

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

January 14, 2015

WELL WORK PERMIT Horizontal 6A Well

This permit, API Well Number: 47-8510190, 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: CALDWELL UNIT 2H

Farm Name: MACKAY, JACK D., ET AL

API Well Number: 47-8510190

Permit Type: Horizontal 6A Well

Date Issued: 01/14/2015

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.

API Number: <u>85-10190</u>

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

Caldwell Unit 2H

Mackay 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

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WW-6B (9/13)

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

1 562					
1) Well Operator: Antero Resources Corporation 494488557 085 - Ritchie Clay					
Operator ID County District Quadrangle					
2) Operator's Well Number: Caldwell Unit 2H Well Pad Name: Mackay Pad					
3) Farm Name/Surface Owner: MacKay, Jack D. et al Public Road Access: CR 19/3					
4) Elevation, current ground:					
5) Well Type (a) Gas Oil Underground Storage					
Other					
(b)If Gas Shallow Deep					
Horizontal					
6) Existing Pad: Yes or No No					
7) Proposed Target Formation(s), Depth(s), Anticipated Thickness and Associated Pressure(s): Marcellus Shale: 6,700' TVD, Anticipated Thickness- 50 feet, Associated Pressure- 3000#					
8) Proposed Total Vertical Depth: 6,700' TVD					
9) Formation at Total Vertical Depth: Marcellus Shale					
10) Proposed Total Measured Depth: 17,600' MD					
11) Proposed Horizontal Leg Length: 10,113'					
12) Approximate Fresh Water Strata Depths: 177', 225', 437'					
13) Method to Determine Fresh Water Depths: Offset well records. Depths have been adjusted according to surface elevations.					
14) Approximate Saltwater Depths: 1,991', 2053', 2057'					
15) Approximate Coal Seam Depths: N/A					
16) Approximate Depth to Possible Void (coal mine, karst, other): None anticipated					
17) Does Proposed well location contain coal seams directly overlying or adjacent to an active mine? Yes No					
(a) If Yes, provide Mine Info: Name:					
Depth:					
Seam:					
Owner:					

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18)

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#	490'	490' *See #19	CTS 681 Cu. Ft
Coal	9-5/8"	New	J-55	36#	2,455'	2,455	CTS 1,000 Cu. Ft.
Intermediate							
Production	5-1/2"	New	P-110	20#	17,600'	17,600'	4,446 Cu. Ft.
Tubing	2-3/8"	New	N-80	4.7#		7,100'	***************************************
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						H111-44

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 hole:
Drill, perforate, fracture a new horizontal shallow well and complete Marcellus Shale. *Antero will be air drilling the fresh water string which makes it difficult to determine when fresh water is encountered, therefore, we have built in a buffer for the casing setting depth which helps to ensure that all fresh water zones are covered.
20) Describe fracturing/stimulating methods in detail, including anticipated max pressure and max rate:
Antero plans to pump Slickwater into the Marcellus Shale formation in order to ready the well for production. The fluid will be comprised of approximately 99 percent water and sand, with less than 1 percent special-purpose additives as shown in the attached "List of Anticipated Additives Used for Fracturing or Stimulating Well."
21) Total Area to be disturbed, including roads, stockpile area, pits, etc., (acres): 35.10 Acres
22) Area to be disturbed for well pad only, less access road (acres): 3.95 Acres
23) Describe centralizer placement for each casing string:
Conductor: no centralizers Surface Casing: one centralizer 10' above the float shoe, one on the insert float collar and one every 4th joint spaced up the hole
to surface. Intermediate Casing: one centralizer above float joint, one centralizer 5' above float collar and one every 4th collar to surface. Production Casing: one centralizer at shoe joint and one every 3 joints to top of cement in intermediate casing.
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

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.

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

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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API Number 47 - 085	2	
Operator's Well N	No. Caldwell Unit 2H	

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

FLUIDS/ CUTTINGS DISPOSAL & RECLAMATION PLAN

Operator Name_	Antero Reso	urces Corporation		OP Code 494488557	
Watershed (HUC	C 10)	Cabin Run	Quadrangle	Pullman 7.5' (TH) & Penns	boro 7.5' (BH)
Elevation 1,099		County_Ritchie		DistrictClay	
Will a pit be used	d? Yes	than 5,000 bbls of water to comple		ä	
If so, pl	ease describe	anticipated pit waste: No pit will be used be used in the pit? Yes	No. The Table (Onling and Fig.	so, what ml.? N/A	
Propose	ynthetic linei od Dienocal M	fethod For Treated Pit Wastes:	NO LY II	so, what ml.? N/A	
Tropose	Lar	nd Application derground Injection (UIC Permit) use (at API NumberFuture permitted f Site Disposal (Supply form WW- ner (Explain	well locations when a 9 for disposal lo	oplicable. API# will be provided or cation) (Meadowfill Landf	ill Permit #SWF-1032-98)
Will closed loop	system be us	ed? If so, describe: Yes			
	8	or this well (vertical and horizontal)? Air, freshwa	er, oil based, etc. Dust/Stiff Foar	reshwater, Intermediate - n, Production - Water Based Mud
100		pe? Synthetic, petroleum, etc. N/A			
		g medium? Please See Attachment			
		? Leave in pit, landfill, removed o	ffsite, etc. Stored	in tanks, removed offsite and	i taken to landfill.
		to solidify what medium will be u			
		ame/permit number? Meadowfill Land			
on August 1, 200 provisions of the law or regulation I certify application form obtaining the in	os, by the Office permit are on can lead to on the permit are of the permit and all attraction, I	stand and agree to the terms and co fice of Oil and Gas of the West Virgenforceable by law. Violations of enforcement action. Ity of law that I have personally achments thereto and that, based believe that the information is tra- information, including the possibility	ginia Department any term or consexamined and a on my inquiry ne, accurate, and ty of fine or imp	t of Environmental Prote dition of the general per m familiar with the info of those individuals in d complete. I am awar	ction. I understand that the mit and/or other applicable ormation submitted on this namediately responsible for
Company Officia		Con pos	-		DARLING
		Cole Kilstrom			PUBLIC COLORADO
Company Officia	al Title_Env	ronmental Representative			20144028112 (PIRES JULY 17, 2018
		21. th	1 .	desirent estate and a	
Subscribed and s	worn before	<u> </u>	lovembe	, 20 14	Helligived Office of Oil & Gas
My commission	expires	July 17, 2018		Notary Public	DEC 0 1 2014 01/16/2015

Form WW-9	Operator's Well No. Caldwell Unit 2H
Antero Resources Corporation	
Proposed Revegetation Treatment: Acres Disturbed Lime 2-4 Tons/acre or to correct to	O Acres Prevegetation pH 6.5
Fertilizer type Hay or straw or Wood Fiber (will be use	
Fertilizer amount 500	lbs/acre
2.3	ns/acre
	instable https://doi.org/10.49-Topseil Area 2 (2,49) + Speil Area 1 (4.56) + Speil Area 2 (1,66) + Topseil Area 1 (2,03) = 35,10 Ar
<u>s</u>	Seed Mixtures
Temporary	Permanent
Seed Type lbs/acre	Seed Type lbs/acre
Tall Fescue 45	Tall Fescue 45
Perennial Rye Grass 20	Perennial Rye Grass 20
or type of grass seed requested by surface owner	*or type of grass seed requested by surface owner
Plan Approved by: Deed when Comments: presend y Mulch all CH 5 during aperat	alf adown mantan
Field Reviewed? Yes (Date: 12 YI-14 No Received
	Office of Oil & Gas
	DEC 1 2 2014

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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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: Caldwell Unit 1H, Caldwell Unit 2H, Greenback

Unit 1H, Greenback Unit 2H, Prinz Unit 1H, Prinz

Unit 2H, McNabb Unit 1H, McNabb Unit 2H

Pad Location: MACKAY PAD

Ritchie & Doddridge County/ Clay & Central District

GPS Coordinates: Lat 39°14′18.20″/Long 80°53′49.61″ (NAD83)

Driving Directions:

From Parkersburg, West Virginia, drive east on U.S. 50 West for 38 miles. Turn right onto County Road 10/Cabin Run. Go 0.8 miles. Continue on County Road 10/1 and go 0.9 miles. Continue on County Road 10/2 for 0.6 miles. Keep right and stay on County Road 10/2 for 0.5 miles. Turn right onto access road for Mackay Pad.

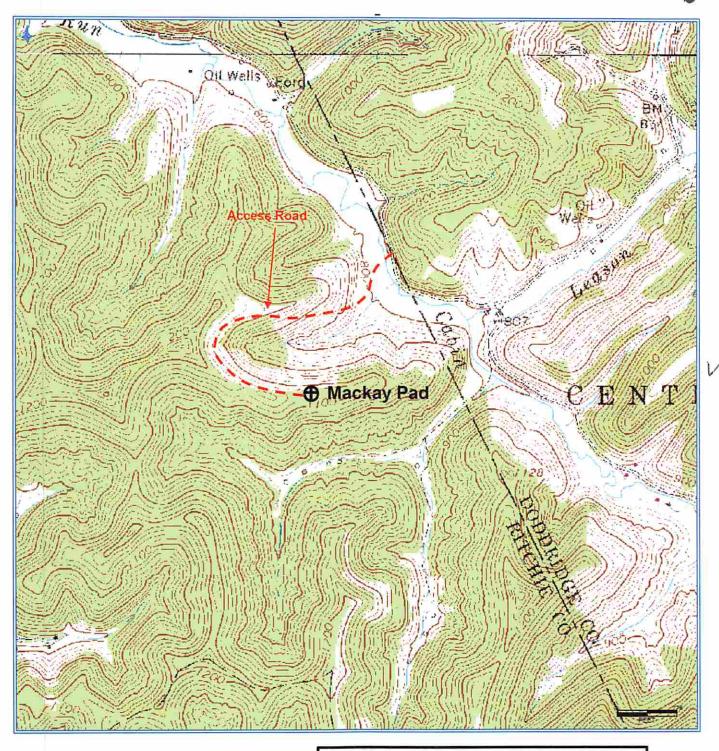
From Clarksburg, West Virginia, drive west on U.S. 50 for 32 miles. Turn left onto County Route 50/30/Old U.S. 50 West/Sunnyside Road. Go 1.8 miles. Slight right onto County Route 19/Leason Run and go 0.8 miles. Slight left and stay on County Route 19/Leason Run and go 2.5 miles. Turn left onto access road for Mackay Pad.

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

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grid



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Antero Resources Corporation

Appalachian Basin Caldwell Unit 2H Ritchie County

Quadrangle: Pennsboro/Pullman Watershed: North Fork Hughes River

District: Clay Date: 3-10-2014

