

NORTHSTAR GAS COMPANY, INC.

December 22, 2015

Kyle W. Davenport, Asst Attorney General
Oil and Gas Conservation Commission of the State of Colorado
Cause No. 1V
Docket NO. 150900350

Dear Mr. Davenport:

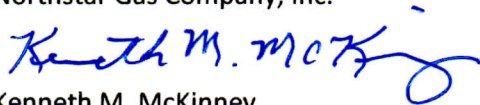
I hope you are doing well. Regarding the Federal 32-3 well, the facts have not changed. No Northstar entity has ever become or agreed to become the operator of record for the state of Colorado for the Federal 32-3 well. That has not and will not change. Northstar Resources, Inc. purchased a working interest in the Federal 32-3 well and did NOT in any way become operator of record for the state of Colorado. Those were the terms of the purchase by Northstar Resources, Inc. The FACTS are as follows:

- Northstar Gas Company, Inc. has NEVER agreed to or become Operator of record in the State of Colorado for the Federal 32-3 well. In fact, this was a requirement of the purchase that the operator of record, Omimex Petroleum (seller) remain operator of record in Colorado with respect to the Federal 32-3 well and leave all of its' plugging and operating bonds in place. Northstar had no operations in Colorado at the time and were not a qualified Operator in the state of Colorado. Northstar Resources would not have accepted the working interest assignment unless these terms were agreed to. Further, Northstar Gas Company, Inc. is not even a party to the purchase transaction between Omimex Petroleum (seller) and Northstar Resources, Inc. (buyer).
- There is only one operator of record for the State of Colorado and operator is Omimex Petroleum. To our knowledge, this is the only Operator of record in Colorado ever existing for the Federal 32-3 well. Please provide any and all documentation whereby any Northstar entity agreed to become Operator of record in Colorado for the Federal 32-3 well.
- No form 10 has been or will be filed by any Northstar entity because there has been no change of operator of record for the State of Colorado for the Federal 32-3 well. Omimex Petroleum has been since inception and remains operator of record for the state of Colorado for the Federal 32-3 well.

- No production reports or "operator's Monthly Report of Operations reports were filed by Northstar Resources because Northstar Resources is not and has never been the operator of record for the State of Colorado for the Federal 32-3 well. Those reports are to be supplied by the Operator of record for the state of Colorado. Please provide any documentation were-by any Northstar entity became operator of record for the State of Colorado for the Federal 32-3 well.
- Production test flows (as required by the BLM) were used in lieu of Mechanical Integrity tests. All Passed.

Based on the aforementioned, All Northstar entities have performed their respective duties and functions in accordance with the particular rule or regulation. No violations exist. The Operator of record for the State of Colorado on the Federal 32-3 well has not changed and it is NOT a Northstar entity. I hope this clears up the facts somewhat. If you have any questions or comments, you can reach me at (832) 721-4775. Happy Holidays!!

Sincerely,
Northstar Gas Company, Inc.



Kenneth M. McKinney
President