

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

June 12, 2014

WELL WORK PERMIT

Horizontal 6A Well

This permit, API Well Number: 47-9502171, 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.

Operator's Well No: JUG UNIT 2H Farm Name: UNDERWOOD, RAYMOND API Well Number: 47-9502171 Permit Type: Horizontal 6A Well Date Issued: 06/12/2014

James Martin

Chief

Promoting a healthy environment.

06/13/2014

API Number: _

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

- 1. This proposed activity may require permit coverage from the United States Army Corps of Engineers (USACE). Through this permit, you are hereby being advised to consult with USACE 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.
- 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 DEPOOGNotify@wv.gov within 30 days of commencement of drilling.

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

1) Well Opera	tor: Antero	Resources Corporation	494488557	095- Tyler	Centerville	Shirley 7.5'
		1.	Operator ID	County	District	Quadrangle
2) Operator's	Well Numbe	r: Jug Unit 2H	Well Pa	ad Name: Dale	Pad	
3) Farm Name	Surface Ow	vner: Raymond Under	wood Public Ro	ad Access: Shir	ley 7.5'	E
4) Elevation, c	current groun	nd: ~1035' El	evation, proposed	l post-constructi	on: 1017'	
5) Well Type	(a) Gas Other	Oil	Uno	lerground Storag	ge	
	(b)If Gas	Shallow	Deep			
		Horizontal				
6) Existing Pa	d: Yes or No	No				MPG 5/20/14
		tion(s), Depth(s), Antici /D, Anticipated Thickness	Summer and the second second			51201
8) Proposed To	otal Vertical	Depth: 6700' TVD				
9) Formation a	at Total Verti	ical Depth: Marcellus S	Shale			
10) Proposed	Fotal Measur	red Depth: 16,100' MD)			
11) Proposed I	Horizontal L	eg Length: 8888'				
12) Approxima	ate Fresh Wa	ater Strata Depths:	107', 218', 389'			
13) Method to	Determine F	Fresh Water Depths: C	Offset well records. D	epths have been ad	justed accordi	ng to surface elevations.
14) Approxima	ate Saltwater	Depths: 727', 2051',	2134'			
15) Approxima	ate Coal Sea	m Depths: 107', 712', 1	734'			
16) Approxima	ate Depth to	Possible Void (coal mi	ne, karst, other):	None anticipated		
		cation contain coal sean ent to an active mine?	ns Yes	No	\checkmark	
(a) If Yes, pro	ovide Mine I	Info: Name:				
		Depth:				
	Re					
		AY 2 7 2014				
	Offic WV Dept. of	e of Oil and Gas Environmental Protection				Page 1 of 3

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18)

CASING AND TUBING PROGRAM

ТҮРЕ	Size	<u>New</u> or Used	<u>Grade</u>	Weight per ft. (lb/ft)	FOOTAGE: For Drilling	INTERVALS: Left in Well	<u>CEMENT:</u> <u>Fill-up (Cu.</u> <u>Ft.)</u>	
Conductor	20"	New	H-40	94#	40'	40'	CTS, 38 Cu. Ft.	11
Fresh Water	13-3/8"	New	J-55/H-40	54.5#/ 48#	445'	445' *see #19	CTS, 38 Cu. Ft. CTS, 618 Cu. Ft CTS, 998 Cu. Ft.	MAG
Coal	9-5/8"	New	J-55	36#	2450'	2450'	CTS, 998 Cu. Ft.	5/20/
Intermediate		1.000						-/
Production	5-1/2"	New	P-110	20#	16100'	16100'	4035 Cu. Ft.	
Tubing	2-3/8"	New	N-80	4.7#		7100'		
Liners						7.00		

TYPE	Size	Wellbore Diameter	<u>Wall</u> <u>Thickness</u>	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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(9/13)

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 freshwater 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): 38.10 acres

22) Area to be disturbed for well pad only, less access road (acres): 5.68 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

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 apd 10 bbls water.

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*Note: Attach additional sheets as needed.

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WW-9 (9/13)

API Number 47 - 095 -Operator's Well No. Jug Unit 2H

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

FLUIDS/ CUTTINGS DISPOSAL & RECLAMATION PLAN

Operator NameAntero Resou	urces Corporation	OP Code	
Watershed (HUC 10) Wheele	er Run	Quadrangle Shirley 7.5'	
Elevation 1017	County_Tyler	District Centerville	
Do you anticipate using more Will a pit be used? Yes	than 5,000 bbls of water to complete the No No		M) 5/.
	anterpated pri waste.	its site (Dnling and Flowback Fluids will be stored in tanks. Cuttings will be tanked and haused off site.	
	be used in the pit? Yes No	If so, what ml.?_N/A	
Proposed Disposal M	ethod For Treated Pit Wastes:		
	d Application		
and the second se	derground Injection (UIC Permit Nun se (at API Number Future permitted well)	nDCr) locations when applicable. API# will be provided on Form WR-34)	
Off		or 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)?	Surface - Ar/Freshwater, Intermediate - Air, freshwater, oil based, etc., Dust/Stiff Feam, Froduction - Water Based Mud	
-If oil based, what typ	e? Synthetic, petroleum, etc. N/A		
	medium? Please See Attachment		
	Inclusion of the second second second	e, etc. Stored in tanks, removed offsite and taken to landfill.	
	to solidify what medium will be used		
and the second second second second	me/permit number? Meadowfill Landfill (F		-
		tions of the GENERAL WATER POLLUTION PERMIT	icent
on August 1, 2005, by the Offi	ce of Oil and Gas of the West Virginia	a Department of Environmental Protection. I understand the term or condition of the general permit and/or other appli- mined and am familiar with the information submitted of my inquiry of those individuals immediately responsib- accurate, and complete. I am aware that there are sign of fine or imprisonment.	hat the licab
Company Official (Typed Nan	ne) Donald Gray	MMAY 2-7-2014	
Company Official Title Envi	ronmental & Regulatory Manager	mossing ~ 2 - 2014	
	/	WWW Dent of Fail and Gas	
Subscribed and swom before m	the this 1 day of Ma		
	11912076	Notary ID 20124072365	

06/13/2014

Form WW-9

Operator's Well No. Jug Unit 2H

Antero	Resources	Corporation
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Proposed Revegetation Treatme	nt: Acres Disturbed 38.10	Prevegetation	pH
Lime 2-3	_Tons/acre or to correct to pH	6.5	
Fertilizer type Hay or st	raw or Wood Fiber (will be used w)	nere needed)	
Fertilizer amount 500	lbs	/acre	
Mulch 2-3	Tons/ac	re	
Roads (24.49) + Staging Areas (1	.92) + Well Pad (5.68) + Water Con	ntainment Pad (1.41) + Top Soil Mate	rial Stockpiles (4.60) = 38.10
	Seed	Mixtures	
Temp	orary	Pern	anent
Seed Type	lbs/acre	Seed Type	lbs/acre
Annual Ryegrass	40	Crownvetch	10-15
*See altached Table 3 for additional seed	type (Dale Pad Design Page 30)	*See attached Table 4a for additional s	eed type (Dale Pad Design Page 30
*or type of grass seed reque	sted by surface owner	*or type of grass seed req	uested by surface owner

Attach:

Drawing(s) of road, location, pit and proposed area for land application (unless engineered plans including this info have been provided)

Photocopied section of involved 7.5' topographic sheet.

	Presend 4 mulch any disturbed areas
	WVDEP regulations. Maintain & upgrade E#5
as	Received
	MAY 2 7 2014
	Office of Oil and Gas WV-Dept. of Environmental Protection
Title: <u>C</u> ; Field Review	Ved? (\mathbb{N}) Yes (\square) No

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.	Viscosifier For Water Based Muds Mil-Pac (All Grades) Sodium Carboxymethylcellulose – Filtration Control Agent New Drill Anionic Polyacrylamide Copolymer Emulsion – Shale Stabilized AR 11 2014 Countie Sode
	Sodium Carboxymethylcellulose – Filtration Control Agent
8.	New Drill Anionic Polyacrylamide Copolymer Emulsion – Shale Stabilized AR 112014 Caustic Soda
	Anionic Polyacrylamide Copolymer Emulsion – Shale Stabilized R * Control Caustic Soda Sodium Hydroxide – Alkalinity Control WV Departmental Protection
9.	Caustic Soda
	Sodium Hydroxide – Alkalinity Control
10	
11	. LD-9
	Polyether Polyol – Drilling Fluid Defoamer
12	. Mil Mica
	Hydro-Biotite Mica – LCM

10	
13. Escaid 110 Drilling Ehvild Solvent Alightic Hudro orthog	
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 – LC	CM
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	TIVED
30. Xanvis	RECEIVED Office of Oil and Gas
Viscosifier For Water-Based Muds	
31. Milstarch	Office C. MAR 11 2014
Starch – Fluid Loss Reducer For Water Based Muds	MAR
	WV Department of WV Departmental Protection
32. Mil-Lube	NIL Depair Protection
Drilling Fluid Lubricant	www.mentar
	WV Department of Environmental Protection



Well Site Safety Plan

Antero Resources

WV Dept. of Environment Gas

4709502

Well Name: Johnson Unit 1H, Johnson Unit 2H, Johnson Unit 3H, Sage Unit 1H, Sage Unit 2H, Jug Unit 1H, Jug Unit 2H, Rymer Unit 1H, Rymer Unit 2H and Rymer Unit 3H

Michael D. H. off 3/20/14

Pad Location: DALE PAD

Tyler County/ Centerville District

GPS Coordinates: Lat 39°25'55.36"/Long -80°51'44.42" (NAD83)

Driving Directions:

To Access Road A:

From Clarksburg, drive west on U.S. 50 W for 25.4 miles. Turn right onto WV-18 N. Go 0.6 miles. Turn Left onto Davis St/Old U.S. 50 W. Continue to follow Davis St 0.4 miles. At the town of West Union, Turn Right onto WV-18 N/Sistersville Pike. Continue to follow WV-18 N for 16.7 miles. Once in Centerville, Turn left onto CO Rd 48/Conaway Run Rd. Go 0.6 miles. Turn right onto access road. Continue left when access road splits.

To Access Road B:

From Clarksburg, drive west on U.S. 50 W for 25.4 miles. Turn right onto WV-18 N. Go 0.6 miles. Turn Left onto Davis St/Old U.S. 50 W. Continue to follow Davis St 0.4 miles. At the town of West Union, Turn Right onto WV-18 N/Sistersville Pike. Continue to follow WV-18 N for 16.8 miles. Once in Centerville, Turn left onto CO Rd 46/Klondike Ridge. Go 0.2 miles. Turn left onto Wheelers Run for 1.6 miles. Turn left onto access road.



Antero Resources Corporation Appalachian Basince of Oil and Gas

Jug Unit 2H Tyler County Quadrangle: Shirley Watershed: Headwaters Middle Island Creek District: Centerville Date: 3-5-14 MAR 11 2014 MAR 11 2014

