

# Northstar Oil and Gas Corp.

P.O. Box 168

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August 2, 2007

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Mr. Mark E. Fesmire  
New Mexico Oil Conservation Division  
1220 S. St. Francis Drive  
Santa Fe, New Mexico 87505

Subject: Case No. 13920  
Order No. R-12779

Dear Mr. Fesmire:

I am in receipt of the NMOCD's order #R-12779, which directs Northstar Oil and Gas to bring two wells into compliance and also fines Northstar \$10,000.00.

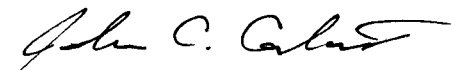
At the examiner hearing for this case it was my intention to appear and make it clear to the examiner that Northstar accepts the responsibility for these wells. It has always been my intention as the sole shareholder of the company to be responsible for the wells. To that end I have borrowed money to plug the wells, which I intend to repay with the \$50,000.00 cash bond which Northstar has maintained as surety for the wells.

However, having read the order and reviewed the transcript of the hearing, it seems that in affirming my responsibility for the wells, I conveyed to the examiner that I lacked the desire to plug the wells. I did not discuss mitigating circumstances which do not affect my responsibility, but have affected my performance. I have now managed those circumstances to the extent that Northstar will have fulfilled its responsibilities by the September 5, 2007 deadline set forth in the order.

The purpose of this letter, then, is to seek a De Novo hearing of the case at which I will present evidence of my desire to fulfill my responsibilities, and also the results of my work.

Respectfully,

Northstar Oil and Gas Corp.



John C. Corbett  
President

Cc: Gail MacQuesten  
Charlie Perrin