

8/2/2016

Williford is filing this Sundry Form 4, per instructions received on 8/2/2016, from Stuart M. Ellsworth, Engineering Manager, COGCC.

Williford is currently venting the associated casinghead natural gas from its wells in the Red Mesa Field (see attached plat) per Sundries approved by the COGCC on 4/22/2016. Subsequently, via letter from the COGCC dated 5/5/2016, this approval to vent was limited to 3-months ending 8/5/2016. Therefore, Williford is filing this Sundry Form 4 in order to get approval to continue venting the low volumes of associated casinghead natural gas from its wells in the Red Mesa Field.

Williford has been in contact with Mark Hutson, Air Quality Program Manager, Southern Ute Indian Tribe, and determined no permitting by Williford was necessary due to the very low volumes of associated casinghead natural gas being vented. Williford has been in contact with Bryan Brock, Manager of Gas Control and Contracts, Red Cedar Gathering and was told that Red Cedar had no interest in the placement of Williford's associated casinghead natural gas in their system due to such a small volume of gas and the abandonment of Red Cedar's system in that area.

Williford has been actively pursuing with La Plata Electric Association (LPEA), a project that will use Williford's vented associated casinghead natural gas to power a gen-set to produce electric power which would be placed on LPEA's power grid. Through Williford's discussions the past 3 months with LPEA, we received LPEA's Board approval to pursue this project on 7/21/2016. A meeting scheduled for 8/9/2016 between Williford and LPEA, will begin the process of negotiating a power contract and determining interconnection design and costs. Both LPEA and Williford want to make this project work and will continue to work as quickly and diligently as possible to meet that goal.

WILLIFORD RESOURCES, LLC

A. Hearne Williford
Owner/Manager