

west virginia department of environmental protection

Office of Oil and Gas 601 57th Street SE Charleston, WV 25304 (304) 926-0450 (304) 926-0452 fax Earl Ray Tomblin, Governor Randy C. Huffman, Cabinet Secretary www.dep.wv.gov

November 25, 2014

WELL WORK PERMIT Horizontal 6A Well

This permit, API Well Number: 47-8510163, issued to ANTERO RESOURCES CORPORATION, is evidence of permission granted to perform the specified well work at the location described on the attached pages and located on the attached plat, subject to the provisions of Chapter 22 of the West Virginia Code of 1931, as amended, and all rules and regulations promulgated thereunder, and to all conditions and provisions outlined in the pages attached hereto. Notification shall be given by the operator to the Oil and Gas Inspector at least 24 hours prior to the construction of roads, locations, and/or pits for any permitted work. In addition, the well operator shall notify the same inspector 24 hours before any actual well work is commenced and prior to running and cementing casing. Spills or emergency discharges must be promptly reported by the operator to 1-800-642-3074 and to the Oil and Gas inspector.

Please be advised that form WR-35, Well Operators Report of Well Work is to be submitted to this office within 90 days completion of permitted well work, as should form WR-34 Discharge Monitoring Report within 30 days of discharge of pits, if applicable. Failure to abide by all statutory and regulatory provisions governing all duties and operations hereunder may result in suspension or revocation of this permit and, in addition, may result in civil and/or criminal penalties being imposed upon the operators.

In addition to the applicable requirements of this permit, and the statutes and rules governing oil and gas activity in WV, this permit may contain specific conditions which must be followed. Permit conditions are attached to this cover letter.

Per 35CSR-4-5.2.g this permit will expire in two (2) years from the issue date unless permitted well work is commenced. If there are any questions, please feel free to contact me at (304) 926-0499 ext. 1654.

James Martin

Chief

Operator's Well No: MUSGRAVE UNIT 1H

Farm Name: WALNUT INVESTMENTS CO.

API Well Number: 47-8510163

Permit Type: Horizontal 6A Well

Date Issued: 11/25/2014

PERMIT CONDITIONS

West Virginia Code § 22-6A-8(d) allows the Office of Oil and Gas to place specific conditions upon this permit. Permit conditions have the same effect as law. <u>Failure to adhere to the specified permit</u> conditions may result in enforcement action.

CONDITIONS

- Operator shall take additional measures with this permitted activity to avoid communication with offset wells.
 Such additional measures are described in the attached addendum. This addendum is part of the terms of the
 well work permit, and includes a description of depth and completed formations of offset wells. Also included
 is a description of monitoring activities that will take place during fracturing operations of the permitted well
 work.
- 1. This proposed activity may require permit coverage from the United States Army Corps of Engineers (USACOE). Through this permit, you are hereby being advised to consult with USACOE regarding this proposed activity.
- 2. If the operator encounters an unanticipated void, or an anticipated void at an unanticipated depth, the operator shall notify the inspector within 24 hours. Modifications to the casing program may be necessary to comply with W. Va. Code § 22-6A-5a (12), which requires drilling to a minimum depth of thirty feet below the bottom of the void, and installing a minimum of twenty (20) feet of casing. Under no circumstance should the operator drill more than fifty (50) feet below the bottom of the void or install less than twenty (20) feet of casing below the bottom of the void.
- 3. When compacting fills, each lift before compaction shall not be more than 12 inches in height, and the moisture content of the fill material shall be within limits as determined by the Standard Proctor Density test of the actual soils used in specific engineered fill, ASTM D698, Standard Test Method for Laboratory Compaction Characteristics of Soil Using Standard Effort, to achieve 95 % compaction of the optimum density. Each lift shall be tested for compaction, with a minimum of two tests per lift per acre of fill. All test results shall be maintained on site and available for review.
- 4. Operator shall install signage per § 22-6A-8g (6) (B) at all source water locations included in their approved water management plan within 24 hours of water management plan activation.
- 5. Oil and gas water supply wells will be registered with the Office of Oil and Gas and all such wells will be constructed and plugged in accordance with the standards of the Bureau for Public Health set forth in its Legislative rule entitled *Water Well Regulations*, 64 C.S.R. 19. Operator is to contact the Bureau of Public Health regarding permit requirements. In lieu of plugging, the operator may transfer the well to the surface owner upon agreement of the parties. All drinking water wells within fifteen hundred feet of the water supply well shall be flow tested by the operator upon request of the drinking well owner prior to operating the water supply well.

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PERMIT CONDITIONS

- 6. Pursuant to the requirements pertaining to the sampling of domestic water supply wells/springs the operator shall, no later than thirty (30) days after receipt of analytical data provide a written copy to the Chief and any of the users who may have requested such analyses.
- 7. If any explosion or other accident causing loss of life or serious personal injury occurs in or about a well or well work on a well, the well operator or its contractor shall give notice, stating the particulars of the explosion or accident, to the oil and gas inspector and the Chief, within 24 hours of said accident.
- 8. During the casing and cementing process, in the event cement does not return to the surface, the oil and gas inspector shall be notified within 24 hours.
- Operator shall provide the Office of Oil & Gas notification of the date that drilling commenced on this well. Such notice shall be provided by sending an email to <u>DEPOOGNotify@wv.gov</u> within 30 days of commencement of drilling.



Addendum for Antero pads in Ritchie County, WV

Musgrave Unit 1H Walnut West Pad Noland Unit 2H Walnut West Pad

The following outlines the process to be undertaken by Antero Resources prior to and during completion process of wells in Ritchie County.

•Investigate all wells within 1320' of new wells - for all identified Marcellus vertical wells and any existing well(s) with an interval that is <u>less than</u> 1500 feet from the deepest formation drilled (including, but not specific to the Alexander formation) to the top of Marcellus:

- Contact operator of all wells
- Confirm well status, producing horizon, well completion/stimulation information
- Discuss plans to stimulate the horizontal Marcellus wells and the plans for monitoring potential impact on shallow wells
- Make sure all vertical wells (with an interval that is less than 1500 feet from the deepest formation drilled to the top of Marcellus) have adequate wellhead equipment, Including pressure gauges
- Provide shallow well operator with frac dates and develop plan for monitoring during stimulation
- If well waters out during frac, shut it in until after stimulation, and install adequate well control equipment prior to swabbing in the impacted shallow well
- Control fracturing parameters during job to limit fracture height growth
 - Limit rate and limit pressures for each segment of fracturing stages
- •Tracers demonstrate that we rarely reach offset wells at 660' offset
 - -Will use tracers at each lateral

WW-6B (9/13)

STATE OF WEST VIRGINIA DEPARTMENT OF ENVIRONMENTAL PROTECTION, OFFICE OF OIL AND GAS WELL WORK PERMIT APPLICATION

1) Well Opera	tor: Antero Re	sources Corporation	494488557	085- Ritchie CI	ay Pennsboro 7.
			Operator ID	County D	istrict Quadrangle
2) Operator's	Well Number:	Musgrave Unit 1H	Well Pac	d Name: Walnut W	est Pad
3) Farm Name	/Surface Owne	r: Walnut Investmen	nt Co. Public Roa	nd Access: CR 6/4	
4) Elevation, c	urrent ground:	1120' Ele	evation, proposed	post-construction:	1120'
5) Well Type	(a) Gas	Oil _	Unde	erground Storage	
	Other _				
	3.00	Shallow _	Deep		
0 P 1 P		Horizontal _			
	d: Yes or No		1,500	141. man 1. 1. 2	
		n(s), Depth(s), Antici Anticipated Thickness-			sure(s):
		epth: 6500' TVD	Na la	_	
	t Total Vertical				
0) Proposed T	otal Measured	Depth: 17,200' MD			
1) Proposed F	Horizontal Leg	Length: 10131'			
2) Approxima	ite Fresh Water	Strata Depths:	137', 227', 300', 459	9'	
3) Method to	Determine Fres	sh Water Depths: C	offset well records. De	pths have been adjuste	d according to surface elevati
4) Approxima	te Saltwater D	epths: 1658', 1705',	1747'		
5) Approxima	ite Coal Seam I	Depths: 798', 1225'			
6) Approxima	te Depth to Po	ssible Void (coal mir	ne, karst, other):	None anticipated	
		on contain coal sean to an active mine?	Yes	No ✓	
(a) If Yes, pro	ovide Mine Info	: Name:			
		Depth:			
		Seam:			
		Owner:			
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Office of Oil and Gas

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CASING AND TUBING PROGRAM

TYPE	Size	New or Used	Grade	Weight per ft. (lb/ft)	FOOTAGE: For Drilling	INTERVALS: Left in Well	CEMENT: Fill-up (Cu. Ft.)
Conductor	20"	New	H-40	94#	40'	40'	CTS, 38 Cu. Ft.
Fresh Water	13-3/8"	New	J-55/H-40	54.5#/48#	510'	510'	CTS, 708 Cu. Ft
Coal	9-5/8"	New	J-55	36#	2450'	2450'	CTS, 998 Cu. Ft.
Intermediate	-						
Production	5-1/2"	New	P-110	20#	17,200'	17,200'	4,337 Cu. Ft.
Tubing	2-3/8"	New	N-80	4.7#		7,100'	3,000
Liners						.,,,,,,	

TYPE	Size	Wellbore Diameter	Wall Thickness	Burst Pressure	Cement Type	Cement Yield (cu. ft./k)
Conductor	20"	24"	0.438"	1530	Class A	1.18
Fresh Water	13-3/8"	17-1/2"	0.38"/0.33"	2730/1730	Class A	1.18
Coal	9-5/8"	12-1/4"	0.352"	3520	Class A	1.18
Intermediate						
Production	5-1/2"	8-3/4" & 8-1/2"	0.361"	12630	Lead-H/POZ & Tail - H	H/POZ-1.44 & H-1.8
Tubing	2-3/8"	4.778"	0.19"	11200		
Liners						

PACKERS

Kind:	N/A	
Sizes:	N/A	
Depths Set:	N/A	

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19) Describe proposed well work, including the drilling and plugging back of any pilot in Drill, perforate, fracture a new horizontal shallow well and complete Marcellus Shale.	1016.
20) Describe fracturing/stimulating methods in detail, including anticipated max pressure	
Antero plans to pump Slickwater into the Marcellus Shale formation in order to ready the well for be comprised of approximately 99 percent water and sand, with less than 1 percent special-purporties attached "List of Anticipated Additives Used for Fracturing or Stimulating Well."	production. The fluid will ose additives as shown in
21) Total Area to be disturbed, including roads, stockpile area, pits, etc., (acres): 15.57	acres
 21) Total Area to be disturbed, including roads, stockpile area, pits, etc., (acres): 15.57 22) Area to be disturbed for well pad only, less access road (acres): 5.66 acres 	acres
4. H C.	acres

24) Describe all cement additives associated with each cement type:

Conductor: no additives, Class A cement.

Surface: Class A cement with 2-3% calcium chloride and 1/4 lb of flake

Intermediate: Class A cement with 1/4 lb of flake, 5 gallons of clay treat

Production: Lead cement- 50/50 Class H/Poz + 1.5% salt + 1% C-45 + 0.5% C-16a + 0.2% C-12 + 0.45% C-20 + 0.05% C-51

Production: Tail cement- Class H + 45 PPS Calcium Carbonate + 1.0% FL-160 + 0.2% ACGB-47 + 0.05% ACSA-51 + 0.2% ACR-20

25) Proposed borehole conditioning procedures:

Conductor: blowhole clean with air, run casing, 10 bbls fresh water.

Surface: blowhole clean with air, trip to conductor shoe, trip to bottom, blowhole clean with air, trip out, run casing, circulate pipe capacity + 40 bbls fresh water followed by 25 bbls bentonite mud, 10 bbls fresh water spacer.

Intermediate: blowhole clean with air, trip to surface casing shoe, trip to bottom, blowhole clean with air, trip out, run casing, circulate 40 bbls brine water followed by 10 bbls fresh water and 25 bbls bentonite mud, pump 10 bbls fresh water.

Production: circulate with 14 lb/gal NaCl mud, trip to middle of lateral, circulate, pump high viscosity sweep, trip to base of curve, pump high viscosity sweep, trip to top of curve, trip to bottom, circulate, pump high viscosity sweep, trip out, run casing, circulate 10 bbls fresh water, pump 48 bbls barite pill, pump 10 bbls fresh water followed by 48 bbls mud flush and 10 bbls water.

*Note: Attach additional sheets as needed.

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Part 4 9-30-14 9-31/28/2014 WW-9 (9/13)

API Number 47 -	085	
Operator's	Well No.	Musgrave Unit 1H

STATE OF WEST VIRGINIA DEPARTMENT OF ENVIRONMENTAL PROTECTION OFFICE OF OIL AND GAS

FLUIDS/ CUTTINGS DISPOSAL & RECLAMATION PLAN

Operator Name Antero Resou	urces Corporation	OP Code 494488557
Watershed (HUC 10)_Charles	r's Run	Quadrangle Pennsboro 7.5'
Elevation 1120	County_Ritchie	District Clay
Do you anticipate using more Will a pit be used? Yes	than 5,000 bbls of water to complete the	ne proposed well work? Yes No
If so, please describe	anticipated pit waste: No pit will be used at thi	s size (Drilling and Flowbuck Fulds will be stoned in tunks. Cultings will be tanked and hauled off size.)
Will a synthetic liner	be used in the pit? Yes No	✓ If so, what ml.? N/A
Proposed Disposal M	ethod For Treated Pit Wastes:	
Lan	d Application	
	lerground Injection (UIC Permit Nun	
		ocations when applicable. API# will be provided on Form WR-34
	er (Explain	r disposal location) (Meadowfill Landfill Permit #SWF-1032-98)
Will closed loop system be use	ed? If so, describe: Yes	
Drilling medium anticipated for	or this well (vertical and horizontal)?	Air, freshwater, oil based, etc. Dust/Stht Foam, Production - Water Based Mud
-If oil based, what typ	e? Synthetic, petroleum, etc. N/A	
	medium? Please See Attachment	
		e, etc. Stored in tanks, removed offsite and taken to landfill.
The rest of the second		
	to solidify what medium will be used?	
-Landfill or offsite na	me/permit number? Meadowfill Landfill (F	Permit #SWF-1032-98)
on August 1, 2005, by the Offi provisions of the permit are en law or regulation can lead to en I certify under penals application form and all atta- obtaining the information, I be penalties for submitting false in	ce of Oil and Gas of the West Virginia inforceable by law. Violations of any inforcement action. by of law that I have personally examples thereto and that, based on	KARA QUACKENBUSH
Company Official Signature_	Love Kitter	NOTARY PUBLIC STATE OF COLORADO
Company Official (Typed Nar		NOTARY ID 20144028297
Company Official Title Enviro	onmental Representative	MY COMMISSION EXPIRES JULY, 21, 2018
Subscribed and sworn before n	ne this 29th day of M	UGUST , 20 14
dinn min	W	Notary Public
My commission expires	114 21,7018	
01108	V .	A

WV Department of Environmental Protection 9-31/28/2014

Operator's Well No. Musgrave Unit 1H

Proposed Revegetation Trea	155/		
Lime 2-4	eatment: Acres Disturbed	acres Prevegetation pH	6.0
70.00	Tons/acre or to correct to pl	H 6.5	
Fertilizer type Hay	or straw or Wood Fiber (will be used	where needed)	
Fertilizer amount	500	bs/acre	
Mulch 2-3	Tons		
		acre 13) + Tank Pad Access Road (0,25) + Waste & Spoil Pad	s (1.61) = 15 57 Acres
		ed Mixtures	
Т	emporary	Permane	nt
Seed Type	lbs/acre	Seed Type	
Tall Fescue	45	Tall Fescue	lbs/acre 45
Perennial Rye Gra			
		Perennial Rye Grass	20
or type of grass seed re	equested by surface owner	*or type of grass seed request	ed by surface owner
Photocopied section of invol	lved 7.5' topographic sheet.	plication (unless engineered plans inclu	ding this info have been
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Form WW-9 Additives Attachment

SURFACE INTERVAL

- 1. Fresh Water
- 2. Soap -Foamer AC
- 3. Air

INTERMEDIATE INTERVAL

STIFF FOAM RECIPE:

- 1) 1 ppb Soda Ash / Sodium Carbonate-Alkalinity Control Agent
- 2) 1 ppb Conqor 404 (11.76 ppg) / Corrosion Inhibitor
- 3) 4 ppb KLA-Gard (9.17 ppg) / Amine Acid Complex-Shale Stabilizer
- 4) 1ppb Mil Pac R / Sodium Carboxymethylcellulose-Filtration Control Agent
- 5) 12 ppb KCL / Potassium Chloride-inorganic Salt
- 6) Fresh Water 80 bbls
- 7) Air

PRODUCTION INTERVAL

1. Alpha 1655

Salt Inhibitor

2. Mil-Carb

Calcium Carbonate

3. Cottonseed Hulls

Cellulose-Cottonseed Pellets - LCM

4. Mil-Seal

Vegetable, Cotton & Cellulose-Based Fiber Blend – LCM

5. Clay-Trol

Amine Acid Complex - Shale Stabilizer

6. Xan-Plex

Viscosifier For Water Based Muds

7. Mil-Pac (All Grades)

Sodium Carboxymethylcellulose - Filtration Control Agent

8. New Drill

Anionic Polyacrylamide Copolymer Emulsion - Shale Stabilizer

9. Caustic Soda

Sodium Hydroxide – Alkalinity Control

10. Mil-Lime

Calcium Hydroxide - Lime

11. LD-9

Polyether Polyol – Drilling Fluid Defoamer

12. Mil Mica

Hydro-Biotite Mica – LCM

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WV Department of Environmental Protection 13. Escaid 110

Drilling Fluild Solvent - Aliphatic Hydrocarbon

14. Ligco

Highly Oxidized Leonardite - Filteration Control Agent

15. Super Sweep

Polypropylene - Hole Cleaning Agent

16. Sulfatrol K

Drilling Fluid Additive - Sulfonated Asphalt Residuum

17. Sodium Chloride, Anhydrous

Inorganic Salt

18. D-D

Drilling Detergent – Surfactant

19. Terra-Rate

Organic Surfactant Blend

20. W.O. Defoam

Alcohol-Based Defoamer

21. Perma-Lose HT

Fluid Loss Reducer For Water-Based Muds

22. Xan-Plex D

Polysaccharide Polymer - Drilling Fluid Viscosifier

23. Walnut Shells

Ground Cellulosic Material - Ground Walnut Shells - LCM

24. Mil-Graphite

Natural Graphite - LCM

25. Mil Bar

Barite - Weighting Agent

26. X-Cide 102

Biocide

27. Soda Ash

Sodium Carbonate - Alkalinity Control Agent

28. Clay Trol

Amine Acid complex - Shale Stabilizer

29. Sulfatrol

Sulfonated Asphalt – Shale Control Additive

30. Xanvis

Viscosifier For Water-Based Muds

31. Milstarch

Starch - Fluid Loss Reducer For Water Based Muds

32. Mil-Lube

Drilling Fluid Lubricant

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Well Site Safety Plan Antero Resources

Well Name: Noland Unit 2H, Noland Unit 1H, Schmidle Unit

1H, Schmidle Unit 2H, Musgrave Unit 1H, Musgrave Unit 2H, Musgrave Unit 3H

Pad Location: WALNUT WEST PAD

Ritchie County/ Clay District

GPS Coordinates: Lat 39°18′47.54″/Long 80°59′52.78″ (NAD83)

Driving Directions:

From Pennsboro, head west on Collins Avenue/County Road 50/22 toward Depot Street for 0.1 miles. Turn right onto County Road 50/22/Park Drive/Rose Hill and drive for 1.6 miles. Continue onto County Road 6/7/Right Fork Bonds Creek for 1.4 miles. Take a slight right onto Beech Grove Road/County Road 6/4 and drive approximately 250 feet. Turn left onto access road and continue for approximately 0.36 miles to pad site.

EMERGENCY (24 HOUR) CONTACT 1-800-878-1373

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