

8/2/2016

8/8/2016 This correspondence is being substituted for a Sundry Notice-Approval to Vent with an extension deadline to 5 DEC 2016 and being placed in all well files listed on the attached map. Mark Weems. P. E. Regional Engr SW Color

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

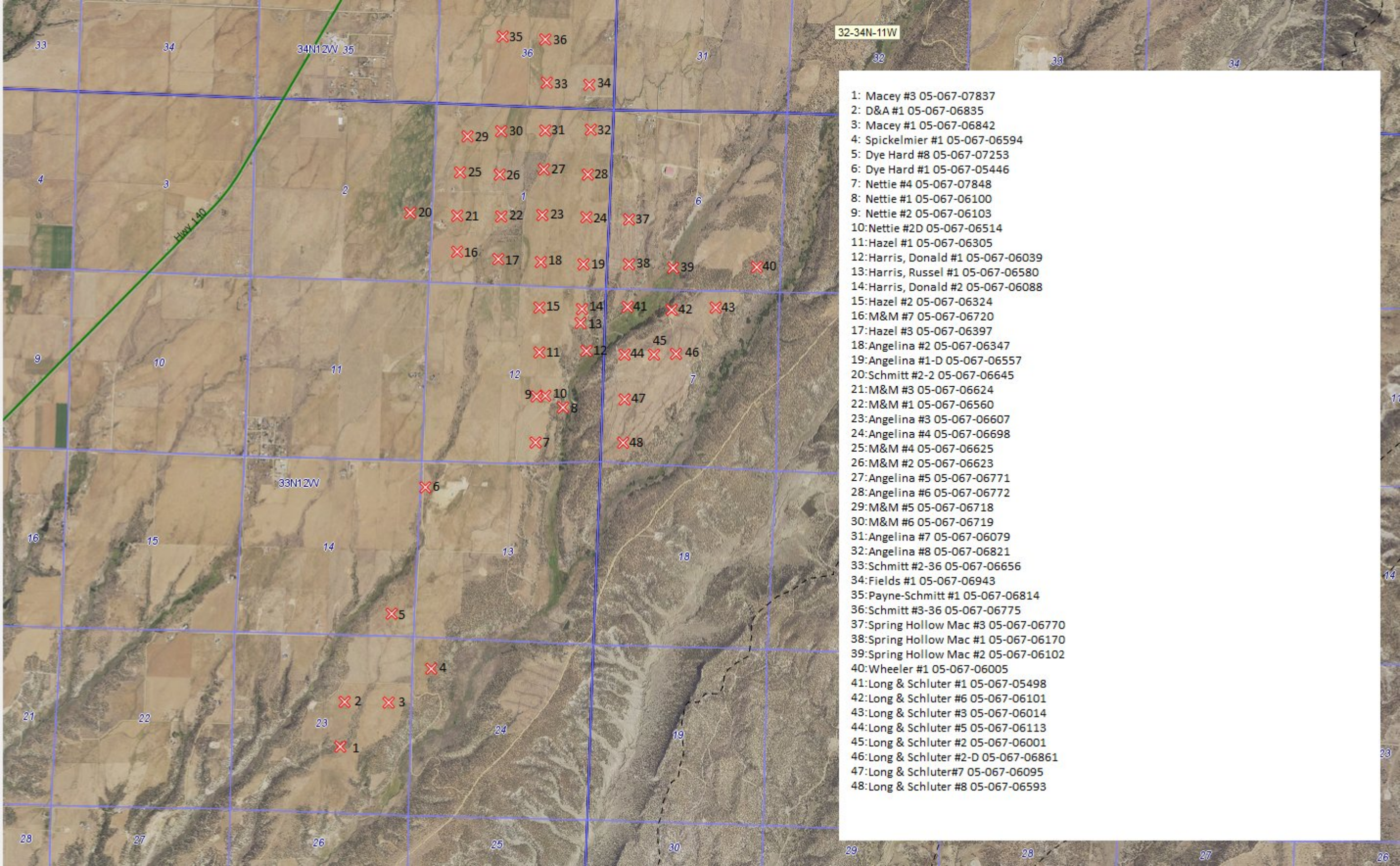
Williford is currently venting the associated casinghead natural gas from its wells in the Red Mesa Field (see attached plat) per Sundries approved by the COGCC on 4/22/2016. Subsequently, via letter from the COGCC dated 5/5/2016, this approval to vent was limited to 3-months ending 8/5/2016. Therefore,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



32-34N-11W

- 1: Macey #3 05-067-07837
- 2: D&A #1 05-067-06835
- 3: Macey #1 05-067-06842
- 4: Spickelmier #1 05-067-06594
- 5: Dye Hard #8 05-067-07253
- 6: Dye Hard #1 05-067-05446
- 7: Nettie #4 05-067-07848
- 8: Nettie #1 05-067-06100
- 9: Nettie #2 05-067-06103
- 10: Nettie #2D 05-067-06514
- 11: Hazel #1 05-067-06305
- 12: Harris, Donald #1 05-067-06039
- 13: Harris, Russel #1 05-067-06580
- 14: Harris, Donald #2 05-067-06088
- 15: Hazel #2 05-067-06324
- 16: M&M #7 05-067-06720
- 17: Hazel #3 05-067-06397
- 18: Angelina #2 05-067-06347
- 19: Angelina #1-D 05-067-06557
- 20: Schmitt #2-2 05-067-06645
- 21: M&M #3 05-067-06624
- 22: M&M #1 05-067-06560
- 23: Angelina #3 05-067-06607
- 24: Angelina #4 05-067-06698
- 25: M&M #4 05-067-06625
- 26: M&M #2 05-067-06623
- 27: Angelina #5 05-067-06771
- 28: Angelina #6 05-067-06772
- 29: M&M #5 05-067-06718
- 30: M&M #6 05-067-06719
- 31: Angelina #7 05-067-06079
- 32: Angelina #8 05-067-06821
- 33: Schmitt #2-36 05-067-06656
- 34: Fields #1 05-067-06943
- 35: Payne-Schmitt #1 05-067-06814
- 36: Schmitt #3-36 05-067-06775
- 37: Spring Hollow Mac #3 05-067-06770
- 38: Spring Hollow Mac #1 05-067-06170
- 39: Spring Hollow Mac #2 05-067-06102
- 40: Wheeler #1 05-067-06005
- 41: Long & Schluter #1 05-067-05498
- 42: Long & Schluter #6 05-067-06101
- 43: Long & Schluter #3 05-067-06014
- 44: Long & Schluter #5 05-067-06113
- 45: Long & Schluter #2 05-067-06001
- 46: Long & Schluter #2-D 05-067-06861
- 47: Long & Schluter #7 05-067-06095
- 48: Long & Schluter #8 05-067-06593

Operator Comments:

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I hereby certify all statements made in this form are, to the best of my knowledge, true, correct, and complete.

Signed: _____ Print Name: Linda Callahan
Title: Office Manager Email: lcallahan3@swbell.net Date: 8/2/2016

Based on the information provided herein, this Sundry Notice (Form 4) complies with COGCC Rules and applicable orders and is hereby approved.

COGCC Approved: _____ Date: _____

CONDITIONS OF APPROVAL, IF ANY:**COA Type****Description**

	<p>Williford will continue to evaluate and defined key points.</p> <p>1. Williford Resources, LLC will engage and discuss with the Southern Ute Indian Tribe (Tribe) regarding and United States Environmental Protection Agency (US EPA) any emission permitting requirements and obligations.</p> <p>a. Williford is coordinating with Mark Hutson, Southern Ute Indian Tribe (Tribe) regarding emissions within the exterior boundary of the Tribe's authority.</p> <p>b. Williford has the contact information for Claudia Smith, Region 8 US EPA and will be contacting US EPA for air permit requirements when a plan has been defined.</p> <p>2. Williford has contacted La Plate Electric about the set-up a compressor-generator package to use the natural gas to place electricity into the power grid for use to supply electric power to their field office and some field equipment. Williford through La Plate Electric is evaluating both 3-phase and single phase power generation. These options require at least 2-months after commitment to set-up. It is currently estimated that this would use about one-third of the vented natural gas.</p> <p>3. Williford Resources, LLC will evaluate the potential to permit and utilize a centralized enclosed combustion system.</p> <p>a. Williford has contacted a supplier about placing a flaring unit with 95 to 98% efficiency rating at a location owned by Williford resources. This unit is planned to flare the remaining two-third of the natural gas.</p> <p>It is understood that Williford has and will continue to work towards reducing and eliminating associated natural gas venting through the discussed options: pipelines, electric generation, enclosed combustion, and gas re-injection along with necessary emission permitting. With the current approval to vent ending December 5, 2016, it is anticipated that Williford will provide monthly updates.</p>
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General Comments

<u>User Group</u>	<u>Comment</u>	<u>Comment Date</u>
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Total: 0 comment(s)

Attachment Check List**Att Doc Num****Name**

401087586	FORM 4 SUBMITTED
401087629	WELL LOCATION PLAT
401087643	CORRESPONDENCE

Total Attach: 3 Files

STATE OF
COLORADO

Weems - DNR, Mark <mark.weems@state.co.us>

RE: FW: Form 4 Sundry Status

1 message

Stuart Ellsworth - DNR <stuart.ellsworth@state.co.us>

Fri, Aug 5, 2016 at 5:02 PM

To: Dave Kulmann <dave.kulmann@state.co.us>

Cc: Jeremy Ferrin - DNR <jeremy.ferrin@state.co.us>, Mark Weems - DNR <mark.weems@state.co.us>, Margaret Ash - DNR <margaret.ash@state.co.us>, Steve Labowskie - DNR <steve.labowskie@state.co.us>

Done.

Thank You,

Stuart

303-894-2100 x5108

From: Kulmann, Dave [mailto:dave.kulmann@state.co.us]**Sent:** Friday, August 05, 2016 4:47 PM**To:** Stuart Ellsworth - DNR**Cc:** Jeremy Ferrin - DNR; Mark Weems - DNR; Margaret Ash - DNR; Steve Labowskie - DNR**Subject:** Re: FW: Form 4 Sundry Status

I agree with approving this extension based on your analysis, our conversations with him, and the progress made to date. He has made great progress and is working towards real solutions. There is no benefit from forcing him to shut these wells in. Please approve the sundry.

On Fri, Aug 5, 2016 at 4:24 PM, Stuart Ellsworth - DNR <stuart.ellsworth@state.co.us> wrote:

The attached Sundry and attachments are related granting an extension to vent for Williford Resources at the Red Mesa Field. I am inclined to grant this extension in order to promote Williford's continuing efforts to find an solution to the venting. The Correspondence includes the follow summary of his efforts.

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WILLIFORD RESOURCES, LLC

A. Hearne Williford

Owner/Manager

With approval I suggest the following COA:

Williford will continue to evaluate and defined key points.

1. Williford Resources, LLC will engage and discuss with the Southern Ute Indian Tribe (Tribe) regarding and United States Environmental Protection Agency (US EPA) any emission permitting requirements and obligations.
 - a. Williford is coordinating with Mark Hudson, Southern Ute Indian Tribe (Tribe) regarding emissions within the exterior boundary of the Tribe's authority.
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Thank You,

Stuart

303-894-2100 x5108

From: A.H. Williford [mailto:hwilli@swbell.net]
Sent: Thursday, August 04, 2016 8:51 AM
To: dave.kulmann@state.co.us; 'Stuart Ellsworth - DNR'
Subject: Form 4 Sundry Status

Dave and Stuart,

Williford has not received approval of its recently filed Form 4 Sundry, it was told to file per COGCC on 8/2/2016, concerning the ability for Williford to continue venting the low volumes of associated casinghead natural gas from its wells in the Red Mesa Area. Per COGCC letter sent to Williford dated 5/5/2016, Williford was only approved to vent for a period of 3-months ("**approval ends August 5, 2016**"). In prior phone discussions between us, you indicated that it was not your intent to force Williford to shut-in its Red Mesa Area wells. Williford cannot physically produce oil from its wells without venting the small volumes of associated casinghead natural gas they produce (approximately 42 mcf from 48 wells). This is a very serious matter to me, my employees, the royalty owners and our Company. Williford is requesting that approval be granted for Williford to continue operating their wells and pursuing the goal of finding an alternative method for utilizing the small amount of waste gas being vented from our wells.

Your prompt attention to this matter is respectfully requested.

Thanks again,

Hearne

A. Hearne Williford | Williford Resources, LLC

6506 South Lewis Ave., Suite 102 | Tulsa, OK 74136

Office (918) 712-8828 | Fax (918) 712-8868

hwilli@swbell.net

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Dave Kulmann

Deputy Director -- Field Operations



P [303.894.2100](tel:303.894.2100) x 5189 | F [303.894.2109](tel:303.894.2109) | C [720.630.0687](tel:720.630.0687)

1120 Lincoln Street, Suite 801, Denver, CO 80203

dave.kulmann@state.co.us | www.colorado.gov/cogcc



Sundry.pdf

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