

COGCC Representative Signature: *Steven Mah*

COGCC Representative: Mah, Steven

Title: NOAV Specialist

Email: steven.mah@state.co.us

Phone Num: (303) 894-2100x

ATTACHMENT LIST

View Attachments in Imaged Documents on COGCC website (<http://ogccweblink.state.co.us/>) - Search by Document Number.

<u>Document Number</u>	<u>Description</u>
400951066	NOAV DOCUMENTATION
400954353	NOAV COVER LETTER

Total Attach: 2 Files