Antero Resources Docket 229/230
Pooling 172.4 Cause 220
SEALED DOCUMENT

west virginia department of environmental protection

Oil and Gas Conservation Commission
601 57th Street, SE Charleston, WV 25304
(304)926-0499, Ext 1656

Earl Ray Tomblin, Governor
Barry K. Lay, Chairman
dep.wv.gov

BEFORE THE OIL AND GAS CONSERVATION COMMISSION OF THE STATE OF WEST VIRGINIA

IN THE MATTER OF THE APPLICATION BY ANTERO RESOURCES CORPORATION, A DELAWARE CORPORATION, FOR POOLING AND UNIT OPERATION OF A DEEP WELL UNIT, FILED AS 157.51 ACRES, AMENDED TO 172.4 ACRES, FOR PRODUCTION OF OIL AND GAS IN LINCOLN DISTRICT, TYLER COUNTY, WEST VIRGINIA

DOCKET NO. 230
CAUSE NO. 220
ORDER NO. 1

ORDER
APPLICATION FOR POOLING and Location Exceptions
AND
MOTION TO MODIFY UNIT

I. The July 17, 2014 Hearing

On July 17, 2014, ANTERO RESOURCES CORPORATION, a Delaware corporation, formerly known as ANTERO RESOURCES APPALACHIAN CORPORATION, ("Applicant") appeared at a duly noticed hearing regarding its verified Amended Application for Pooling and Location Exceptions (including exhibits, hereinafter the "Application"), filed pursuant to W. Va. Code §22C-9-7(b) and this Commission's regulations, requesting pooling of 157.51 acres for the Pursley Unit 2HD deep well in Lincoln District of Tyler County, West Virginia. The Application asks the West Virginia Oil and Gas Conservation Commission (the "Commission") to pool all interests in the 157.51 acres identified, and authority to drill a deep well therein. Present at the hearing were members of the Commission, witnesses for the Applicant, and several members of the public.

In response to the Commission's request for appearances, the Applicant appeared by counsel, George A. Patterson, III and Bowles Rice, LLP. Andrew Wood, Hal Hogsett, and Houston Eagleston were present to testify on behalf of the Applicant, and Ashlie Mihalcin was present to respond to any questions from the Commission regarding Applicant's permits regarding the well. The members of the public in attendance did not enter any appearance.

The Commission then entered 9 Exhibits as part of the record including the mailed notices and receipts, published notice, verified Application, and proposed well plat.

In opening statement, counsel for the Applicant explained that the Application requested a pooling under W. Va. Code §22C-9-7(b) so that the Applicant could drill a horizontal well to be

completed in the Point Pleasant formation, and requested that the Commission waive the Commission's set-back rules. That is, the Applicant requested waiver of CSR §39-1-4.2 regarding the distance from the proposed unit lines to the well surface location, the vertical portion of the well, the point where the well first entered the targeted Point Pleasant formation (the "heel" of the well), and the point where drilling would stop (the "toe" or "bottom hole") of the well.

Regarding a portion of one of the oil and gas tracts[1] included in the proposed pooling, counsel explained that based on opinions procured by the Applicant as to title as it appears in the land records in Tyler County, West Virginia, one half undivided interest in the oil and gas underlying the tract is currently owned of record by unknown and missing heirs of Nevin Porter. To the extent the owners of this tract can be identified from the land records, such owners were listed in the Application. Mr. Charles Copeland, II claims that he owns the Nevin Porter heirs' interest, but Applicant's title opinion does not confirm Mr. Copeland's claim. The interest of Nevin Porter's heirs, successors and assigns is the subject of a petition filed by Applicant to lease such interests pursuant to West Virginia Code § 55-12A-1, et. seq., which provides for Circuit Court approval of a lease for the production of oil and gas from such owners. Because the interest of the heirs, successors and assigns of Nevin Porter is subject to the missing owners petition in the Circuit Court of Tyler County West Virginia[2], (hereinafter the "Missing Heirs Case"), an oil and gas lease of that interest may be granted by the Circuit Court. Because Mr. Charles Copeland, II claims ownership and can be located, counsel for the Applicant provided notice of the Application to counsel for Mr. Copeland, and a copy of said notice was introduced as Exhibit 10. Mr. Copeland's counsel responded to the notice by e-mail and indicated that Mr. Copeland had no objection to a pooled unit, but preserved Mr. Copeland's claim of ownership. The e-mail response from Mr. Copeland's counsel was introduced as Exhibit 11.

The Applicant then called its first witness, Mr. Andrew Wood. After first being sworn, Mr. Wood testified that he graduated in 2004 with a four year degree in geology from Western State Colorado University, had worked as a geologist since graduation, and was an experienced geologist employed by the Applicant. Mr. Wood is responsible for geologic review and planning regarding the proposed pooling. On direct examination and in response to questions by the Commission, Mr. Wood testified that the Point Pleasant formation is a hard shale rock formation, part of the Utica shales, that underlies a large area extending from Ohio into central West Virginia. The Point Pleasant is a relatively uniform formation that underlies the unit area and extends beyond the unit. The formation lies below the Onondaga formation, at a depth from surface of more than 10,000 feet. The proposed pooling unit well is a deep well. The porosity of the formation runs from 8 to 12%, and permeability is extremely low, measured in nanodarcys. A well has been drilled and cased in the Point Pleasant about 3- 1/2 miles from the proposed unit, in the field in which the proposed unit is located, but no Point Pleasant wells have been drilled within 3,000 feet of the proposed Pursley 2HD well. The proposed pooling unit size and orientation were developed considering geophysical log and microseismic data from three other wells completed in the Point Pleasant and one Marcellus formation well, illustrated by Exhibit 12.

Regarding the Applicant's request for waiver of the Commission's rules regarding distance from the unit boundary, Mr. Wood introduced Exhibit 12 to illustrate that, in his opinion, and based on the Applicant's microseismic tests, the in the direction of the well the drainage area of the proposed well would not reach 400 feet from the heel or toe. Mr. Wood testified that the microseismic evidence indicated the fractures induced by stimulation effectively reached from the wellbore perforations approximately 500 feet perpendicular to the horizontal portion of the wellbore, but not parallel to the

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[1]The surface of this tract is identified on the plat submitted with the Application as tracts 4-8-19 and 4-8-19.1. The Porters Heirs oil and gas property is identified on the plat as Chris Starkey Lease, Olive Branch Animal Rescue & Refuge, Inc. Only part of the tract is included in the pooled unit.

[2] Antero Resources Corporation v. Jennie Porter, et. al., Circuit Court of Tyler County, West Virginia, CA 14-2-P-H.

wellbore. In the direction parallel to the wellbore, the fractures created by stimulation traveled only approximately 110 to 150 feet. The casing and cementing equipment would fill the well for approximately 70 feet at the toe of the well, and thus the perforation for stimulation would be approximately 150 feet from the toe. Given the shorter fractures parallel to the well bore, and the points of perforation, the Applicant asked the Commission to grant exceptions to the RULES OF THE COMMISSION, 39CSR1, et. seq., including rule CSR § 39-1-4.2, and the Applicant be permitted to drill the well as shown on the plat (Exhibit 6) submitted with the Application (Exhibit 5). As proposed by the Applicant, the toe of the well would be 80 feet from the unit boundary, and the heel would be 150 feet from the unit boundary. Perforations and stimulation would occur approximately 150 feet from the unit boundary at the toe and approximately 150 feet from the heel. In Mr. Wood's opinion, the unit area proposed for pooling would be drained by the proposed well. The Applicant has drilled Point Pleasant wells in Ohio in approximately the same manner, and similar units have been approved by the Ohio oil and gas regulatory authority.

Mr. Wood testified that the Applicant has drilled, and currently operates, over 400 horizontal wells in the Appalachian Basin, including more than 40 Point Pleasant/Utica formation wells. The Applicant estimated the cost of the Pursley 2HD well to be approximately $14.76 million. Applicant has adequate funds available to drill the well and budgeted drilling for the third quarter of this year. If the pooling is approved as requested and the permit issued, the Applicant expects to begin drilling in late August of this year. Other horizontal wells drilled by the Applicant had been economically successful, and in Mr. Wood's opinion this well would be successful. Drilling the well as a horizontal well with approximately 150 foot interval perforations and stimulations permitted the reserves to be economically produced.

On questioning from the Commission, Mr. Wood explained the proposed manner of completion of the well. Mr. Wood also explained that if 1500 foot spacing for conventional wells was used, the gas reserve underlying the property would not be produced by conventional vertical drilling. If more closely spaced conventional drilling occurred, the number of wells required to produce the reserve would make the cost of the project uneconomic, and the resource would be wasted. In Mr. Wood's opinion, if the pooling unit was approved, the reserve could be economically developed, waste would not occur, and correlative rights would be protected. Mr. Wood requested that the proposed horizontal well unit be approved and the Applicant be named operator of the unit.

The Applicant then called Mr. Hal Hogsett, who after being sworn testified that he graduated from the University of Texas at Austin with a degree in petroleum engineering in 2009 and had worked as a petroleum engineer since that time. Mr. Hogsett is now employed by the Applicant, and among other things, is responsible for economic evaluation of Marcellus and Utica wells in West Virginia and Ohio. Mr. Hogsett evaluated other horizontal Point Pleasant formation wells drilled and completed in Appalachia. Mr. Hogsett testified the Applicant had been successful with other wells and in his opinion the proposed well would be economically successful. Mr. Hogsett prepared a summary of his estimates regarding the anticipated dry gas production and economics of the well, which was introduced as Exhibit 13. In his opinion, at the 6,630 foot lateral length proposed, approximately 157.6 acres would be developed as producing property with an expected Internal Rate of Return ("IRR") of approximately 25%, and a gross life of the well gas production of approximately 15.8 billion cubic feet. Upon request of the Commission, Mr. Hogsett introduced an itemization of the proposed well cost estimate, or Authorization for Expenditure ("AFE") as Exhibit 14. In response to questions from the Commission, Mr. Hogsett confirmed that a small portion of the budgeted and expected expenditure for the proposed well was for taking core samples of the formation and other tests (commonly called "science") that would provide beneficial knowledge about the gas reserve formation, but would not be costs incurred in a development well. The Applicant confirmed that if any owner of an operator interest in property in the unit elected to participate and not receive the "science" information, then such operator could participate and bear the costs of a development well without bearing the cost of the "science" expenditures, and would not receive the core drilling samples or other information that resulted from the "science" expenditures.

Mr. Hogsett testified that the Applicant paid severance and ad valorem taxes with respect to all the wells it drilled and anticipated paying such taxes if the Application was granted. In Mr. Hogsett's opinion the unit and well would be economic, prevent waste, develop the proposed unit, and protect correlative rights.

The Applicant then called Mr. Houston Eagleston, a graduate of Oklahoma State University, who is employed by the Applicant and experienced as a professional landman. Among other things, Mr. Eagleston was responsible for leasing in the proposed pooling unit and verified the Application. Mr. Eagleston testified that the Applicant obtained a consent and easement from the surface owner in addition to the lease the Applicant held regarding the property on which the well will be drilled. The Application was filed after an extensive search of the records in the office of the Clerk of the County Commission of the county in which the proposed unit was located and receipt of title opinions, and the owners of oil and gas property to be pooled and operators within one half of the distance from the proposed well to the next permitted deep well location[3] were listed in the Application. After the Application was filed, two owners of oil and gas property in the proposed pooling unit who were listed in the Application as unleased owners voluntarily leased their property to the Applicant. Those owners were Nancy Fout and Ronald Dieterich, and because they had voluntarily elected to lease their interest, they were lessors who did not hold an operator interest at this time. The leases executed by Ms. Fout and Mr. Dieterich granted the right to pool or unitize and they therefore consented to the unit. Mr. Eagleston noted that the Application should be amended in that regard. Otherwise, the Application was true and correct to the best of his knowledge, information and belief.

Mr. Eagleston testified that approximately 87% of the acreage in the unit was leased or subleased to the Applicant or other operators who voluntarily agreed to the unit proposed. The pooling was requested with respect to all the oil and gas in the land in the proposed unit and all owners thereof. Division of production would be on a tract participation basis, where a portion of the production was allocated to each tract in the unit. Regardless of where the well was drilled or completed, each tract, or portion thereof, included in the unit, would participate in the production from the well in the proportion that the tract acreage included in the unit bore to the total acreage in the unit. The amount allocated to each tract would be disbursed to those with interests in that tract in accordance with their interest. The pooling was requested with respect to all acreage and owners, including the missing and unknown owners who may be leased by the Circuit Court, and any other oil and gas owners who challenged the Applicant's rights to drill and produce the well and unit. Applicant requested that the pooling occur and those who were not subject to a valid lease be permitted to make the elections provided by statute. Should agreement not be reached among the Applicant as operator of the unit and the owner after the unit is formed and the rights of the claimants determined, then those who establish rights could make an election as provided by statute. Thereafter, hearings would occur before the Commission to afford the claimants their rights under West Virginia Code § 22C-9-7(b). The Commission inquired as to the terms of voluntarily leases in the area, and counsel for the Applicant asked the Commission to take up that inquiry after the property rights in the unit were determined. Counsel argued that if the known claimant, Mr. Copeland, did not have rights and the Circuit Court leased the unleased Nevin Porter heirs' property as contemplated by statute[4], or if Mr. Copeland or any other claimant established rights and elected not to lease but to participate in the well, a hearing regarding the appropriate terms of a lease from unleased owners would not be necessary. Counsel submitted that inquiry with respect to the terms of a lease from

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[3]The RULES OF THE COMMISSION, Rule 39 CSR 1-2.15 provides for notice to adjoining operators. Spacing rules (field units) do not exist for the field and were not requested, and in the absence of such rules or Commission authorization, deep wells are spaced 3,000 feet apart pursuant to CSR § 39-1-4.2. Operators within 1,500 feet, that is, one half of the distance to the next deep well location, were listed in the Application.

[4]See, West Virginia Code § 55-12A-6.

unleased owners was not appropriate until the parties attempted to reach agreement or a request for hearing was made. Counsel argued that West Virginia Code § 22C-9-7(b)(5) indicated that such hearings would occur on request, if agreement was not reached regarding a statutory option. Counsel represented that if the parties could not agree, the Applicant would request such a hearing. Mr. Eagleston further testified that the Applicant was willing and financially able to permit those who had the right to elect options under West Virginia Code § 22C-9-7(b) to exercise those rights.

With respect to operation of the Pursley 2HD well, Mr. Eagleston presented a proposed Operating Agreement (Exhibit 15) for approval as to anyone who would exercise a statutory option to participate in the well, and indicated that the monthly operating fee will be actual costs incurred. Mr. Eagleston submitted that correlative rights of owners would be protected and the Applicant would comply with West Virginia Code §22C-9-7(b) if the Application was granted.

The Commission deliberated and carefully considered the Application and evidence presented. After deliberation, the Commission asked those present if they would like to make any statement or ask any questions. Several in attendance stated their names and addresses. None of those who spoke indicated they held any interest in the property to be included in the unit. Upon motion of the Applicant, all exhibits were admitted into evidence and made part of the record in this case.

Whereupon, the Commission made the following Findings of Fact and Conclusions of Law:

The Commission provided written notice, return receipt requested, to all interested parties including owners and operators to be noticed as provided by law and the Commission's regulations. Additionally, notice was published in a paper of general circulation in the county in which the property to be included in the proposed unit is located, all as provided in West Virginia Code § 22C-9-5. With respect to pooling of interests and unit designation, the notice described the area for which an order is to be entered in recognizable, narrative terms and contained such other information as is essential to the giving of proper notice, including the time, date and place of hearing.

The proposed well is a well to be drilled and completed below the Onondaga formation and is a deep well for which pooling is provided as defined and provided for in West Virginia Code §22C- 9-1 et. seq. The Commission's jurisdiction extends to all persons and property as necessary to carry out the application of Article 9 of Chapter 22 of the West Virginia Code, pool the property and form the pooled unit proposed by the Applicant.

The Applicant is an experienced, qualified operator of horizontal wells and units. The Applicant provided sufficient information for the Commission to review and consider the Application for the pooling of interests and formation of a deep well unit and the drilling of a Point Pleasant target formation horizontal well in the unit. The Applicant obtained and filed with the Application a separate written consent from the owner of the surface where the well will be located in accordance with and satisfaction of West Virginia Code §22C-9-7(b)(4).

The unit order requested by the Applicant is reasonably necessary for the prevention of waste and the drilling of unnecessary wells. The unit and well will foster, encourage and promote exploration for and development, production, utilization and conservation of oil and gas resources, and waste will be prevented.

The proposed well and unit will encourage the maximum recovery of oil and gas.

The unit described in the Application should be and is hereby approved, and a deep well unit is formed with respect to those depths and formations lying from 100 above the top of the Utica formation to 100 feet below the top of the Trenton Limestone for the drilling of a horizontal deep well with the primary target of the Point Pleasant formation. The Applicant is authorized and granted the right to drill and complete a horizontal well in the unit.

To protect correlative rights, the exceptions from the Commission's set-back rules should be denied. Except for payment of operating expenses, all proceeds of production from the well should be escrowed until the Missing Heirs Case is resolved.

July 17, 2014 Order

The Commission hereby ORDERS that:

The 157.51 acres designated on the plat filed with is the Application is hereby pooled, and a deep well drilling unit, as shown on the plat filed with the Application, to be known and designated as the Pursley 2 HD Unit, is hereby formed, and all interests in oil and gas in the unit are hereby pooled, all with respect to those depths and formations lying from 100 feet above the top of the Utica formation to 100 feet below the top of the Trenton Limestone for the drilling of a horizontal deep well with the primary target of the Point Pleasant formation. The Applicant is authorized and approved to drill and complete a horizontal deep well in the unit. The pooling and unit shall exist until the Commission orders otherwise.

The Applicant is hereby appointed and named the Operator of the unit and well, and immediately authorized to drill, complete and produce a horizontal deep well in the unit.

In accordance with West Virginia Code § 22C-9-2(a)(4), in the event that there is no effective oil and gas lease from an owner of oil and gas with respect to a tract, or portion thereof, included in the unit, the owner of the oil and gas rights therein shall be considered as "operator" to the extent of seven eighths of the oil and gas in that portion of the pool underlying the tract owned by such owner, and as "royalty owner" as to one-eighth interest in such oil and gas; and in the event the oil is owned separately from the gas, the owner of the substance being produced or sought to be produced from the pool shall be considered as "operator" as to such pool.

Regardless of the tract in the Pursley 2HD Unit from which oil or gas in produced, the Operator shall divide and allocate revenue from production to tracts in the unit on the basis the acreage in a tract, or portion thereof, included in the unit bears to the total acreage in the unit, and then the royalty with respect to that tract, or portion thereof, shall be allocated to all royalty owners in the tract (calculating partial interests on a pro rata basis for royalty interests on any parcel owned in common).

All reasonable costs and expenses of drilling, completing, equipping, operating, plugging and abandoning any deep well drilled in the unit shall be borne, and all production therefrom shared, by all owners of operating interests in proportion to the net oil or gas acreage in the pooled tracts or portion thereof owned or under lease or sublease to each operator. The Operator shall allocate to all operators of property included in the unit the costs and expenses of the unit operation, including reasonable charges for supervision and interest on past-due accounts. The allocation shall be on a tract basis. Tthe production from the well shall be allocated to each tract in the proportion that the separately owned tracts, or portions thereof, that are included in the unit share in the production from the unit (calculating partial interests on a pro rata basis for operators on any parcel owned in common), and the costs of capital investment in wells and physical equipment, and intangible drilling costs, shall be shared in the same manner.

With respect to unleased operator interests, the operating agreement submitted as Exhibit 15 is hereby approved as the agreement pursuant to which operations will occur in the unit, operating expenses shall be actual expenses unless and until the Commission orders otherwise. All reasonable costs and expenses shall be paid as provided in said operating agreement. With respect to any applicable operating agreements with respect to property included in the unit that are voluntarily made between or among operators owning interests in property included in the unit, operations may be conducted pursuant those agreements.

All operations, including, but not limited to, the commencement, drilling or operation of the Pursely 2HD deep well, upon any portion of the Pursley 2HD Unit shall be deemed for all purposes the

conduct of such operations upon each separately owned tract in the unit by the several owners thereof. That portion of the production allocated to a separately owned tract included in a drilling unit shall, when produced, be deemed for all purposes to have been actually produced from such tract by a deep well drilled thereon.

Except for payment of operating expenses, all proceeds of production from the well shall be escrowed by the Operator until the Missing Heirs Case is resolved.

With respect to any owner of an interest not subject to a lease that elects to participate in the well as provided by West Virginia Code §22C-9-7(b)(5), if a dispute shall arise as to the costs of drilling, completing, equipping and operating a deep well, the commission shall determine and apportion the costs, within ninety days from the date of written notification to the Commission of the existence of such dispute.

Counsel for the Applicant excepted and objected to the Commission's order. The Applicant's exceptions to the Commission's ruling were noted, and preserved by the Commission.

One of the members of the public asked for notice of any additional or continued hearings in this case, and a sign-up sheet was circulated for those in attendance to leave contact information for notice purposes.

II. August 8, 2014 Hearing – Order Amending Unit

After the July 17, 2014 hearing, the Commission entered a Notice of Continuance of the prior hearing, and the Applicant submitted a Motion to Modify Unit in Accordance with Commission Ruling that requested an amendment of the unit formed at July 17, 2014, hearing. To meet the Commission's requirement that the well to be drilled in the unit will be at least 400 feet from the unit boundary in all respects, Applicant moved to amend and enlarge the unit to contain 172.4 acres, and submitted a revised plat for the Pursley 2HD well and pooling unit. With the revised plat, the proposed toe, the heel where the well would enter the target formation, and the surface location, would all be 500 feet from the amended unit boundary. As proposed by the revised plat, the well would be at least 400 feet from the unit boundary and thus comply with the RULES OF THE COMMISSION, 39CSR1, et. seq., including rule CSR § 39-1-4.2, so that an exception to the Rules of the Commission would not be necessary.

On August 8, 2014, the Commission convened in hearing to consider the Applicant's request, evidence, and argument regarding modification of the Commission's July 17, 2014 Order.

Mr. Alfred Tuttle, a member of the public, appeared on behalf of Mr. Steve Zechman, another member of the public, and objected to the August 8, 2014, hearing on the grounds that Mr. Zechman needed 30 days from receipt of the transcript and copies of all exhibits from the prior hearing to review as a member of the public. The Commission overruled that objection.

Counsel for the Applicant submitted a certificate of notice of the August 8, 2014, hearing indicating that Applicant's counsel had provided notice to all those who attended the July 17, 2014 hearing and left contact information on the sign-up sheet circulated at the July 17, 2014 hearing, including Mr. Zechman.

Mr. Andrew Wood, the geologist who testified for the Applicant at the July 17, 2014 hearing, was called as Applicant's first witness. Mr. Wood testified that the proposed 172.4 acre unit was designed in light of the Commission's denial of the Applicant's request to waive the Commission's regulations requiring the well to be at least 400 feet from the unit boundary. Mr. Wood testified as to the revised well plat showing the 172.4 acre pooling unit requested (admitted as Exhibit 31), and explained that the surface location was approximately the same, but the lateral portion of the well was shortened to approximately 6,391 feet so that it stopped 500 feet from the proposed unit boundary. Except for the shorter lateral length, the proposed well would be the same well as proposed in the July 17, 2014 hearing.

The target formation remained the Point Pleasant formation, the well would be a deep well, and, to the best of Mr. Wood's knowledge, no deep wells have been permitted within 3000 feet of the proposed well since the July 17, 2014 hearing. Except with respect to re-designation of the unit boundary, Mr. Wood's testimony with respect to the amended unit was in all material respects the same as the testimony given at the July 17, 2014 hearing. In Mr. Wood's view, the amended 172.4 acre unit allows for economic development of the unit taking into account the setbacks required by the Commission. If the unit amendment is approved as proposed and the well drilled, the reserve could be economically developed, waste would not occur, and correlative rights would be protected. Mr. Wood requested that the proposed 172.4 acre horizontal well pooled unit, and revised well plat, be approved and the Applicant be permitted to drill the well and confirmed as operator of the amended unit. After the well is drilled, the Applicant will provide the Commission with well logs and the results of tests conducted as required by the Commission's regulations and will further amend the unit boundaries if the Commission so elects.

The Applicant then called Mr. Hal Hogsett, who also testified on behalf of the Applicant at the July 17, 2014 hearing. Mr. Hogsett provided an AFE (Exhibit 25) for the well planned for the revised 172.4 acre pooling unit. He also submitted a summary of the expected economic return (Exhibit 24) if the pooled unit was amended to include 172.4 acres and the well was drilled as proposed by the amended well plat. Mr. Hogsett testified that the amended unit well lateral length would be 6,391 feet, with an expected Internal Rate of Return of approximately 23%, and an expected gross gas production of approximately 15.2 billion cubic feet. In Mr. Hogsett's view, the amended 172.4 acre unit allows for economic development of the unit taking into account the setbacks required by the Commission, and the reserve could be economically developed, waste would not occur, and correlative rights would be protected if the amended unit and well plan were approved and the well was drilled.

Mr. Houston Eagleston, who also testified at the July 17, 2014 hearing, was the Applicant's final witness. Mr. Eagleston testified that the amended unit would include all or parts of the same tracts involved in the pooled unit approved by the Commission at the July 17 hearing. While the amount of property from some tracts in the unit would be different if the unit was amended, there were no additional tracts involved, and no additional owners were affected by the amendment requested. The surface location was the same surface location as proposed at the July 17 hearing, and the surface owners had entered into a separate consent and agreement with respect to that location and consented to the drilling of the well. Mr. Eagleston submitted revised Application Exhibit F (Tract Participation) (hearing Exhibit 28), Application Exhibit H (Leased Owners) (hearing Exhibit 26), and Application Exhibit G (Unleased Owners) (hearing Exhibit 27). The Tract Participation Application Exhibit changed as a result of the amended unit boundary in that more of some tracts were included in the pooled unit, but no new tracts were included in the unit. The Leased Owners (Application Exhibit H, hearing Exhibit 26) and Unleased Owners (Application Exhibit G, hearing Exhibit 27) were changed to reflect that Mr. Fout and Mr. Dieterich had elected to lease. Mr. Eagleston testified that there were no changes to Application Exhibits B (well location topographical map), C (Affected Owners), D (Adjoining Operators) or E (surface owner's consent and easement), as the surface well location and its owners would not change if the unit was amended.

Mr. Eagleston also advised the Commission that the Missing Heirs Case was proceeding but may take some time before final conclusion. In light of the potential delay in final determination of rights of all owners in the unit, Mr. Eagleston asked the Commission to amend its prior ruling to require a different escrow pending determination of rights. The Applicant requested that monies be escrowed only as to those with unsettled rights. The Applicant requested that the amount of the escrow be equal to a royalty that those with unsettled rights may receive should they elect to lease and the Commission determined a fair lease royalty and bonus. In that regard, Mr. Eagleston testified as to terms, bonus and royalty with respect leases taken by the Applicant within a one mile radius of the unit. Mr. Eagleston submitted Exhibit 29 to the Commission which contains Applicant's confidential, trade secret information regarding bonus and royalty amounts paid, and moved the Commission to afford Exhibit 29 confidential treatment as protected information, filed under seal and protected as a trade secret. The Commission reviewed Exhibit 29, and granted the Applicant's motion to file the same under seal, and be protected as

confidential trade secret information not subject to Freedom of Information Requests. In Mr. Eagleston's view, taking into account the setbacks required by the Commission, correlative rights would be protected under the amended 172.4 acre unit.

The Applicant moved for admission of all exhibits tendered at the hearing, and the Commission admitted the same, with Exhibit 29 protected and filed under seal.

The Commission, after deliberation and based on all the testimony and evidence presented, made the following findings of fact and conclusions of law:

Notice of the August 8 hearing was properly given, notice was provided to all who attended the July 17 hearing, and the pooling unit amendment requested involves all the same owners and operators, including the same adjoining operators. The Applicant's motion to amend the unit is properly before the Commission and proper notice has been given.

The proposed well to be drilled and completed in the amended unit will be completed below the Onondoga formation and is a deep well for which pooling is provided as defined and provided for in West Virginia Code § 22C- 9-1 et. seq. The Commission's jurisdiction extends to all persons and property as necessary to carry out the application of Article 9 of Chapter 22 of the West Virginia Code and form the pooled unit proposed, including the amended unit proposed by the Applicant.

The Applicant is an experienced, qualified operator of horizontal wells and units. The Applicant provided sufficient information for the Commission to review and consider the Application for the pooling of interests and formation of a pooled deep well unit, the unit amendment requested, and the drilling of a Point Pleasant target formation horizontal well in the amended unit. The Applicant obtained and filed with the Application a separate written consent from the owner of the surface where the well will be located in accordance with and satisfaction of West Virginia Code §22C-9-7(b)(4).

The amendment to the Commission's July 17, 2014 order requested by the Applicant does bring the proposed well in compliance with the Commission's regulations regarding the spacing of wells and distance of the well from unit boundaries. The amendment to the July 17 order requested by the Applicant is reasonably necessary to comply with the Commission's regulations and for the prevention of waste and the drilling of unnecessary wells. The 172.4 acre amended pooled unit and well will foster, encourage and promote exploration for and development, production, utilization and conservation of oil and gas resources, and waste will be prevented.

The proposed well and 172.4 acre amended unit will encourage the maximum recovery of oil and gas.

The amended 172.4 acre pooled unit should be and is hereby approved, and the pooled unit is amended to be a 172.4 acre deep well unit shown on the plat submitted as Exhibit 31 with respect to those depths and formations lying from 100 feet above the top of the Utica formation to 100 feet below the top of the Trenton Limestone for the drilling of a horizontal deep well with the primary target of the Point Pleasant formation. The Applicant is authorized to drill and complete a horizontal deep well in and under the unit as proposed. The 172.4 acre unit protects correlative rights.

The proposed amendment is consistent with and furthers the interests of public policy of the State of West Virginia as expressed in West Virginia Code Section 22C-9-1. Granting the amendment permits those who have consented to the unit and desire to drill the well the benefit of their property. The Pursley 2-HD Unit well may be drilled approximately as proposed by the plat submitted as Exhibit 31. Unsettled rights can be protected by escrow pending settlement of those rights and election of options afforded by West Virginia Code § 22C-9-7(b)(5).

August 8, 2014 Order

The Commission hereby ORDERS that:

The Commission's July 17, 2014, ruling is amended. The 157.51 acre unit is amended and a 172.4 acre deep well drilling unit depicted by hearing Exhibit 31, to be known and designated as the Pursley 2 HD Unit, is hereby formed. All oil and gas property in the unit and all ownership interests in the 172.4 acre unit are hereby pooled with respect to those depths and formations lying from 100 above the top of the Utica formation to 100 feet below the top of the Trenton Limestone for the drilling of a horizontal deep well with the primary target of the Point Pleasant formation, and the Applicant is authorized and approved to drill and complete a horizontal deep well in the unit. The pooling and unit shall exist until the Commission orders otherwise.

The Applicant is hereby appointed and named the Operator of the amended 172.4 unit and well, and immediately authorized and granted the right to drill, complete and produce a horizontal deep well in the unit.

In accordance with West Virginia Code § 22C-9-2(a)(4), in the event that there is no effective oil and gas lease from an owner of oil and gas with respect to a tract, or portion thereof in the unit, included in the unit, the owner of the oil and gas rights therein shall be considered as "operator" to the extent of seven eighths of the oil and gas in that portion of the pooled unit underlying the tract owned by such owner, and as "royalty owner" as to one-eighth interest in such oil and gas; and in the event the oil is owned separately from the gas, the owner of the substance being produced or sought to be produced from the pooled unit shall be considered as "operator" as to their interest in such pooled unit.

Regardless of the tract in the Pursley 2HD Unit from which oil or gas in produced, the Operator shall divide and allocate revenue from production from any well drilled in the unit to tracts in the unit on the basis the acreage in a tract, or portion thereof, included in the unit bears to the total acreage in the unit, and then the royalty with respect to that tract, or portion thereof, shall be allocated to all royalty owners in such tract or portion thereof (calculating partial interests on a pro rata basis for royalty interests on any parcel owned in common).

All reasonable costs and expenses of drilling, completing, equipping, operating, plugging and abandoning any deep well drilled in the unit shall be borne, and all production therefrom shared, by all owners of operating interests in proportion to the net oil or gas acreage in the pooled tracts or portion thereof owned or under lease or sublease to each operator. The Operator shall allocate to all operators of property included in the unit the costs and expenses of the unit operation, including reasonable charges for supervision and interest on past-due accounts. The allocation shall be on a tract basis, and the production form the well shall be allocated to each tract in the proportion that the separately owned tracts, or portions thereof, that are included in the unit share in the production from the unit (calculating partial interests on a pro rata basis for operators on any parcel owned in common), and the costs of capital investment in wells and physical equipment, and intangible drilling costs, shall be shared in the same manner.

With respect to unleased operator interests that elect to participate in any well drilled in the unit, the operating agreement submitted as Exhibit 15 is hereby approved as the agreement pursuant to which operations will occur in the unit. Operating expenses shall be actual expenses unless and until the Commission orders otherwise. The time and manner of payment of costs and expenses with respect to the unit and any well drilled therein shall be as provided in Exhibit 15. With respect to any operating agreements applicable to property included in the unit that are voluntarily made between or among operators owning interests in property included in the unit, operations shall be conducted pursuant those agreements.

All operations, including, but not limited to, the commencement, drilling or operation of the Pursely 2HD deep well, upon any portion of the 172.4 acre Pursley 2HD Unit shall be deemed for all

purposes the conduct of such operations upon each separately owned tract in the unit by the several owners thereof. That portion of the production allocated to a separately owned tract included in a drilling unit shall, when produced, be deemed for all purposes to have been actually produced from such tract by a deep well drilled thereon.

The Commission's July 17, 2014 Order requiring escrow is hereby modified and amended. The Applicant shall not be required to escrow one hundred percent of the proceeds from production from a well in the unit. The Applicant shall escrow only the amount that would be payable to those owners whose rights in property in the unit are unsettled, should those owners have executed a lease actually taken by the Applicant of property situated within ten miles of the amended unit on terms that are most favorable to the lessor. That is, to protect the rights of those unit property owners whose rights are not agreed, and based on the acreage and proportionate ownership of those with unsettled rights in the unit, the Applicant shall escrow an amount per acre included in the unit equal to the highest bonus amount paid per acre by the Applicant for any lease within ten miles of the amended unit. Additionally, the Applicant shall escrow from the production of any well drilled in the amended unit, an amount equal to royalty that would be payable to unit property owners with unsettled interests, an amount equal to the amount that would be payable to such owners on a tract participation, proportionate interest basis if such owners would receive the highest royalty rate payable under any of Applicant's leases of property within ten miles of the amended unit. In calculating the amount of the royalty escrow, the Applicant may deduct post-production costs, but only to the extent such deductions have been agreed in the lease taken by the Applicant of property within ten miles of the amended unit wherein the post production deduction terms are most favorable to the lessor. The escrow shall continue until the rights are settled and agreed, or the Commission orders otherwise. Within thirty days of the conclusion of the Missing Heirs Case, the Applicant shall file a report regarding the results of that proceeding with the Commission. When unsettled rights are determined, any unleased owners of property included in the amended unit shall be afforded the opportunity to make elections pursuant to West Virginia Code § 22C-9-7(b)(5), as applicable. The Applicant shall ask the Commission for additional hearings as appropriate to permit any unleased owner to make the § 22C-9-7(b)(5) elections. Additionally, any unleased owner of property in the unit may request a hearing in this case after the conclusion of the Missing Heirs Case.

With respect to any amended unit property owner not subject to lease that elects to participate in the well as provide by West Virginia Code § 22C-9-7(b)(5), if a dispute shall arise as to the costs of drilling, completing, equipping and operating a deep well, the Commission shall determine and apportion costs, within ninety days from the date of written notification to the Commission of the existence of such dispute. The caption of this case shall be amended to reflect that the Pursley 2HD Unit contains 172.4 acres.

ENTERED this 21st day of August ____, 2014:

STATE OF WEST VIRGINIA OIL AND GAS
CONSERVATION COMMISSION

By Barry Lay
Barry Lay, Chairman

BEFORE THE OIL AND GAS CONSERVATION COMMISSION
OF THE STATE OF WEST VIRGINIA

DOCKET NO. 229
CAUSE NO. 220

ORIGINAL

IN THE MATTER OF THE APPLICATION BY ANTERO RESOURCES CORPORATION FOR AN ORDER FROM THE COMMISSION ESTABLISHING A 157.51 ACRE DRILLING UNIT AND POOLING OF UNLEASED TRACTS AND INTERESTS OF OIL AND GAS OWNERS AND OPERATORS WHO HAVE NOT ENTERED INTO VOLUNTARY AGREEMENTS ALLOWING FOR THE DEVELOPMENT AND OPERATION OF THE UNIT, LINCOLN DISTRICT, TYLER COUNTY, WEST VIRGINIA.

Transcript of hearing had on the 17th day of July, 2014, at 10:00 a.m., at the West Virginia Department of Environmental Protection located at 601 57th Street, Southeast, Charleston, West Virginia, pursuant to the notice.

BEFORE:

BARRY K. LAY, CHAIRMAN
ANTHONY GUM, COMMISSIONER
ROBERT RADABAUGH, COMMISSIONER
JAMES MARTIN, COMMISSIONER
LISA McCLUNG, COMMISSIONER
KELLI TALBOTT, ASSISTANT ATTORNEY GENERAL

BONNIE K. WOLFE
Certified Court Reporter
1211 Ellen Drive
South Charleston, West Virginia 25303
(304) 744-4318

APPEARANCES:

ON BEHALF OF THE APPLICANT:

George M. Patterson, III, Esquire
Bowles Rice, LLP
PO Box 1386
Charleston, WV 25325

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CHAIRMAN LAY: Before the Oil and Gas Conservation Commission of the State of West Virginia in the matter of the application by Antero Resources Corporation for an order from the Commission establishing 157.51 acre drilling unit and pooling of unleased tracts and interests of the oil and gas owners and operators who have not entered into voluntary agreements allowing for the development and operation of the unit, Lincoln District, Tyler County, West Virginia. This is Docket No. 229, Cause No. 220.

Let the record show that present are members of the Commission, James Martin, Lisa McClung, Anthony Gum, Robert Radabaugh and Barry Lay. And present also is counsel, Kelli Talbott.

I'd like to place of record as Exhibit 1 a copy of the Notice of Hearing, also, as Exhibit 2, a copy of the public notice with the Secretary of State, a copy of the court reporter's confirmation as Exhibit 3.

Exhibit 4 is a copy of the legal advertisement and confirmation. I need to supplement Exhibit 1 with a copy of the return receipts.

MR. PATTERSON: Are all of the mail notices and receipts on 1?

CHAIRMAN LAY: Yes. One. I've lost track. The

last one was 4?

COMMISSIONER GUM: Four.

CHAIRMAN LAY: Okay. Five is a copy of the Application for Pooling. Six is a copy of the plat and large unit map. Seven is a copy of correspondence dated May 30th from Bowles Rice concerning the unit.

MR. PATTERSON: What's the date of that?

CHAIRMAN LAY: May 30th. I've lost track again. What's next? Eight is copies of the Notice of Deviation. I was wrong, Mr. Patterson. I'm going to submit this WW-6A1, WW-6B and WW-9 as 9.

(WHEREUPON, said documents were identified as Exhibits Nos. 1-9 and were received in evidence.)

CHAIRMAN LAY: The Commission will now take appearances.

MR. PATTERSON: May it please the Commission, I'm George Patterson. I'm a lawyer here in Charleston. I represent the Petitioner, Antero Resources Corporation.

With me on behalf of Antero is Mr. Andrew Wood, who will testify with respect to geology; Mr. Hal Hogsett, who is a Reservoir Engineer; and Mr. Houston Eagleston, Landman, who will testify on behalf of Antero.

CHAIRMAN LAY: Anyone else?

MR. PATTERSON: Ashley Mahalson is also present, but we don't plan to call her as a witness.

CHAIRMAN LAY: Okay. No other official appearances on behalf of-- Okay. Any housekeeping issues? Mr. Patterson.

MR. PATTERSON: Yes. May it please the Commission, perhaps I'll just give a little bit of a quick opening statement and lead up to one history I have. This is a petition and former pool interest in former unit. There is a tract here where highland stopped some years ago. It's the Nevin Corder tract, Chris Starkey farm. It's approximately 174 acres. Antero's filed a missing owner's petition case separate and apart that's running while this case is running. They're going on at the same time.

We're asking that the unit be formed and we be permitted to drill a well. The result of that case will be the result of that case, whatever it is. The normal result of that case is that a guardian ad litem will eventually issue a lease. But that's a contested case.

As we went around after I filed this application, I found out that there was a Mr. Charles Copeland, II, who contends that he is the heir of fifty

1 percent owner of that tract. Fifty percent of it's leased
2 by Antero. So I gave Mr. Copeland notice of this
3 proceeding because he contends he's an owner.
4 And this letter, I'd like to introduce as
5 Antero's Exhibit. Do you want to just keep going?
6 CHAIRMAN LAY: That's fine.
7 MR. PATTERSON: Exhibit 10. It's my letter to
8 his counsel informing him that this proceeding was going
9 on because he claims an interest. I had discussions with
10 his counsel, who's a Mr. Torrence from Pennsylvania.
11 Mr. Torrence indicates that Mr. Copeland
12 would like to see a well drilled, and he wants to
13 establish his claim of ownership. He has no objection to
14 this proceeding. The claim of ownership isn't an issue
15 with this Commission, so he has consented to you and
16 consented to the Notice of the Hearing.
17 I'd like to file that as Exhibit 11. This
18 is Mr. Torrence's email to me on behalf of his client, Mr.
19 Copeland, consenting to it.
20 (WHEREUPON, said documents were
21 identified as Petitioner's Exhibits
22 Nos. 10 and 11.)
23 CHAIRMAN LAY: Exactly where does this tract fit
24 in, Mr. Patterson, to your proposed unit?

1 MR. PATTERSON: It is about the middle of the
2 lateral. It's entitled Chris Starkey Lease, the portion
3 that is leased. The total tract on the plat is 173.48
4 acres. Mr. Copeland claims a one-half interest in that
5 entire tract.
6 With respect to this unit, if his claim is
7 successful, Mr. Copeland would have, as I read it, 31.72
8 acres in the tract -- in the unit. He would have one-half
9 acre in that if he's successful in the Circuit Court in
10 confirming his interest.
11 CHAIRMAN LAY: Let's go off the record for a
12 second.
13 (WHEREUPON, a discussion was
14 had off the record.)
15 MR. PATTERSON: With that said, we're ready for
16 my first witness.
17 CHAIRMAN LAY: Call your first witness. And if
18 the court reporter would, swear him in please.
19 MR. PATTERSON: Mr. Andrew Wood.
20 (Witness sworn.)
21 THEREUPON came
22 ANDREW WOOD
23 called as a witness by the Petitioner herein, being first
24 duly sworn according to law, testified as follows:

DIRECT EXAMINATION

BY MR. PATTERSON:

Q Would you state your name, please, sir?

A Andrew Wood.

Q And what sort of education do you have, Mr. Wood?

A I have a Bachelor's in geology from Western State Colorado University in Gunnison, Colorado.

Q And do you work in the oil and gas industry now?

A I do. I work with Antero.

Q What is your experience in the oil and gas industry?

A I have approximately ten years experience working in various U.S. basins: the Barnett shale down in Texas, Williamsport formation in Colorado; and for the past five years, the Marcellus in Southwest Pennsylvania and northern West Virginia, mostly in northern West Virginia; and also the Pt. Pleasant in Ohio.

Q What is your position with Antero?

A Geologist.

Q Are you aware of how many oil and gas wells Antero owns?

A Antero operates a little over seven hundred and fifty wells in West Virginia and Ohio.

1 Q Approximately, how many of those are horizontal
2 wells?
3 A We have over four hundred and twenty horizontal
4 wells drilled in the Marcellus in West Virginia, two in
5 southwest Pennsylvania and then approximately fifty
6 horizontal wells in the Pt. Pleasant formation in Ohio.
7 Q Antero operates those wells?
8 A They do.
9 Q Have those wells been successful?
10 A Very successful. Drilling horizontal wells has
11 much greater economic impact that the drilling of vertical
12 wells through those same formations.
13 Q Does Antero ask the Commission to appoint Antero
14 operator of this unit we've proposed today?
15 A Yes.
16 Q If you would, what formation is proposed for
17 drilling in this unit?
18 A The Pursley unit 2HD is proposed to have its
19 horizontal producing interval in the Pt. Pleasant
20 formation.
21 Q And is the Pt. Pleasant part of the Utica,
22 what's formerly standardly called the Utica formation?
23 A It is a formation within the larger package of
24 the Utica shale. Yes.

1 Q Approximately, how deep is it?
2 A Our lateral's proposed to be approximately
3 10,600 feet true vertical depth from the surface.
4 Q And are all of the places where the well's being
5 completed below the Onondaga formation?
6 A Yes. The Onondaga is about forty-five hundred
7 feet above the Pt. Pleasant formation.
8 Q Since this is a vertical well, can you compare--
9 Since this is a horizontal well-- Excuse me. --can you
10 compare the drilling of this well with how many wells it
11 would take to drill the same property if you drilled it
12 vertically, if you drilled it conventionally? Do you
13 know?
14 A Our analysis shows that it would take at least a
15 minimum of thirty vertical wells to interact the same
16 amount of reservoir we would plan on getting from the one
17 horizontal well at its currently planned length.
18 Q So that would be thirty pads. And how many pads
19 are we talking about here?
20 A One.
21 Q Would the cost of drilling vertically
22 substantially exceed the horizontal cost?
23 A It would.
24 Q Tell us a little bit, if you would, about how

the well will be drilled.

A So the analysis that we've done to get to this point, we use various wire line log analysis after physical logs, micro seismic data, to understand the direction we want to drill the well and the stratographic interval, the depth that we want to drill the well.

Once we understand that, we work with the surveyors to get plats and certain programs to be able to calculate the curvature and the geometry of the well bore.

From that data, we are going to plan on drilling the well vertically down to a point approximately five to seven hundred feet above our target lateral stratographic interval which we'll then pull out of the hole and put on certain tools to be able to build the curve at our desired true vertical depth footage of our Pt. Pleasant formation.

Q Are the-- Well, let's find a couple-- If I'm at, say, the heel of the well, what does that connote to you?

A The heel of the well to us is the term used for the point at which we enter the formation initially before we get horizontal in the well. Usually, the heel is about anywhere from sixty-five to seventy-five degrees from vertical.

Q And if I use the word, toe of the well, what am I talking about?

A The toe would be the bottom hole location of the well where we -- approximate to where we'd TD the well, total depth.

Q When you say TD, it's no longer straight down.

A Correct.

Q You mean how far out?

A Yes.

Q Okay. With respect to your analysis, did you prepare any exhibits that might help the Commission understand the estimate?

A Yeah. We brought two exhibits with us. One supports our thought of the direction, the asmoth [sic] of the well bore, the trajectory that the horizontal well bore would take as well as one that shows why we are proposing to decrease setbacks to our unit boundaries on this well.

Q Okay. So let's talk about the setbacks just a little bit before we go the exhibit. Is the surface location of this well four hundred feet from the unit boundary?

A It is not.

Q Is the toe of this well four hundred feet from

1 the unit boundary?

2 A It is not.

3 Q Is the heel of this well four hundred feet from

4 the unit boundary?

5 A As shown currently, it is not.

6 Q It's my understanding that you're asking the

7 Commission for exceptions with respect to its spacing rule

8 so that you can drill closer than four hundred feet. Is

9 that correct?

10 A We are. The surface location is not planned to

11 be where we are in our producing formation. So we feel

12 that doesn't necessarily need to be in the unit as well as

13 the toe and heel. As we talk about the exhibit, I'll

14 point out that we will not be recovering all the resources

15 with the current unit setback provisions.

16 Q Okay. We'll come back to that. I think what

17 you're saying is, if you're four hundred feet, you

18 wouldn't get all the resources--

19 A Yes.

20 Q --as we've proposed that you think you will.

21 Right?

22 A Correct.

23 Q Okay. Tell us about the first page of your

24 exhibit, Exhibit 12 on our list now. Make sure that you

1 have it.

2 A Exhibit 12 shows maximum present day stress

3 direction from wells we've obtained in both Ohio where

4 we've drilled existing Pt. Pleasant wells, as well as a

5 Marcellus well of ours in West Virginia.

6 It shows four wells that basically show the same

7 orientation of fractures. We get this information from

8 taking special wire line data tools in the well bore.

9 They're high resolution resistivity tools that give a

10 circumferential reading around the bore hole itself.

11 From there, it can calculate the orientation of

12 the existing natural fractures in the rock which gives us

13 an idea of what the maximum and minimum present day

14 horizontal stresses would be.

15 Basically, what that means is where the

16 fractures would propagate and what direction the fractures

17 would propagate during completions.

18 Q Okay. And the fractures come out at

19 perforation. Is that correct?

20 A There are natural fractures in the rock as well.

21 But, yes, when we complete it, we induce fractures in the

22 rock.

23 Q Okay. Tell me a little bit more about the

24 formation in itself. What do you-- What's your

understanding of the layout of Pt. Pleasant? Is it a small pool or is it a large formation? How does that look?

A It's a very large formation. Our analysis from our existing wells in Ohio all the way down through West Virginia shows very similar wire line log characteristics of formation, meaning the gamma ray, the resistivity of the rocks as well as the density in neutron porosities of those rocks are similar readings from thirty miles west to where our proposed location is to our location.

Q So essentially, it's a shale formation that's generally relatively uniform throughout the area?

A It is a layer cake stratographic interval that had similar depositional-- When the rocks were originally laid down, it had similar depositional characteristics.

Q Does it have high porosity? What is porosity and permeability? How does it compare with other conventional formations?

A Compared to conventional formations, it has far less both porosity and permeability.

Q So it's a very tight rock?

A It is.

Q With respect to conventional wells, would a four hundred foot unit boundary be more appropriate in this

circumstance?

A It would.

Q And why is that?

A Depending on the formation -- conventional formation you're drilling and producing, the drainage area is potentially much more circular, radial, as opposed to elliptical as we're seeing with our data that we've collected in these unconventional reservoirs.

Q If you would, does that conclude your testimony regarding the first page of the exhibit?

A It does.

Q Take a look. Take your time. With respect to the second page of the exhibit then, what are you showing there?

A So on the bypass resources exhibit, it shows, if we had to abide by the current four hundred foot setback, the potential lost resources that we would not be able to retrieve from our current well bore and unit configuration.

Because of our micro seismic data we've collected and understand the events that occur that, when fractures are propagated and induced in the rock, we see about a hundred and ten to a hundred and fifty feet of frac growth along the well bore which is the minimum

principle stress of the rock where we see approximately five hundred feet away from the well bore in the maximum principle horizontal stress.

Q Okay. If I understand what you said, basically, perpendicular to the well bore, your fracture might travel up to five hundred feet away.

A Yes.

Q Parallel to the well bore, it's substantially less. Right?

A Correct.

Q And so with respect to this exhibit, if you fracture through a perforation as you plan, you wouldn't expect to drain as much area at the heel or toe of the well as you would out to the sides of the well.

A Correct.

Q Tell us a little bit about the planned perforation and fracture situation? Will you fracture at the very toe of the well? Will you perf at the very toe of the well?

A The way our unit configuration is shown on the plat that was submitted, at the toe of the well there's eighty feet shown where the heel shows a hundred and fifty feet from our unit boundary.

The reason for that is, because we feel that the

fractures propagate only approximately a hundred and fifty feet, we would be able to get that resource from the heel. Though as we put casing down in the well and cement it in place, there's certain casing equipment and cementing equipment that is needed in the well bore.

That basically equates to seventy feet. So that would then make our first perforation into the Pt. Pleasant formation still that hundred and fifty feet away from the unit boundary.

Q So as I understand, you're saying you will perforate the well approximately the same distance from the unit boundary on the heel and the toe?

A We would. We'd perforate a hundred and fifty feet from that unit boundary.

Q So in your view, if the unit was approved as proposed, would that encourage the maximum recovery of oil and gas from this unit?

A It would.

Q And would it effectively protect correlative rights of the landowners involved?

A It would.

Q So basically, your view is your best estimate of the drainage area of the well is as you proposed it?

A And that's why we configured the unit as such.

Q Have you had units of similar size approved in Ohio?

A We have.

Q And they are Pt. Pleasant units as well?

A Yes.

Q Where is the nearest deep well to this well?

A The nearest deep well is a newly drilled well about two and a half miles to the southeast of our current location, and it is a horizontal well that was also drilled in the Pt. Pleasant formation.

Q And if you know, who drilled that well?

A Triad.

Q So they've already drilled a well in the Pt. Pleasant within this field?

A They have.

Q How will the approval of the unit prevent waste?

A The configuration of the unit was made to be able to get maximum drainage of that unit.

MR. PATTERSON: That's all the questions I have for this witness if the Commission would like to inquire.

CHAIRMAN LAY: Questions?

EXAMINATION

BY COMMISSIONER RADABAUGH:

Q Have one. You'd mentioned there earlier that,

1 when you're looking at the horizontal well versus--
2 George had mentioned, Mr. Patterson, how many vertical
3 wells that is displaced and done away with. And you said
4 basically thirty to get the same reserve out of the
5 ground. But what spacing is those thirty?
6 A If you use a similar computation, perforation
7 would grow that hundred and ten each side from a single
8 perforation of approximately five hundred feet on each
9 side. I kind of drew that ellipse on there. You'd have
10 more than thirty wells along that path to cover the same
11 unit configuration that's shown on our plat.
12 Q Okay. So basically, you'd have a hundred and
13 fifty, three hundred feet apart, is what you're saying the
14 vertical wells would be?
15 A Yes.
16 COMMISSIONER RADABAUGH: Thank you.
17 CHAIRMAN LAY: Other questions?
18 EXAMINATION
19 BY COMMISSIONER MARTIN:
20 Q Let me make sure I understand you. You stated,
21 I think-- The question that Mr. Patterson asked in terms
22 of spacing, you testified that surface location, the heel
23 and the toe, all three would not defeat the four hundred
24 foot spacing requirement. Is that right?

A I did. Yes.

Q So the objective in this matter is both to force pool and to address the spacing based upon any boundary that you have?

MR. PATTERSON: Yes. It is.

THE WITNESS: Yes.

COMMISSIONER MARTIN: Thank you. That's all I have.

CHAIRMAN LAY: Any others? I have a few.

EXAMINATION

BY CHAIRMAN LAY:

Q These aren't necessarily in order. They're things that came. So I'm going to be jumping around a little bit potentially. First of all, your anticipated method of completion, are you going to conventionally cement that perforator? Is it a packer-plus type?

A Cement perforate the plug.

Q And your stage facing is?

A It's proposed to be a hundred and seventy-five feet for this well.

Q And how many in your cluster?

A I think we do sixty.

Q Sixty. As far as-- That answers that question. As far as background, could you give us a little bit of

1 your understanding or knowledge of the lithology of the
2 Pt. Pleasant member of the Utica?
3 A Pt. Pleasant is a carbonaceous organic-rich
4 mudstone which is basically a shale that has eight to
5 twelve percent porosity, very low permeability, three-plus
6 percent TOC.
7 Q When you say carbonate, limestone, dolomite?
8 A It is a kind of calcareous shale. They do have
9 some limestone, little stringers in there in the Pt.
10 Pleasant. But, yeah. It's a mixture of calcareous shale,
11 shale, organic-rich limestone.
12 Q Okay. And one of my questions was: what is
13 your explanation of porosity, permeability and TOC? So
14 you're saying that the effective porosity is eight to ten
15 percent?
16 A What we're estimating, yeah, down in this
17 (indicating) area, eight to twelve.
18 Q Okay. Do you have any measurement of effective
19 permeability?
20 A We do not. In the general area, it's going to
21 be in the nanodarcy scale.
22 Q Okay. Have you performed any formation modeling
23 based upon those characteristics to determine what your
24 effective frac radius or drainage area would be?

A We've modeled that, and we have some empirical evidence from micro seismic data that we've collected that supports our unit size.

Q So that was one of my next questions. You do have micro seismic in the area or an analog to this area?

A From our micro seismic tests that we've done in our existing Pt. Pleasant formation wells in Ohio, we've taken that down through a wire line log analysis and feel comfortable that we're going to have similar results with our micro seismic down in West Virginia.

Q Okay. In the micro seismic that you ran, how many receivers did you use?

A It was a receiver in an offset well bore, so it was a down hole.

Q So one receiver source. You didn't have multiple on--

A No.

Q --either side?

A No. It was one side. Yeah. But we were moving our microphones along the well bore as we were doing our stimulation.

Q Understood. And that-- And I realize that micro seismic is probably like most things in our industry. They're somewhat interpretive. But from that,

1 what did you see with regard to events as far as frac
2 length and height?
3 A So our frac half length was basically showing to
4 be a hundred and ten to a hundred and fifty feet along
5 minimum principle stress along that well bore and then
6 that four hundred to five hundred feet along maximum
7 principle stress.
8 Height growth was three hundred to four hundred
9 feet, I believe.
10 Q Okay.
11 A On high confidence of that, so to say.
12 Q Five hundred feet? Is that what you said?
13 A I said it was three hundred to four--
14 Q Three hundred feet.
15 A --hundred feet.
16 Q I'm sorry. And you saw-- Let me make sure I
17 get this down correctly. You saw a hundred and ten feet
18 in the area along the minimum stress axis and five hundred
19 feet? Is that what you said?
20 A Yes. Three hundred fifty to five hundred.
21 Q Three hundred and fifty to five hundred feet.
22 A In the maximum.
23 Q On the maximum stress. And you said a hundred
24 and ten, I believe?

A Hundred and ten to a hundred and fifty.

Q On the length.

A Yes. On half length, yes.

Q Half length.

A Yes.

Q So based on those numbers, I understand your five hundred feet half length and the unit boundary, but why squeeze your stages closer than the two hundred and ten to three hundred foot interval if you're saying those-- And again, I realize the issue with micro seismic, but you're effectively communicating between stages. Is that your intent?

A There will be some communication on ellipse overlap, but we feel that's good, not a bad thing, to make sure all of our fractures are propped and open.

CHAIRMAN LAY: Okay. I think that actually covers the questions that I have. Any other questions?

COMMISSIONER McCLUNG: I have one. Is there an easy way to determine on this where the unleased owners are? We have this sort of map that shows-- I know there's a list of unleased owners.

MR. PATTERSON: It's just the one tract we identified earlier. This is the total tract.

CHAIRMAN LAY: All the other tracts within the

unit are under-- Well, I can we can address that when we get to land.

MR. PATTERSON: Well, all the other tracts in the unit are subject to lease, and Antero has the rights.

CHAIRMAN LAY: Okay. We can get to that when we get to land. I apologize. Okay. I think that's all I have of the witness. Mr. Patterson, any follow-up?

MR. PATTERSON: No. I'd like to call my next witness. I call Mr. Hal Hogsett.

CHAIRMAN LAY: Okay. You're excused.

(Witness excused.)

CHAIRMAN LAY: Call your next witness and have the court reporter please swear him in.

(Witness sworn.)

THEREUPON came

HAL HOGSETT

called as a witness by the Petitioner herein, being first duly sworn according to law, testified as follows:

DIRECT EXAMINATION

BY MR. PATTERSON:

Q Would you state your name, please?

A Hal Hogsett.

Q What is your education, Mr. Hogsett?

A I have a bachelor of science in engineering,

1 petroleum engineering, from the University of Texas in
2 Austin.
3 Q And do you have the experience in the oil and
4 gas industry?
5 A I do. I've been with Antero about two and a
6 half years, working primarily in the Utica, Pt. Pleasant
7 in Ohio and a little bit of Marcellus in West Virginia.
8 Prior to that, I was with Apache Corporation for
9 a little over three years working numerous plays, but
10 granite wash unconventional, both on shore and off shore,
11 Gulf of Mexico permian basic in east Texas, both
12 convention and unconventional shales. Prior to that, I
13 was with New Deal, Range Resources.
14 Q And as part of your responsible, do you evaluate
15 your current-- I guess you are employed by Antero. Put
16 that on the record. Right?
17 A Correct.
18 Q As part of your responsibility, do you evaluate
19 production and rates of returns for Antero?
20 A I do.
21 Q And your evaluation includes Pt. Pleasant
22 formation wells similar to the one that's proposed for
23 this unit?
24 A Correct.

Q And did you make an evaluation with respect to this unit?

A I did.

Q Did you prepare a little summary of the high points of your evaluation?

A I did.

Q Would that be helpful in following the testimony?

A I think it would be. The exhibit that George just passed out explains my evaluation for the Pursley Unit 2HD that Mr. Wood walked through in the geologic testimony.

Just to walk through line items here, we plan to drill a little over sixty-six hundred foot lateral as planned, and that's with the variances. We plan to develop a hundred and fifty-eight acres. That leaves 157.5 acres.

This well is going to cost us just short of fifteen million dollars to drill. Planned out a net PB10, a net present value of a little over five million dollars, 5.6 million dollars, with an internal rate of return of twenty-five percent.

We expect this well to produce over the life 2.4 Bcf per thousand feet of lateral or just shy of sixteen

1 Bcf, 15.8 Bcf. I believe Mr. Wood mentioned this, but we
2 expect this to be a dry gas well, a little over a thousand
3 BTU gas, primarily methane.
4 Q And does Antero consider this an economic well?
5 A We do.
6 Q And with respect to those who may not have
7 agreed to the unit, they would benefit by the drilling of
8 this well?
9 A I think that they would see this as an economic
10 benefit as well.
11 Q Does Antero have adequate funds on hand to drill
12 this well?
13 A We do. We prepare a capital budget every year
14 and several times throughout the year, but this well has
15 been included in our capital budget for 2014.
16 Q And is it scheduled for drilling?
17 A We do have it on our current plan, should this
18 be successful, for the latter portion of August.
19 Q So Antero is spending 14.8 million dollars in
20 West Virginia if the approvals are granted by the DEP?
21 A That is correct.
22 Q In your evaluation, do you consider that Antero
23 would pay West Virginia any taxes?
24 A We would. And that's included in my evaluation.

Q Those would be severance taxes?

A Severance and outgoing taxes, yes.

Q So you assume that-- Your profit is after payment of all taxes?

A Correct.

Q Or you assume and you're making your evaluation that you would pay taxes.

A Correct. Yeah. I've assumed that we've paid all of our taxes. Yes.

Q And have you been aware of similar units in Ohio that have been approved in Ohio?

A Yes. We formed very similar units in Ohio.

Q And are those units you've formed similar to this in the same formation?

A Yes. We've formed Pt. Pleasant units, typically a few wells, but on very similar orientations with very similar dimensions.

Q And that's a successful drilling program for Antero?

A Yes.

Q And you believe this will be successful as well?

A I do. A little bit more expensive than those wells, but I do believe it'll be an economic success.

MR. PATTERSON: That's all the questions I have

for this witness.

CHAIRMAN LAY: Questions?

EXAMINATION

BY COMMISSIONER RADABAUGH:

Q I have one. Kind of gets back a little bit from the first witness, but since you did this evaluation-- You've got a lateral length of six thousand and six hundred feet. So again looking at vertical well spacing, the spacing would be, what, three thousand feet apart if you're doing just vertical wells?

A Three thousand feet.

Q Okay. Apart?

A I think the way Andrew mentioned bigger than thirty vertical wells, I think the best way to describe that is a vertical well for each stage.

Q Right. But what I'm getting at is, if you didn't do horizontal drilling--

A Okay.

Q Okay. --and you had to do just conventional vertical wells, then in the same length you would only be able to put probably three vertical wells.

A Under current regulation, yes.

Q So doing it in that direction, you would probably still be leaving reserves in the ground that

1 would never be recovered.

2 A Absolutely. I think, if we were all able to

3 have three vertical wells--

4 Q Right.

5 A --essentially, I would view that as three stages

6 along the lateral. Whereas, my estimates here of sixteen

7 Bcf include thirty-eight stages. I would suspect greater

8 than thirty wells would cost over forty to fifty million

9 dollars.

10 Q In your opinion, that's the best way to recover

11 reserves from the ground?

12 A Yes, sir.

13 CHAIRMAN LAY: Other questions? And I'm not

14 sure that this is the proper witness, Mr. Patterson, but

15 I'll ask it now and you can tell me whether it is or not.

16 If we have the parties identified and they make an

17 election for this well, is this the individual that's

18 going to tell us--

19 Since he ran the economics, apparently he's

20 aware of what the operating costs are going to be and

21 overall expense. Or is that going to be covered--

22 MR. PATTERSON: He can certainly tell that, tell

23 you that. We have no objection to you inquiring along

24 those lines.

1 CHAIRMAN LAY: Okay.

2 MR. PATTERSON: But since you bring that up, I
3 would like to make a point. Where we are is-- With
4 respect all the tracts in the unit, when we filed this,
5 there were two people that were known that had not leased.
6 Since we filed that, Antero obtained leases
7 from those two people. So the known owners believed by
8 Antero to own the interests have all been leased.
9 Mr. Copeland, for example, claims that he
10 owns an interest. Mr. Copeland would like to lease the
11 property according to Mr. Torrence's email responsive to
12 me. He wants the well, and he'd take a lease.
13 At this point, it's very possible, if not
14 likely, that, when the unknown owners' petition ultimately
15 is concluded, Antero or other operators who's already
16 agreed to leases to participate and have been noticed will
17 have the entire unit leased. And so there may never be
18 any need now, given that the known parties are leased, to
19 have a second hearing to determine exactly what the
20 operating costs are, what the AFE is for the well.
21 So given that, we may never need to get
22 there. We have to have this unit to drill this well. We
23 have to have it approved because of the missing and
24 unknowns. We have an adverse claimant who claims an

1 interest. There are others out there who claim interests.
2 We have to have this in order to have the State's approval
3 to proceed.
4 But ultimately, we don't know of anyone
5 currently who says it's not good to drill this well. So
6 ultimately, we don't necessarily need to worry about this.
7 It will all be borne by those operators who've already
8 elected to come in.
9 And missing and unknown owners will have
10 leases ultimately. We didn't know that at the time we
11 filed. We know that as we sit here today. That
12 testimony's not in the record yet but will come in with
13 the next witness.
14 So basically, what I'm asking the
15 Commission to do-- The statutes says that on request you
16 go through the elections. If someone here had said, I
17 object, I want to elect, that would be the purpose of this
18 hearing.
19 It's not in my view. We don't need to go
20 there. We don't need to have that evidence. We can have
21 that evidence later if someone requests. And if it ends
22 up Antero doesn't have it all leased and we come to an
23 agreement, Antero will make that report.
24 So what we're asking, what we think would

1 be prudent to do, is to go ahead and approve the unit and
2 permit the well to be drilled.
3 And then when this other litigation is
4 over, if as a result of that other litigation somebody
5 hasn't come in, then we would have the costs, and you
6 would supervise, and they can come in or no come in. They
7 have their rights under the statute.
8 Our next witness is going to testify that
9 Antero would be willing to meet its obligations under the
10 statute. So we have an operating agreement here today.
11 He knows the costs. You may inquire. But I was not
12 planning on introducing it.
13 My specific request is that we don't need
14 to go there, and so we don't. We approve the unit and
15 keep it open on the docket. If it turns out there are
16 people who want to make an election, we then go there.
17 And we have-- You look at the operating
18 costs. You look at the AFE. You determine the elections.
19 If they want to sell, you would have the ultimate say-so
20 on what the price was.
21 CHAIRMAN LAY: Understood. And let me tell you
22 what I think, at least from my perspective-- We haven't
23 discussed it as a Commission. Still, there is the
24 possibility that this individual decides not to lease.

1 There will be his-- His option will be to either exercise
2 the right to be carried, participate or to lease. That's
3 his decision.
4 We're forcing-- You haven't determined
5 that he is the proper owner. So until such time as you do
6 that, I think we need to proceed along the lines that
7 allow whoever that individual is, whether it's this party
8 or someone else, the ability to look at the record and
9 determine what their economic state may be in the
10 development or non-development of this property.
11 I also think it's important on our part to
12 understand the economics of the well to justify whether it
13 is proper and does represent the best interests of both
14 the State and the parties involved to allow the
15 development. Therefore, I'd like to-- I'd like to
16 request--
17 MR. PATTERSON: And I recommend that Mr.
18 Chairman begin his line of questioning.
19 CHAIRMAN LAY: Okay. Very well.
20 EXAMINATION
21 BY CHAIRMAN LAY:
22 Q That being said, do you in fact have an AFE
23 prepared?
24 A I do.

1 Q Can you submit that as one of the exhibits?
2 MR. PATTERSON: I think we might be able to pull
3 that off.
4 CHAIRMAN LAY: Okay. You anticipated my
5 question, Mr. Patterson. Is that what you're saying?
6 MR. PATTERSON: Well, I mean, I've said what
7 I've said.
8 CHAIRMAN LAY: Okay.
9 MR. PATTERSON: I've read the statute very
10 carefully. The statute says, upon request, you consider
11 those things.
12 We're not requesting it now because the
13 people that didn't lease before have leased. Now, there
14 are issues out there, and we want these people in the unit
15 whether we lease them or not. So I understand.
16 (WHEREUPON, said documents were
17 identified as Exhibits Nos. 12-14.)
18 THE WITNESS: So would you like me to walk
19 through this?
20 BY CHAIRMAN LAY:
21 Q Yes, please. Carry on.
22 A So before we drill any way, especially a well
23 this major and one that we want to do quite a bit of
24 science, so-to-speak, we'll prepare AFE basically by line

item. The top portion is our drilling costs, the costs that we anticipate occurring during the drilling process all the way to TD.

And then down below the drilling costs is the completion costs. This is costs associated with fracture stimulation, production equipment, surface facilities, all the equipment and process to complete the well in the bottom portion. You can see that both are around 7.5 million dollars for a total of 14.8 million dollars which I've included in my estimate.

Q So your dry hole cost is 7.44 million, and completion cost is another 7.38 million. Is that consistent with what you believe to be a reasonable cost for a comparable well?

A I'll caveat that with saying that we plan to do quite a bit of evaluation in this well. We're planning to do sidewall cores, traditional cores, some expensive logging suites.

So I would not expect that a development well would cost this much. Maybe a little less than a million dollars would be taken off from evaluation. But this is consistent with what I expect this well to cost.

Q Okay. And without going through the line items, at least we can see what you have allocated with regard to

1 costs. And I won't put you through the individual
2 explanations.
3 A You can look for the seven-digit numbers.
4 That's where the frac chemicals and the drilling time--
5 That's the majority of the costs.
6 Q Okay. So the 7.4 million dry hole, total cost
7 of 14.8, basically. That's what you included in your
8 economics. With regard to that, if-- And again, you may
9 not be the proper person to ask this question.
10 But if a third party decides that they wish to
11 participate in that, have you established a monthly
12 operating fee and a GG&L fee or a G&A fee for--
13 A Yes. I have both fixed and variable operating
14 costs in my evaluation.
15 MR. PATTERSON: I think he's asking-- Excuse
16 me, if I may. I think he's asking a different question.
17 Do we have operating costs in our agreement?
18 THE WITNESS: Yes.
19 MR. PATTERSON: I think that's what he's asking.
20 I don't think he's asking you what you included in your
21 return valuation. I think. I think he's asking you what
22 you would charge third parties if they elected to go in
23 the well.
24 CHAIRMAN LAY: That's exactly what I'm asking.

1 Yes.

2 MR. PATTERSON: Yeah. I just want to make sure

3 you understand that's the question. Mr. Eagleston will

4 sponsor an operating agreement that, I think, is about

5 that number. Do you know the answer?

6 THE WITNESS: Maybe he could speak better to do

7 that. I--

8 CHAIRMAN LAY: That's fine as long as--

9 THE WITNESS: I prepared my economics of what we

10 do over a third calculation or what we've seen out in the

11 field. I'm not privy to the agreement between the other

12 parties, so--

13 MR. PATTERSON: Yeah. Let's see. If it's not

14 in-- I don't know with a hundred percent certainty that

15 it's in there, but I think it's in this next stack right

16 here that I wasn't going to introduce.

17 BY CHAIRMAN LAY:

18 Q Okay. Let's get back to briefly your economics.

19 A Okay.

20 Q Exactly what did your analysis-- What type of

21 curve or what kind of curve configuration did you utilize

22 in your economic evaluation?

23 A So there's been quite a bit of dry gas,

24 Utica/Pt. Pleasant activity, not as much in West Virginia

to-date, but there have been a few results in press releases. I've used that data along with our wet gas/dry gas stuff over in Ohio to generate a tight curve.

I would expect that this well would come on line greater than twenty million a day. In my evaluation, I assume twenty-one million a day IP. I assume a hyperbolic decline and then down to an exponential decline over several years, a six percent terminal decline.

Q Six percent terminal?

A Yes, sir.

Q What is your projected well life?

A We would hope that this would be on line for greater than fifty years, but--

Q And at what point? Does it take fifty years to reach economic limit?

A Yes.

Q You've said that your IP is twenty-one. Do you have a fixed for the hyperbolic b factor or are you varying the V factor?

A We have fixed.

Q Fixed b? What is the b that you're using, if I might ask?

A Can we go off the record? I mean, it's--

Q If it's confidential, then I will withdraw the

1 question.

2 A I'll tell you our initial decline is

3 seventy-five percent. And our b factor is 1.3. It is

4 slightly confidential, but--

5 Q Well, it's on the record now.

6 A I know. --it's not anymore.

7 Q Okay.

8 A The only reason I hesitated is because, you

9 know, it's not in the public eye whereas most of our--

10 And this is kind of a new area for us.

11 Q Okay.

12 A We're transitioning to the West Virginia Utica's

13 Pt. Pleasant. So that's the only reason I hesitated some

14 because I don't know.

15 CHAIRMAN LAY: Understand. I think that answers

16 all my questions of this witness unless somebody else has-

17 -

18 EXAMINATION

19 BY COMMISSIONER MARTIN:

20 Q I did have one question. You have several

21 operations in Ohio.

22 A Yes.

23 Q In the same formation?

24 A Correct. Pt. Pleasant. Yes.

Q Is this 14.8 million dollar cost, is that comparable to what you've seen over there on those operations?

A It's quite a-- It's quite a bit more, reason being, as Andrew mentioned, the formation's very consistent. However, it is deeper. So with deeper comes additional drilling days, more casing, more tubing, higher pressure equipment, more safety equipment.

So with all that-- And I did mention that we have a little bit more formation evaluation in this particular well. So although it is consistent, it will be more expensive because it is deeper and will take longer to drill.

Q So what would a similar well in terms of the extra valuation that you've got included here which I'm assuming you had over there, too. How would that--

A A similar well in Ohio in the Pt. Pleasant would be around ten million dollars.

COMMISSIONER MARTIN: Thank you.

EXAMINATION

BY CHAIRMAN LAY:

Q That did bring-- I mean, looking in a little bit more detail at your AFE now-- And this may not be the correct question, but you do look like you have projected

a good bit of science.

You've got three hundred and ninety thousand dollars in there for coring and core analysis, which actually anybody that participated in this well as a JV partner under the terms of anything, they're not going to really extract any value for that.

So in addition, some of your wire line services probably are not going to-- These people are not going to be in additional wells. So is it proper and right for them to pay for your science on this particular well is a question that I'm--

MR. PATTERSON: That's fine. If you stop right there, let me tell him what you're asking him.

CHAIRMAN LAY: Let's go off the record.

(WHEREUPON, a discussion was had off the record.)

CHAIRMAN LAY: Back on the record.

THE WITNESS: So to clarify my answer, I guess, if someone were to be forced into the unit, they would not be required to incur a hundred percent of the costs. There would be some costs in this AFE that would be backed out that they would not be required to pay.

BY CHAIRMAN LAY:

Q Okay. That was my question.

A Would you like me to walk through what costs or--

Q Yeah, certainly, because I think that could be germaine depending upon who's-- I mean, if you can do it briefly.

A Yeah. Just briefly, it's coring and logging. You can find those items kind of halfway down the page, 830, 290. Those are our accounting codes. Core, core analysis, that's three hundred and ninety thousand that would not be incurred. Open hole logging would be removed, a hundred and fifty thousand.

And then two items above coring and core analysis, there's equipment rental. There would be a portion of that that would be excluded, not all of that. That includes drilling and rental tools. Those would be included. But logging rentals and other equipment that we would need to rent for logging, roughly half of that would be excluded.

Q Okay. In addition to that, I assume that you would give some consideration to the drilling days because you're going to be taking -- you're going to be taking full bore cores. You're going to be incurring additional drilling costs that would not normally be--

A Correct.

1 Q But in any case, the answer is, I gather--
2 A Correct.
3 Q --if I am reading you correctly, the other
4 parties would not be responsible for any costs that you
5 deemed to be a science project or related to a science
6 project.
7 A That is correct.
8 CHAIRMAN LAY: Okay. That's the answer I was
9 looking for.
10 MR. PATTERSON: I have one follow-up question.
11 If they want the science, would they be expected to pay?
12 CHAIRMAN LAY: If they want the science, yes.
13 MR. PATTERSON: Thank you.
14 CHAIRMAN LAY: I'm assuming that we are talking
15 about people--
16 MR. PATTERSON: --about people that would--
17 CHAIRMAN LAY: rental or royalty owners that
18 would be a onetime--
19 MR. PATTERSON: Though the long course. I
20 understand Just wanted to make the record clear.
21 CHAIRMAN LAY: Yeah. If it was another operator
22 that was participating and they wanted the science,
23 obviously they'd have to pay for it.
24 THE WITNESS: Yeah.

1 EXAMINATION

2 BY COMMISSIONER MARTIN:

3 Q Coring's going to be done, and I thought I heard
4 you say sidewall coring. I think he asked about full
5 cores.

6 A We're actually doing both in this. We're going
7 to do full bore core through the Utica Pt. Pleasant and
8 then sidewall cores in the Marcellus. So since the Utica
9 Pt. Pleasant is below the Marcellus, we'll have that
10 ability.

11 CHAIRMAN LAY: Okay. Any other questions of
12 this witness?

13 COMMISSIONER RADABAUGH: No.

14 CHAIRMAN LAY: Witness may be excused.

15 (Witness excused.)

16 CHAIRMAN LAY: Mr. Patterson, call your next
17 witness.

18 MR. PATTERSON: Call Mr. Houston Eagleston.

19 (Witness sworn.)

20 THEREUPON came

21 HOUSTON EAGLESTON

22 called as a witness by the Petitioner herein, being first
23 duly sworn according to law, testified as follows:

24 DIRECT EXAMINATION

BY MR. PATTERSON:

Q Would you state your name for the record, please?

A Houston Eagleston.

Q What is your education, Mr. Eagleston?

A Bachelor's of Finance of Oklahoma State University.

Q And what is your experience?

A Have eight years of experience in the oil and gas industry, spent six years at -- six years at Chesapeake Energy, three of which were in the Appalachian Basin. And the last two and a half years, I've been working at Antero Resources focusing on West Virginia Appalachia. At Chesapeake, I was focused in Bradford County, Pennsylvania, north central Pennsylvania.

Q What position do you hold with Antero?

A Senior Landman.

Q And in your capacity as Senior Landman, did you assist in the preparation of the Application now before the Commission?

A I did.

Q You reviewed it and, as I understand it, you signed the verification. Is that--

A Yes.

Q In preparation for the Application, did Antero perform a diligent search of the records to determine all the record owners--

A We did.

Q --in the unit as well as adjoining operators? Is that the same question?

A Yes.

Q Are those people listed in the Application?

A Yes.

Q I think that I might direct your attention directly to a couple of owners who have leased since the date the Application was filed. Can you tell us about those, please?

A So there were two owners that were known and listed as unleased at the date of the Application. Ronald Dietrich, he owns a .38 acre tract, .22 of which will be in this unit.

Then John and Nancy Fout, they own a fifty percent interest in a portion of the tract which is seven acres will be in this unit, and they own three and a half acres. Both parties have since agreed to lease to Antero. We've taken leases and paid them their balance amount and filed leases of record.

Q And those people now agree to be in the

1 unitization clause of the lease?

2 A Yes. Both leases contain unitization pooling

3 numbers.

4 Q But nevertheless, there were named potential

5 claimants out there who may not release, all of whom

6 you've received notice. Is that true?

7 A Yes.

8 Q And with respect to those people, what does

9 Antero propose with respect to this proceeding? How will

10 they be treated?

11 A Antero requests that we move forward with the

12 creation of the unit to allow for the Pursley Unit 2HD and

13 to allow for the missing heirs petition which has been

14 filed and is currently in the works to move through its

15 normal course of action.

16 Q And if those people ultimately are identified

17 and don't lease, how will they be treated with respect to-

18 -

19 A Antero would request a second hearing at which

20 point they would be given all options to make elections as

21 provided by statute.

22 Q And as I understand it, it's possible that one

23 of the options is that they might elect to sell their

24 interest to Antero. Would Antero be willing to buy at a

1 Commission approved price?
2 A Yes. Antero would be willing to buy.
3 Q And Antero has adequate funds to buy the
4 outstanding interest at the Commission-determined price?
5 A Yes.
6 Q Would Antero be willing to permit these people
7 to exercise their option to take and carry the interest?
8 A Yes.
9 Q Would Antero be willing to permit these people
10 to participate in the well on the terms we heard in Mr.
11 Hogsett's testimony, that is, they would pay for the cost
12 of drilling the well except for what's been determined
13 science. And if they wanted the science, they'd pay their
14 share there, too?
15 A Yes.
16 Q And Antero stands willing to permit any of those
17 owners to exercise their options under the statute?
18 A Yes.
19 Q What portion of the unit does Antero and its
20 consenting operators have leased?
21 A 87.7 percent.
22 Q So there's what, 12.3 percent out. Correct?
23 A 12.3.
24 Q Tell us a little bit about your missing and

1 unknown owners with respect to this proceeding.

2 A So the 12.3 percent that is outstanding is all

3 what we would classify as missing or unknown heirs. It

4 stems from a mineral reservation that happened around

5 1908. Antero has made all the diligent efforts to locate

6 and try to find any owners that we can.

7 Once we were unable to locate any of the owners

8 or direct descendants of that interest, we've moved

9 forward with the missing heirs' petition, presented all

10 the evidence with that. And that's been presented to the

11 Judge, and we're moving forward with that proceeding.

12 Q How long do you think that proceeding will take?

13 A There's a statutory six-month notice

14 requirement, but we anticipate maybe being resolved in

15 three or four months.

16 Q And what about Mr. Copeland's claim? Did that

17 complicate the proceedings substantially and extend it?

18 A We are aware of Mr. Copeland's claim. His

19 counsel's been in contact with our counsel. We've met

20 with Mr. Copeland on numerous occasions, and he's been

21 unable to provide any documentation to support his claim.

22 So we are going to move forward with the missing

23 heirs' petition. At the point in time he's able to

24 provide evidence to substantiate his claim, those funds

that would be attributed to that interest would be released to him in the ownership portion that he is able to--

Q Establish?

A --establish.

Q And that's with respect to any other adverse claimants as well?

A Yes.

Q And so if it turns out they're not leased, they will then have the right to come forward and request that they come into the well?

A Yes.

Q In terms of allocation of the revenue to the well and tracts of the unit, on what basis would the revenue from the well be allocated?

A By statute.

Q And as I understand it, that's the portion the surface acreage in each tract bears to the total acreage in the pool?

A Yes.

Q And then it's allocated to the tract. Then the tract gets allocated to the owners in that tract?

A Yes.

Q Okay. So if I own a hundred percent, half of

the unit, I get fifty percent of the attributable revenue from the well allocated to my tract. Right?

A Yes.

Q If I've got a royalty owner who owns a portion of that, he gets the royalty on that portion?

A Yes.

Q With respect to other wells that have been drilled in the Pt. Pleasant formation, what effect does that have on Antero?

A It increases the desire of the royalty owners to want us to drill and test the Pt. Pleasant formation underneath their leasehold.

Q Do you have an operating agreement?

A I do.

Q With respect to those who might wish to opt in--

CHAIRMAN LAY: Is that a model form agreement?

MR. PATTERSON: It's model form. It's been modified as you would normally modify it. I modified it in my opinion. It's submitted for the Commission's review.

BY MR. PATTERSON:

Q If I might, is this the operating agreement that you would ask the Commission to use and adopt in the event people do elect in?

A It is.

Q Okay. And obviously, the Commission is welcome to review it. I direct your attention to the COPUS which is attached. The number at the bottom of the page is nine. You were asked about operating costs. Actually, Mr. Hodges was asked about operating costs.

A Correct.

Q As I read what Antero proposed, the drilling rate would be fifteen thousand dollars. The producing well operating fee would be one thousand five hundred dollars. That's what you propose.

A Correct.

EXAMINATION

BY CHAIRMAN LAY:

Q Excuse me. I'll ask a question to make sure we understand the schematic. You're telling me this is your overhead. This is your G&A cost in addition to your normal operating expenses which would pass through at cost, your well tender to supervisor level?

A Correct.

CHAIRMAN LAY: Okay.

DIRECT EXAMINATION (CONTINUED)

BY MR. PATTERSON:

Q In your view as a landman, would this unit

recognize the correlative rights of the landowners?

A Yes. It would rely on the landowners in the unit to share in the production and revenue from the well in the proportionate share that they own.

Q Wouldn't it encourage maximum recovery of oil and gas?

A Yes.

Q And would it prevent waste?

A Yes. The unit would prevent waste by allowing for drilling of one well, whereas, as we testified earlier, we'd anticipate thirty to thirty-eight wells get the same amount of revenue or same amount of reserve base.

MR. PATTERSON: So that is all I have for this witness.

CHAIRMAN LAY: And you continually didn't answer the question that I wanted to hear.

MR. PATTERSON: Which was?

CHAIRMAN LAY: What is the market value of the interests in this area for interest forced pool?

MR. PATTERSON: Well--

CHAIRMAN LAY: Which would be what-- Assuming that you don't enter into a lease with this party and it's identified, that is the-- They would be deemed to have been leased, and what will they receive as consideration

1 for their lease from Antero?

2 MR. PATTERSON: Well, as I read the statute, if

3 a person is an unleased owner, the statute gives options.

4 The first option is to sell their interest--

5 CHAIRMAN LAY: Which in this case is lease, not

6 sell.

7 MR. PATTERSON: --which would involve-- Well,

8 no. I mean, they have an option to say buy my share out,

9 is the way I read the statute.

10 CHAIRMAN LAY: Okay.

11 MR. PATTERSON: In which case, evidence of

12 similar transactions would come before the Commission at

13 that time if we couldn't agree. But the statute says in

14 the event you can't agree, so it contemplates a period of

15 negotiation between the operator and the owner.

16 So it contemplates that the owner-- The unit

17 would be formed. You're not going to know how much

18 interest anybody has in the unit until the Commission

19 approves the unit. I mean, I don't have to pay you for

20 property not in the unit.

21 So we can't actually get to the dollar number

22 until we have a unit. So the first step is have a unit.

23 Then the statute goes further and it says, upon request,

24 these options can be--

1 CHAIRMAN LAY: Understood. Okay. I know where
2 you're going now.
3 MR. PATTERSON: It can be executed. So in terms
4 of what is the market value, that depends on what option
5 they have. If they elect to sell, then it would be--
6 We'd buy it off, that is, the royalty interest and the
7 operating interest.
8 If they elect to take a carried interest,
9 they give one-eighth as a royalty owner plus they would be
10 carried for their seven-eighths proportion, whatever it
11 may be.
12 if they elect to participate, they still
13 get one-eighth. They're a royalty owner with one-eighth,
14 and they would elect to participate with respect to seven-
15 eighths. Those are the statutory options, and Antero
16 would be more than willing to comply with any of them.
17 But before you actually get to the numbers,
18 somebody's got to make an election, and somebody's got to
19 request.
20 CHAIRMAN LAY: Okay. I know where your
21 argument's going now, so unless there's objection from
22 members of the Commission--
23 COMMISSIONER RADABAUGH: No.
24 CHAIRMAN LAY:

1 MR. PATTERSON: If I may correct the record,
2 option one says to surrender such interest for a portion
3 thereof. I had used the term, sell, because the surrender
4 is a reasonable basis and for a reasonable consideration.
5 So that's option one.
6 CHAIRMAN LAY: And I think we have considered a
7 lease also a reasonable outcome in that particular
8 proceeding.
9 MR. PATTERSON: Right. And if they elect to
10 lease and say we want to lease and you can't negotiate the
11 actual rate, then we'd come forward with the lease terms.
12 What would be the royalty? What would be the bonus?
13 What's in this unit?
14 Then we'd say: do you want to lease;
15 here's what we pay; we'd like to pay you whatever. And
16 the Commission can approve it.
17 CHAIRMAN LAY: Okay. Very well.
18 MR. PATTERSON: So that concludes our evidence.
19 CHAIRMAN LAY: Any questions for the witness?
20 COMMISSIONER RADABAUGH: No.
21 CHAIRMAN LAY: Well, since Mr. Patterson decided
22 to side step my issue, I guess I have no questions either.
23 Okay. No other questions. The witness may be excused.
24 (Witness excused.)

1 CHAIRMAN LAY: All right. Let's go off the
2 record, if you will indulge us.
3 (WHEREUPON, a recess was had.)
4 CHAIRMAN LAY: Okay. Commission will take any
5 additional appearances.
6 MR. HOWELL: My name is Ed Howell.
7 CHAIRMAN LAY: Please stand.
8 MR. HOWELL: Name is Ed Howell, 3101 Cow House
9 Road, Sistersville, West Virginia. I represent myself.
10 If the Commission leases my property, how do they
11 determine the terms of the lease?
12 CHAIRMAN LAY: That'll be determined by the
13 Commission based upon evidence provided at the hearing.
14 Are you included in this unit?
15 MR. HOWELL: No.
16 CHAIRMAN LAY: Okay. Your question is a
17 question for one where you would be included in a unit.
18 MR. HOWELL: Understood. Thank you.
19 CHAIRMAN LAY: Next.
20 MR. TUTTLE: Alfred Tuttle, 3420 Little Sancho
21 Creek Road. I am not a member of this unit, so the
22 comments that I wish to make are more of a general nature
23 really off the record for the Commission, I guess, about
24 procedures and some of my concerns regarding aspects of

forced pooling and the methodology by which a lease term is made.

So I don't have any specific comments to the matter before us here today. I'm here representing myself just to learn a little bit more about the process.

CHAIRMAN LAY: Okay. Mr. Zekman?

MR. Zekman: My name is Steve Zekman. I'm here representing myself today. I, again, am not in this unit in question or unit being considered, but there is a question having looked at the Application some time ago, reading the statute to the best of my ability, seeing where the procedure asks for a test level having been drilled and established before entering into these questions of the forced pooling. So I didn't see any reference to a test well being established.

CHAIRMAN LAY: In a conventional reservoir, that could possibly be the case, the reason being there'd be no-- I mean, I'm going to try to answer your question the best I can. In a conventional reservoir to establish a pool before you can-- Before you can form a unit or a force pool, you have to establish that there's production in the unit. You don't--

It's not a hundred percent certainty that you have to because you can request a unit prior to

drilling. But if the well's unsuccessful, the unit is meaningless. So that test well establishes production in a conventional reservoir. In this particular case, you don't have that because we're pretty much certain that there's oil and gas in the reservoir.

MR. TUTTLE: But as you think back to why that law was created and why this Commission was created, it would seem to me, as an amateur, looking at it that it was more where the minerals flow freely below the surface and the Commission would say, hey, as a matter of fairness, you know, the minerals are flowing freely so we have to be sure to establish units and spacing, and so forth.

Whereas, this is a tightly-held, you know, formation, so I guess I don't-- It's different from what I understood the purpose of this to be.

CHAIRMAN LAY: To some extent. But, I mean, the overall principle of the Commission is to protect the correlative rights of all the parties, whether it be the royalty owner as well as the adjacent royalty owner as well as the operators that have rights in those reservoirs. So it's to balance all those parties, not just the one party. So that's the best I can tell you.

MR. TUTTLE: Okay. Thank you.

MR. PRICE: My name is Robert Price, Raleigh

1 County. I'm here representing myself. I think the
2 Commission is doing a good job so far, and I want to thank
3 you.
4 CHAIRMAN LAY: Thank you. Okay. Those are the
5 four people that said they would like to speak. Certainly
6 I will answer any questions, or any members of the
7 Commission will answer any questions you have.
8 Mr. Patterson, you have something to say?
9 MR. PATTERSON: I have one housekeeping message.
10 CHAIRMAN LAY: Okay.
11 MR. PATTERSON: I don't know if I formally moved
12 the admission of all the exhibits-- I would like to do
13 that. All the witnesses are here. --and make sure
14 they're part of the record. I know the Commission had
15 them and used them in their deliberations. So I'd like to
16 move the admission of all of the exhibits.
17 CHAIRMAN LAY: No objection. We'll admit all
18 the exhibits. Okay. So admitted.
19 (WHEREUPON, Exhibits 1-14 were
20 received in evidence.)
21 CHAIRMAN LAY: Okay. Anything else? Any other
22 housekeeping issues, Mr. Patterson? Very well.
23 Back to our portion of the record-- Do I
24 have a motion?

1 COMMISSIONER RADABAUGH: I have a motion, Mr.
2 Chairman. I make a motion to deny the request for the
3 four hundred feet boundary exception. Antero is required
4 to include in the unit four hundred feet from the well
5 bore at the surface and at the toe stop drilling four
6 hundred feet from the unit boundary as proposed or the
7 lease boundary.
8 As to the force pooling, I move to grant
9 the request for the force pooling. However, if at the
10 conclusion of the Circuit Court ruling on ownership Antero
11 is unable to enter into a voluntary agreement with a known
12 party owning all that interest, then the Commission will
13 require a hearing to establish compensation for those
14 interests. And until that time, no monies to any party
15 shall be distributed.
16 COMMISSIONER GUM: I'd like to second that
17 motion.
18 CHAIRMAN LAY: There's been a motion. It's
19 properly been seconded. Any further discussion on the
20 motion? All those in favor of the motion, aye.
21 MR. PATTERSON: Before you do that, we'd ask,
22 please-- First of all, make sure I understand what you've
23 said. You're saying you can have a unit but you can't —
24 but you've got to stop four hundred feet from each unit

1 line.

2 CHAIRMAN LAY: Mr. Radabaugh, you want to

3 explain for the record or do you want me to?

4 COMMISSIONER RADABAUGH: Okay. On the far end,

5 on the toe, they need to stop four hundred feet before

6 they get to the boundary.

7 MR. PATTERSON: With respect to completion or

8 with respect to the well.

9 COMMISSIONER RADABAUGH: With respect to the

10 well.

11 MR. PATTERSON: Can I ask why that would be?

12 COMMISSIONER RADABAUGH: Because it would

13 probably appear that we have to protect the other royalty

14 owners beyond the toe of this drilling unit.

15 MR. PATTERSON: Okay.

16 CHAIRMAN LAY: And I think, also, there was no

17 real-- I mean, other than the one section of the way you

18 were going to complete the well, there was no compelling

19 evidence to say there's not another way to do this or that

20 you needed to do it for topography or for other reasons.

21 You didn't present enough evidence to get us beyond the

22 four hundred feet rule.

23 MR. PATTERSON: I mean, obviously, I take

24 exception. The evidence was that, if you--

1 CHAIRMAN LAY: You're more than welcome to.

2 MR. PATTERSON: And the evidence was that, if

3 you had to stop four hundred feet, you would not get to

4 produce all the gas within the unit.

5 COMMISSIONER RADABAUGH: But, but, but-- If

6 you are allowed to go within that four hundred feet, then

7 you're probably going to be encroaching upon the parties

8 of the next lease.

9 MR. PATTERSON: Well, the evidence is that

10 that's not the case, I would submit to you. If you would

11 look at--

12 CHAIRMAN LAY: I understand exactly what you're

13 saying, Mr. Patterson. The evidence was that between a

14 hundred and ten and a hundred and fifty feet on the

15 minimum axis of stress.

16 However, that's a subjective number. It

17 could be three hundred feet. We don't know that. So

18 therefore, we're giving a four hundred foot buffer.

19 MR. PATTERSON: Well, I mean, it's based on the

20 best evidence that you have.

21 CHAIRMAN LAY: Understood.

22 MR. PATTERSON: And it's based actually on micro

23 seismic which would be the best evidence of where it was

24 fracked. And the testimony was that you wouldn't get

there, so you wouldn't drain that gas.

CHAIRMAN LAY: Understood. But I also understand that, you know, you can also complete the toe. You don't have to wait. I mean, you can get closer. So by stopping the drilling, we prevent that from being done.

MR. PATTERSON: Would the Commission consider its order saying that we don't complete any closer than a certain distance?

CHAIRMAN LAY: We--

COMMISSIONER RADABAUGH: We need to just cut it off at the four hundred feet.

COMMISSIONER MARTIN: Well, but the rule-- The spacing as relates to that are in the rules of drilling. This ain't completion.

CHAIRMAN LAY: Correct.

COMMISSIONER MARTIN: If the concern is about the four hundred feet or the three thousand feet between wells, it's the drilling. It's not the lease.

MR. PATTERSON: I understand.

CHAIRMAN LAY: And this way, it protects the opposite landowner from-- There shouldn't be any drainage issues.

MR. PATTERSON: I understand what you're saying. Obviously, I mean, that rule is based on the conventional

formation.

CHAIRMAN LAY: It is. It is.

MR. PATTERSON: You know, it's appropriate. The Commission has the authority. Since you've already made your ruling, you're not probably going to change your mind, but I do take exception to that. I mean, that messes it up. What's the next part? Is that all?

CHAIRMAN LAY: That's it, I think, wasn't it?

COMMISSIONER RADABAUGH: On the four hundred foot part?

CHAIRMAN LAY: Yeah. That's it.

MR. PATTERSON: Well, I think you just said four hundred--

CHAIRMAN LAY: Four hundred feet.

MR. PATTERSON: We're okay on the surface location, but you want us four hundred--

CHAIRMAN LAY: No. I want four hundred feet on the surface location, too, including the unit.

MR. PATTERSON: Wait a minute.

CHAIRMAN LAY: Because you're going to complete the toe, and I'm not sure I agree with your geometry. But I believe there needs to be a four hundred foot buffer around the entire lateral and surface well bore. So include four hundred foot. Extend your unit four hundred

1 feet.

2 MR. PATTERSON: Okay. Let me talk to you about

3 that one.

4 CHAIRMAN LAY: You can talk all you want.

5 MR. PATTERSON: Well, think about what you're

6 saying. Let's say you got an eight-well pad and you got

7 four wells going one way and four wells going another.

8 Your ruling doesn't permit the drilling of the eight-well

9 pad.

10 CHAIRMAN LAY: That's true. But you only

11 brought one well before us.

12 MR. PATTERSON: Well, but it has to apply in

13 other situations.

14 CHAIRMAN LAY: No. We can amend a unit any time

15 we want to, the Commission can. So you bring us a pad

16 with eight wells, and then we'll consider it.

17 MR. PATTERSON: Yeah. But I mean--

18 CHAIRMAN LAY: All parties are covered because

19 there are additional wells going the other direction that

20 allows them to get the share -- those parties to be

21 included in a unit with one well, one unit. We want four

22 hundred foot.

23 If you drill the other direction, then

24 we'll cover it. Nobody's left out.

1 MR. PATTERSON: That one's very puzzling to me.
2 CHAIRMAN LAY: Okay.
3 MR. PATTERSON: Okay.
4 CHAIRMAN LAY: All right. I think I had a vote.
5 MR. PATTERSON: And then the escrow with respect
6 to the unknown interest. Right?
7 CHAIRMAN LAY: No. That's all interest. Until
8 this is settled, until we know exactly what the parties
9 are going to receive, who the parties are, nobody takes
10 any money out of an escrow account for the well.
11 If you capitalize and drill it, until this
12 is settled, Antero doesn't pay anything other than the
13 expenses. I guess you got to pay your expenses. But no
14 monies outside of the expenses leave that account until we
15 have settled who gets what.
16 MR. PATTERSON: The drilling costs and operating
17 costs.
18 CHAIRMAN LAY: I'm talking about revenue,
19 income.
20 MR. PATTERSON: Profit.
21 CHAIRMAN LAY: Profit.
22 MR. PATTERSON: But the-- But the revenue from
23 the well can pay the cost of the well, is what you're
24 saying.

1 CHAIRMAN LAY: It can pay the expenses, not the
2 capital costs nor the return on capital.
3 MR. PATTERSON: Not the capital costs? You
4 can't get your money back?
5 CHAIRMAN LAY: No. You got to fund your
6 capital. You said you had money to fund your capital
7 project.
8 MR. PATTERSON: I know. But if we take two or
9 three years to resolve these ownership claims--
10 CHAIRMAN LAY: Well, that's a business decision
11 you make. You drill the way and take that risk unless you
12 figure out how to determine--
13 Now, if you want to go back on the record
14 and put that evidence on and tell us what they're going to
15 receive today, then we can do that.
16 MR. PATTERSON: Tell us what they will receive?
17 CHAIRMAN LAY: What the unknown owners are going
18 to receive. That's our hook for not telling us what
19 you're going to compensate.
20 COMMISSIONER RADABAUGH: What the compensation's
21 gonna be. You haven't--
22 MR. PATTERSON: Okay. I mean--
23 CHAIRMAN LAY: That's the hook.
24 COMMISSIONER GUM: Just come back before us.

1 MR. PATTERSON: I think I got you as long as you
2 got me, understanding that there's no way you can really
3 exactly determine what compensation somebody's going to
4 receive until they make their election. Okay?
5 CHAIRMAN LAY: Yeah.
6 MR. PATTERSON: Okay. Then I would-- If that's
7 your ruling and you permit us to reopen the record, then
8 let us go to lunch and come back and tell you whether we'd
9 like to reopen the record.
10 CHAIRMAN LAY: I've already had a vote. We're
11 done. Motion's been made, and it carried. You can come
12 back, but realize you will not pay anything out of that
13 well bore other than the expenses to operate once you
14 drill and complete it until this issue's settled.
15 MR. PATTERSON: I know. And I understand. I'm
16 glad you think that's what you need to do, but the result
17 is likely to be that you never drill the well. You know?
18 When somebody doesn't invest so the people
19 that are here that have leases that want their royalty,
20 they don't get their money. Nobody gets their money.
21 CHAIRMAN LAY: Well, no. I think it's very
22 easy. You determine-- You said within two or three
23 months you're going to know what's going on with the court
24 case.

1 You haven't even spudded the well yet. By
2 the time you get this drilled, completed and ready to go
3 on line, you should have it resolved. If you don't, then
4 come back to us and be prepared to testify as to what
5 those interests are going to be paid.
6 MR. PATTERSON: Be prepared. Well, can't we do
7 it after lunch? Let us decide.
8 CHAIRMAN LAY: Well, we have other--
9 COMMISSIONER GUM: She's got a commitment at two
10 o'clock.
11 COMMISSIONER RADABAUGH: Yeah. We've got other
12 commitments now.
13 COMMISSIONER GUM: We're finished. We've
14 already voted on it.
15 MR. PATTERSON: You have, Mr. Gum. Thank you.
16 CHAIRMAN LAY: I'm sorry, Tony. Hang on one
17 second. All those opposed, nay? Now it's passed. Thank
18 you.
19 (WHEREUPON, a motion was made and passed.)
20 CHAIRMAN LAY: Yes?
21 MR. ZEKMAN: Will the people who signed up be
22 notified of any future hearings?
23 CHAIRMAN LAY: You can, yes.
24 MR. PATTERSON: Sign your names and addresses.

1 We'll make sure that happens.

2 CHAIRMAN LAY: I have about an hour, so if

3 anybody wants questions--

4 (WHEREUPON, the hearing was adjourned.)

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REPORTER'S CERTIFICATE

STATE OF WEST VIRGINIA

COUNTY OF KANAWHA, to wit:

I, BONNIE K. WOLFE, Certified Court Reporter and Notary Public of West Virginia, do hereby certify that the foregoing is, to the best of my skill and ability, a true and accurate transcript of all the proceedings as set forth in the caption hereof.

Given under my hand this 12th day of August, 2013.

My commission expires October 21, 2014.

Bonnie K Wolfe

Certified Court Reporter

Official Seal
Notary Public, State of West Virginia
Bonnie K. Wolfe
Certified Court Reporter
1211 Ellen Drive
So. Charleston, WV 25303
My Commission Expires October 21, 2014

BEFORE THE OIL AND GAS CONSERVATION COMMISSION
OF THE STATE OF WEST VIRGINIA

DOCKET NO. 230
CAUSE NO. 220

ORIGINAL

IN THE MATTER OF THE APPLICATION BY ANTERO RESOURCES CORPORATION FOR AN ORDER FROM THE COMMISSION ESTABLISHING A 157.51 ACRE DRILLING UNIT AND POOLING OF UNLEASED TRACTS AND INTERESTS OF OIL AND GAS OWNERS AND OPERATORS WHO HAVE NOT ENTERED INTO VOLUNTARY AGREEMENTS ALLOWING FOR THE DEVELOPMENT AND OPERATION OF THE UNIT, LINCOLN DISTRICT, TYLER COUNTY, WEST VIRGINIA.

Transcript of hearing had on the 8th day of August, 2014, at 1:10 p.m., in the Canaan Valley Room, West Virginia Department of Environmental Protection located at 601 57th Street, Southeast, Charleston, West Virginia, pursuant to the notice.

BEFORE:

BARRY K. LAY, CHAIRMAN
ANTHONY GUM, COMMISSIONER
ROBERT RADABAUGH, COMMISSIONER
JAMES MARTIN, COMMISSIONER
LISA McCLUNG, COMMISSIONER
KELLI TALBOTT, ASSISTANT ATTORNEY GENERAL

BONNIE K. WOLFE
Certified Court Reporter
1211 Ellen Drive
South Charleston, West Virginia 25303
(304) 744-4318

APPEARANCES:

ON BEHALF OF THE APPLICANT:

George M. Patterson, III, Esquire
Bowles Rice, LLP
PO Box 1386
Charleston, WV 25325

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1 CHAIRMAN LAY: It is ten minutes after one. We
2 were scheduled to start at one o'clock. Before the Oil
3 and Gas Conservation Commission of the State of West
4 Virginia in the matter of the application by Antero
5 Resources Corporation for an order from the Commission
6 establishing a 157.51 acre drilling unit and pooling of
7 the unleased tracts and interests of the oil and gas
8 owners and operators who have not entered into voluntary
9 agreements allowing for the development and operation of
10 the unit, Lincoln District, Tyler County, West Virginia.
11 This is Docket No. 230, Cause No. 220.
12 I'd like to place of record that members of
13 the Commission today are James Martin, Tony Gum, Robert
14 Radabaugh, Barry Lay and Kelli Talbott, Counsel.
15 I'll place of record as Exhibit 1 a copy of
16 the Notice of Continuance. No. 2 is a hand-delivered
17 motion to amend the order from Mr. Patterson.
18 No. 3 is a copy of the notice to the
19 Secretary of State's website for the hearing. And also
20 attached next in order are copies of the amended WW-6A1's
21 to the permit application. That will be No. 4
22 MR. PATTERSON: If you don't mind, could we
23 start where we left off last time?
24 CHAIRMAN LAY: In what respect, Mr. Patterson?

1 MR. PATTERSON: In terms of numbering the
2 exhibits.
3 CHAIRMAN LAY: Well, I guess that's--
4 MR. PATTERSON: Is that all right?
5 CHAIRMAN LAY: That's fine with me. It's a
6 supplemental, I guess.
7 MR. PATTERSON: So we won't have two Exhibit
8 1's.
9 CHAIRMAN LAY: Okay. That's fine.
10 CHAIRMAN LAY: Anyone who wishes to either
11 testify or present evidence today, please let us know on
12 the sign-in sheet. Also, when I call for appearances
13 after Mr. Patterson has introduced himself and his
14 clients, then if you would, stand, introduce yourself,
15 state your name, who you represent. That's probably all I
16 need for right now.
17 MR. PATTERSON: I think we're on Exhibit 16.
18 CHAIRMAN LAY: So what I classified Exhibit 1 is
19 now Exhibit 16 or 17, Mr. Patterson?
20 MR. PATTERSON: Let's use 17 just in case I'm
21 wrong.
22 (WHEREUPON, said documents were
23 identified as Exhibits Nos. 17-20 and
24 were received in evidence.)

CHAIRMAN LAY: Those (indicating) are amendments to the permit.

MR. PATTERSON: That's 21?

CHAIRMAN LAY: 21, I guess, whatever the next number is. Collectively, those are just one exhibit.

(WHEREUPON, said documents were identified as Exhibit No. 21 and were received in evidence.)

CHAIRMAN LAY: At this time, the Commission will now take appearances.

MR. PATTERSON: May it please the Commission? My name's George Patterson. I'm a lawyer here in Charleston. I appeared before the Commission before in this proceeding on behalf of Antero.

With me is Houston Eagleston, Andrew Wood, Hal Hogsett, who will be testifying today in support of the Motion to Modify -- Amend the Unit. Ms. Belcher is also present, but she's in my office. She's here to take notes.

CHAIRMAN LAY: Other appearances:

MR. TUTTLE: I'm Alfred Tuttle, resident of Tyler County. Mr. Zechman, Steve Zechman, is unable to be here today. He asked me to on his part raise an objection as to the timing of the meeting in that he had requested

1 transcripts and copies of all materials, evidence that had
2 been submitted. He has not received them yet. For that
3 reason, he wants to file an objection and have paper
4 copies of information, emails that he had sent to Mr.
5 Patterson.
6 CHAIRMAN LAY: What is his capacity? Is he an
7 owner, an attorney or what?
8 MR. TUTTLE: Well, he is a private citizen. You
9 can rule on whether or not his objection has standing or
10 not, but he wanted me to raise it. Here's copies. I
11 believe he sent you emails on that.
12 CHAIRMAN LAY: Was he at the last hearing?
13 MR. TUTTLE: Yes. He was. He was not able to
14 be here today because of business. He sent emails to
15 Cindy Raines to that effect.
16 CHAIRMAN LAY: Okay. We'll admit this to the
17 record as Exhibit 22.
18 MR. TUTTLE: There's two -- two emails.
19 CHAIRMAN LAY: Let's go off the record for a
20 minute.
21 MR. PATTERSON: Before you rule, we'd also like
22 to respond, if that's okay.
23 CHAIRMAN LAY: Okay.
24 (WHEREUPON, a discussion was had

1 off the record.)

2 CHAIRMAN LAY: Let's go ahead and place those of

3 record as Exhibit 22.

4 (WHEREUPON, said document was

5 identified as Exhibit No. 22 and was

6 received in evidence.)

7 CHAIRMAN LAY: Mr. Patterson, do you have

8 something?

9 MR. PATTERSON: I might go ahead and do all this

10 at once. That's probably the best way to do that. At

11 the-- Near the end of the last hearing in this matter,

12 Mr. McMann asked if the people who attended received

13 notice of a continuance. There was discussion about Ms.

14 Raines being injured.

15 I indicated that, yes, I would give notice

16 to everybody who signed the sign-up sheet. And if you

17 take a look there at the sign-up sheet, one person gave an

18 address, Ms. Fout. And I apologize to you because I

19 addressed your letter to Mr. Fout, and I'm sorry. She is

20 here. No? I thought she was. No? Oh--

21 MS. HOKE: And I did get two letters.

22 MR. PATTERSON: And Ms. Hoke got two letters.

23 I'm sorry. Yes, Chris Hoke. It's Ms. Chris Hoke. Now we

24 know. I also notified everyone else on that list. I did

1 it by email and asked for a receipt. I have receipts,
2 several receipts.
3 To the extent people did not respond, I put
4 a call in to them to let them know that the hearing was
5 going to continue. So I do believe that more than
6 adequate notice has been given.
7 Mr. Zechman is not an owner of property in
8 the unit. He is not an owner of property within three
9 thousand feet of the unit. It's our view, one, that he
10 had plenty of notice and could have come to the Commission
11 and looked at the exhibits, if he wanted. And two, he's
12 not an interested party and doesn't have standing to enter
13 this objection.
14 I've never been a court where a member of
15 the public could actually stop the proceeding. So with
16 that said, I have tendered what I had with respect to
17 notice. Mr. Zechman asked me for the information, so if
18 I'd submit my notice to the people who signed up as
19 Exhibit 23 and ask that it be admitted--
20 And with respect to Mr. Zechman, I did
21 indicate to him that he could come to the Commission and
22 examine the file, if he wished. Again, he is a general
23 member of the public and not directly interested in this
24 proceeding in any manner.

(WHEREUPON, said document was identified as Deposition Exhibit No. 23 and was received in evidence.)

CHAIRMAN LAY: Okay. Irregardless, his notice of objection is overruled. We'll continue with the hearing.

MR. PATTERSON: With that being said, just a quick second to refresh the Commission. We had a hearing on this Pt. Pleasant unit before. The Commission ruled essentially, as I understood it, that a unit could be formed.

We had asked for exceptions with respect to the location of the well to be within four hundred feet of the unit line. The Commission denied that ruling, and the Commission made an order with respect to the escrow of proceeds from production from any well that might be drilled in the unit.

Given that position, we filed a new plat which has been admitted now as 19 and a motion, Exhibit 18. The motion is to amend the unit form. We changed the size of it a bit to make it comply with the Commission's spacing regulations so that no part of the well is within four hundred feet of a unit boundary.

So we'd like to present evidence today as

1 to the unit and respond to the Commission's questions with
2 regard to that proposed amendment to the unit. That's
3 what we're here about today.
4 CHAIRMAN LAY: So you are prepared to--
5 MR. PATTERSON: Call my first witness.
6 CHAIRMAN LAY: --call your first witness. If
7 you would do so, I'll have the court reporter swear them
8 in.
9 MR. PATTERSON: Andrew, would you take this
10 chair right here, please?
11 MR. WOOD: Sure. I'm Andrew Wood with Antero.
12 (Witness sworn.)
13 THEREUPON came
14 ANDREW WOOD
15 called as a witness by the Petitioner herein, being first
16 duly sworn according to law, testified as follows:
17 DIRECT EXAMINATION
18 BY MR. PATTERSON
19 Q Mr. Andrew Wood? Is that correct?
20 A Yes.
21 Q Are you the same Mr. Andrew Wood that testified
22 here in the proceeding in this case on July 17th, 2014?
23 A I am.
24 Q And as I understand it, you're a geologist?

A Yes.

Q I'll show you-- I have extra copies here. This has already been marked by the Commission as Exhibit 19. It's the unit map. Would you please identify what that is?

A It's a plat made by our registered surveyors for the well we propose to drill, the Pursley 2HD.

Q And how is that well situated in relation to what you proposed before?

A Before, we were looking for the waivers on the setbacks. So the toe and heel of the wells had unit setbacks less than the required four hundred feet. This plat shows a five hundred foot buffer around the entire well bore which then made us reduce the lateral length by approximately two hundred feet. But, yes. It shows our now proposed unit five hundred feet around the entire well bore.

Q And your proposed well is still in the Pt. Pleasant formation?

A Yes. That's the proposed target formation.

Q And is the Pt. Pleasant formation below the top of the Onondaga?

A Yes.

Q And it's approximately ten thousand feet deep?

A From the surface location, yes.

Q And you proposed to complete it in the target formation as best you can. Is that my understanding?

A Yes.

Q To your knowledge, have any deep wells been permitted within three thousand feet of your proposed well since the July 17th unit hearing?

A No. There are no wells permitted within that three thousand foot distance, deep wells, no permitted deep wells.

Q That's fine. I just want the court reporter to catch up. That's all. In your view, if the unit is amended as proposed and the well drilled, would this revised well be economically profitable?

A Yes.

Q Would waste occur?

A With the Commission's requirement, we feel that this is the adequately-sized unit.

Q Okay. And again as compared to conventional wells, is this a far better way to go about producing the reserve in the unit?

A Yes.

Q And could you conventionally drill this unit economically?

A No. You could not. It would require thirty-- The unit size shown there would require more than thirty-five vertical wells, all of which would -- well, besides one of which would then need a spacing setback waiver to be able to drill the subsequent thirty-four.

Q Antero is the same applicant that was here before and continues to operate horizontal wells in West Virginia?

A Yes.

Q And do you ask that Antero be confirmed as operator of the unit?

A I do.

Q With respect to what you proposed here today, if the Commission wishes to re-size the unit after the well is drilled, would Antero consider a smaller unit if that was what the Commission wanted?

A Yeah. The reason five hundred foot around the bottom hole location, tangent point and surface location, was chosen is that wells can slightly deviate from original plan as they drill down in the vertical and in the horizontal. So we wanted to ensure that we are a minimum of four hundred feet around our unit.

MR. PATTERSON: I have no further questions for this witness at this time.

1 CHAIRMAN LAY: Questions from the Commission?
2 COMMISSIONER GUM: Not for me.
3 MR. MARTIN: I do. I'm not sure you're the
4 right person to ask this, because I just remember, the
5 ownership of the unit.
6 MR. PATTERSON: That would be Mr. Eagleston.
7 CHAIRMAN LAY: I have no questions either. So
8 if there's no other questions, Mr. Patterson, witness may
9 be excused.
10 (Witness excused.)
11 CHAIRMAN LAY: Call your next witness and have
12 them sworn in by the reporter, please.
13 MR. PATTERSON: Call Mr. Hal Hogsett, please.
14 (Witness sworn.)
15 THEREUPON came
16 HAL HOGSETT
17 called as a witness by the Petitioner herein, being first
18 duly sworn according to law, testified as follows:
19 DIRECT EXAMINATION
20 BY MR. PATTERSON:
21 Q Would you state your name, please?
22 A Hal Hogsett.
23 Q And are you the same Hal Hogsett that appeared
24 before this Commission at the prior July 17 hearing?

1 A I am.

2 Q And your job, as I understand it, is as an

3 engineer. And as an engineer, did you make an economic

4 evaluation of the well as proposed here today?

5 A I did.

6 Q I showed you a piece of paper. It's marked

7 Exhibit 13. I'm going to need to change that 'cause

8 that's from the prior hearing.

9 CHAIRMAN LAY: Is this the same exact document

10 that was--

11 MR. PATTERSON: No. It is not. What number are

12 we on?

13 CHAIRMAN LAY: I believe 23.

14 (WHEREUPON, said document was

15 identified as Deposition Exhibit

16 No. 24 and was received in evidence.)

17 BY MR. PATTERSON:

18 Okay. I've written August 8, Exhibit 24, on the one

19 I have given to the court reporter so that we can keep

20 them straight. Mr. Hogsett, did you prepare this exhibit?

21 A I did.

22 Q Would you please tell us essentially what it

23 shows?

24 A So this is the same format of the document I

presented last time but just incorporates the changes both to the unit and to the lateral length.

So with a lateral length of 6,391, Pursley Unit 2HD would develop 172 acres now, require just shy of fifteen million dollars, an internal rate of return of twenty-three percent and produce roughly 2.4 Bcf of gas, about a thousand Btu gas per thousand foot of lateral at 15.2 Bcf otherwise below. Very similar metrics but slight differences.

(WHEREUPON, said document was identified as Exhibit No. 25 and was received in evidence.)

BY MR. PATTERSON:

Q I'm passing out another piece of paper. Would you please identify that one?

A Me?

Q Yes.

A This says Authority for Expenditure, AFE, for the Pursley 2HD. Again, very similar. There were some updates we made to some of the flow-back costs to the well. It went from 14.8 million dollars to 14.9 million dollars.

Q What's the reason for the change, sir?

A We made some-- We made some changes to -- on

1 the completion section for some of the flow-back. We
2 expected it would take a little bit longer to flow back
3 the well and cost a little bit more.
4 Q Okay. At the prior hearing, there were some
5 questions about what we called science expenditures at
6 that hearing. As I understand it, the applicant has said,
7 if someone gets forced in, there would be some
8 expenditures drilling this well that maybe you wouldn't
9 necessarily have if you drilled a development well.
10 If you would, would you go through and tell us
11 what those expenditures might be?
12 A Absolutely. So the term, science, for this
13 well, we're going to do a few things that we wouldn't do
14 on a subsequent development well and identify those both
15 in the drilling and completion costs. But the majority of
16 it is a logging and coring and then the time to accomplish
17 those tasks.
18 So the drilling day work would be more expensive
19 for this well. Estimate subsequent development well, we
20 would save about a million dollars on the drilling cost
21 and about five hundred thousand dollars on the completion
22 cost.
23 Q With respect to line items, are those line items
24 in the account column? Can you go through and identify

for me -- with me, if you will, Account 830/100? Is that one where a development well might not cost quite as much?

A That is correct. So that's our contract rig to drill the well. We would have to have that rig on location for a longer period of time. So that would be reduced as well as-- Do you want me to just walk down the--

Q Yes. I do want you to. Let me slow down just a minute. You're saying that drilling the well and retrieving the science information, as you propose to do, would take just a little bit longer than drilling a development well. And that's the reason this well may cost just a little bit more?

A That's part of the reason.

Q Okay. If you would, maybe direct your attention to some other accounts. Please take your time.

A So a little further than halfway down, 832/90 is coring and core analysis. We would have that in any of the subsequent wells.

The open hole logs would be greatly reduced. That's 833/50. Let's see. That's the majority of the drilling case where we would save on a subsequent well.

And then we are also running some tracer logs in the frac stimulation, and that's going to be on line

841/30 and 841/35. We'd save about five hundred thousand dollars on some of the quote/unquote science that we're doing in the completion portion.

Q And basically, should the Commission rule that other items wouldn't be appropriate in a development well, would Antero require someone forced in to pay their share of that?

A No.

Q In your view, would the well be economic?

A The well would be economic with both this AFE and, obviously, with the reduced well cost as well.

Q So in your view, waste would not occur if the Commission permitted this well to be drilled?

A Correct.

Q And correlative rights would be protected as well?

A Yes.

MR. PATTERSON: That's all the questions I have for this witness.

CHAIRMAN LAY: Questions for the Commission?

COMMISSIONER GUM: No, not for me.

COMMISSIONER RADABAUGH: Not for me.

EXAMINATION

BY COMMISSIONER MARTIN:

1 Q Chairman, I just want to make sure I'm looking
2 at this right. This was the first exhibit you spoke to.
3 You produced lateral length from approximately 6630 to
4 6391. Is that right?
5 A Correct.
6 Q Your acres have increased. Is that what I'm
7 looking at?
8 A That is correct. So we, as Mr. Wood testified,
9 we had to shrink the lateral length. In the previous
10 hearing, we had asked for a variance in order to
11 accommodate the four hundred foot setbacks. We both had
12 to reduce the lateral length as well as increase the unit
13 itself.
14 CHAIRMAN LAY: Other questions? Okay. I have
15 no questions. Witness may be excused if there's no other
16 questions.
17 (Witness excused.)
18 CHAIRMAN LAY: Call you next witness and have
19 him sworn.
20 MR. PATTERSON: Antero calls Mr. Houston
21 Eagleston to the stand.
22 (Witness sworn.)
23 THEREUPON came
24 HOUSTON EAGLESTON

1 called as a witness by Petitioner herein, being first duly
2 sworn according to law, testified as follows:
3 DIRECT EXAMINATION
4 BY MR. PATTERSON:
5 Q Would you state your name for the record?
6 A Houston Eagleston.
7 Q And are you the same Houston Eagleston who
8 testified at the July 17 hearing?
9 A Yes.
10 Q And you are a Landman with the Applicant,
11 Antero. Is that correct?
12 A Yes.
13 Q Now, we've submitted a different unit here, and
14 I would like to ask you about changes from really the
15 initial amended case in K. I'm passing out what was
16 titled Leased Owners and ask that it be marked Exhibit 26.
17 (WHEREUPON, said document was
18 identified as Exhibit No. 26
19 and was received in evidence.)
20 BY MR. PATTERSON:
21 Q Exhibit 26, would you take a look at it and tell
22 us what might be different about this exhibit than the
23 prior exhibit?
24 A So compared to the prior exhibit, we have--

1 Since the time of the first application was filed, we have
2 a security lease from Ronald Dieterich.
3 So his .4 acres is accounted for in this unit.
4 That was noted in the last hearing, that we did have a
5 lease prior to that hearing.
6 We have also increased the amount of acreage
7 associated with tract No. 4-8-54 as well as tract No.
8 4-8-5, et al. These tracts were-- More acreage was
9 included to account for the setbacks that's required by
10 statute.
11 Q Okay. If I will, I think maybe at some point
12 you also picked up a lease from Mrs. Fout. She was
13 previously indicated as not leased. She is leased now?
14 A Yes, sir.
15 Q And so this exhibit of Leased Owners does not
16 show Ms. Fout?
17 A This exhibit does show Ms. Fout as leased.
18 Q Oh, okay. There is Ms. Fout. I'm sorry.
19 A So her interest would-- The interest to Waco
20 Oil and Gas does assign a percentage interest in that
21 tract.
22 Q Okay. The amount of property in the unit from
23 tracts have changed slightly, but have any of the tracts
24 changed?

A No, sir.

Q So are all the same tracts involved in this unit as were involved in the previous unit?

A Yes. All the same tracts as well as all the same owners.

Q And so there are no new owners in the unit that were not involved in the prior proceeding either as leased or unleased?

A Correct. There are no new owners.

MR. PATTERSON: Okay. We are up to 27.

(WHEREUPON, said document was identified as Exhibit No. 27 and was received in evidence.)

BY MR. PATTERSON:

Q Now I'll show you a list of the unleased owners as we appear here today, which is 27. I'd ask you if you would identify that exhibit, please.

A This exhibit tells a list of all the owners at this point in time that are unknown and who would be pooled into the unit under this application. All of these owners are associated with the missing and unknown heirs of Nevin Porter, which interest is subject to a missing and unknown owner's petition currently.

Q And is that the same missing and unknown owner's

1 case that you referred to in your prior testimony?
2 A Yes.
3 Q With respect to that case, has anything occurred
4 since the last hearing?
5 A We did have our initial hearing Wednesday,
6 August 6th, in front of Judge Hummel, Circuit Court of
7 Tyler County. He ruled--
8 He postponed the hearing and asked that the
9 shallow well operators be brought in so that they may have
10 a say in any rulings that he may make. So that hearing
11 date has been postponed.
12 Q So now your original estimate was you had hoped
13 to have it done in a couple of months. Would that still
14 be your testimony today?
15 A No, sir. At this point in time, we do not know
16 when it will be concluded.
17 Q Has anything been scheduled in that case as we
18 sit here?
19 A No, sir.
20 Q Do you have to join additional parties and
21 essentially start over?
22 A Yes.
23 Q With respect to this list of heirs, there is one
24 party that has showed up and claimed to be an heir of

1 Nevin Porter, is there not?

2 A Yes. A Mr. Charles Copeland.

3 Q And he's the same Charles Copeland that

4 consented to the unit previously?

5 A Yes.

6 Q And Mr. Copeland still consents to the formation

7 of the unit. He just hopes he owns a share?

8 A Yes.

9 (WHEREUPON, said document was

10 identified as Exhibit No. 28 and was

11 received in evidence.)

12 BY MR. PATTERSON:

13 Q Okay. I ask that you take a look at the next

14 exhibit. And if you would, identify that, please.

15 A This is the exhibit we refer to as a Tract

16 Participation exhibit. This is a breakdown of all of the

17 surface parcels that will be included in this unit and

18 their proportion of the unit.

19 Q And essentially, again, is it the same tracts

20 that would have been on a previous tract participation

21 agreement?

22 A Yes. They're all the exact same tracts. The

23 only change would be the amount of acreage attributed to

24 the Robert D. Nalley and Virginia Nalley tract as well as

1 the Paul Leon Wells, et al. one.

2 (WHEREUPON, said document was

3 identified as Exhibit No. 29 and was

4 received in evidence.)

5 BY MR. PATTERSON:

6 Q Okay. I show you another one. He's looking at

7 28. Is that correct?

8 A Yes.

9 Q As a result of the additional time necessary to

10 prosecute the missing and unknown owners petition, does

11 Antero request a modification with respect to the

12 percentage of interest be escrowed pending ultimate

13 outcome of that case?

14 A Yes. We request a-- We request the Commission

15 allow us to escrow a reasonable bonus amount attributed to

16 that lease.

17 Q The Commission was interested in the amount of

18 royalty that Antero has been paying for the area of the

19 unit at the last hearing.

20 A Yes.

21 Q And I had suggested that the best time to take

22 that up would be when we found out whether or not there

23 was going to be anybody that needed to have a lease. But

24 the Commission seemed to want to inquire, so I ask you.

1 Have you made any investigation with regard to that
2 matter?
3 A Yes. In preparation for this hearing, I
4 examined a one-mile radius around the Starkey Farm, being
5 that tract associated with the missing and unknown heirs
6 that would be escrowed.
7 In that one-mile radius, we pulled approximately
8 one hundred and thirty leases. We found that all of these
9 leases were leases that have been taken by Antero
10 Resources. And the average bonus per acre paid was
11 approximately thirty-four hundred dollars per acre as well
12 as a little under seventeen percent royalty.
13 Q And Exhibit 29, is that what's in front of you?
14 A Yes, sir.
15 (WHEREUPON, said document was
16 identified as Deposition Exhibit
17 No. 29 and was received in evidence.)
18 BY MR. PATTERSON:
19 Q And Mr. Eagleston, the piece of paper in front
20 of you which is distributed to the Commission and marked
21 as 29, does it reflect the results of your review of
22 Antero leases?
23 A Yes.
24 Q And you prepared that or it was prepared under

1 your direction and control?
2 A I prepared it myself.
3 Q Okay. Now, when Antero takes the lease, does
4 that lease normally reflect a deduction from royalty of
5 post-production costs?
6 A Yes. All of our leases allow for some sort of
7 deduction for post-production cost.
8 Q And I put a piece of paper in front of you which
9 I'd ask be marked as Exhibit 30. And what is that piece
10 of paper?
11 A The piece of paper in front of you is our
12 standard form oil and gas lease agreement that the
13 majority of all of our leases are substantially in the
14 form of.
15 Q So there may be some little bit of modification,
16 but generally that's the form?
17 A Yes, sir.
18 COMMISSIONER RADABAUGH: Exhibit 30?
19 MR. PATTERSON: Yes, sir.
20 (WHEREUPON, said document was
21 identified as Exhibit No. 30 and was
22 sealed and received in evidence.)
23 BY MR. PATTERSON:
24 Q I see this lease form calls for twelve and a

half percent royalty, but your testimony, as I understand it, was the average royalty was slightly less than seventeen percent?

A Correct. And I would direct you to the exhibit that allows for the appropriate place to put in the correct amount of royalty.

Q So on the back, there's an amendment. Is it fair to say you start at twelve and a half percent and negotiate from there?

A Yes.

Q Is it also fair to say that the larger tracts Antero may be willing to pay a little larger royalty?

A Yes.

Q Okay. Now, you testified as to bonus. If you would, describe to the Commission what bonus is.

A Bonus consideration would be an up-front consideration in exchange for the execution of an oil and gas lease agreement.

Q And how long a term would that normally pre-pay?

A All of our leases are five years. The majority of them contain also a five-year option to extend provided we provide the exact -- tender the same bonus consideration at the end of that term.

Q Okay. So for the up-front money, you're getting

1 a five-year term?
2 A Yes.
3 Q Now, with respect to the missing and unknown
4 heirs, do they have a large tract?
5 A Yes. They own a fifty percent interest in a
6 hundred and seventy-four acre tract.
7 Q In comparison to the larger amounts you've paid,
8 is that a large tract or is that a normal tract or a small
9 tract?
10 A That would be normal to a little larger tract,
11 but nothing that would constitute a substantial deviation
12 from our average bonus or average royalty.
13 Q In Antero's view. So basically, Antero's
14 position is the missing people would fall about the
15 average?
16 A Yes, sir.
17 Q Because of the size of the tract?
18 A Yes.
19 Q And the missing interest is not the full
20 ownership interest?
21 A No, sir.
22 Q And the other half of that, that's been
23 subleased to Antero. Is that correct?
24 A Yes.

1 MR. PATTERSON: I'd ask that Exhibit 29 be
2 accepted as a confidential exhibit by the Commission. It
3 essentially contains trade secrets. Mr. Eagleston is
4 prepared to answer cross-examination on any of the matters
5 contained in the exhibit or anything else, obviously, the
6 Commission wants to do.
7 But I would ask that it be held by the
8 Commission as a confidential exhibit. Essentially, the
9 substance of his testimony is-- And the Commission can
10 decide.
11 CHAIRMAN LAY: Now, which exhibit were you
12 asking about Mr. Patterson? Is it the summary sheet for
13 the lease term? Which one were you asking?
14 MR. PATTERSON: No. The summary sheet, not the
15 lease itself.
16 CHAIRMAN LAY: Okay. Can we have a moment to
17 caucus?
18 (WHEREUPON, a discussion was
19 had off the record.)
20 CHAIRMAN LAY: Mr. Patterson, based upon your
21 request to seal Exhibit No. 29, Commission grants that
22 motion. This exhibit will be sealed to access only to
23 members of the Commission and be excluded from all other
24 informational requests as a trade secret.

1 MR. PATTERSON: While the Commission was
2 considering that motion, we wanted to make sure we had the
3 revised plat in and an identified number. I think the
4 court reporter has a copy. This one is the same one. I'd
5 like to get a little testimony on that.
6 (WHEREUPON, said document was
7 identified as Exhibit No. 31 and was
8 received in evidence.)
9 BY MR. PATTERSON:
10 Q I show you what's been marked as Exhibit 31.
11 Would you please identify that document?
12 A This will be the survey plat depicting the unit
13 that would be associated with the Pursley Unit 2HD.
14 Q And how many acres, approximately, in that unit?
15 A 172.4.
16 Q So this is the modified unit as you request
17 today?
18 A Yes.
19 Q And that's the survey plat of the modified unit?
20 A Yes.
21 Q And it's signed by a surveyor?
22 A Yes.
23 Q Okay. If you would, return that to the court
24 reporter.

A (Witness complies.)

Q Now, with respect to the surface location for the modification that we're requesting here today, is that the same surface location essentially, generally, that was before?

A Yes.

Q And so is there a surface owner separate consent and easement that has been filed in this case?

A Yes.

Q And so Antero has, in addition to its lease, a separate consent from the surface owner in order to drill this well?

A Yes.

Q Now, Exhibit B, which was originally submitted, was a topo map, Exhibit B to the Application. Has that topo map changed?

A No.

Q And Exhibit C to the Amended Application that we proceeded to hearing on July 17 with respect to the affected owners, Exhibit C, would that change?

A No.

Q And there's no change to the adjoining operators, Exhibit D of the Application?

A No. That was associated with a three thousand

1 foot buffer around the lateral, and our lateral's been
2 shorted. There are no new adjoining owners.
3 Q And Exhibit E is the surface owner consent and
4 easement that you testified to previously?
5 A Yes.
6 Q And that has not changed?
7 A Yes. Or, no, it has not changed. I apologize.
8 Q Now, we talked about escrow. We went through
9 your average royalties being slightly less than seventeen
10 percent. Does the Applicant have a request with respect
11 to what should be escrowed pending determination of right
12 unsettled rights?
13 A Yes. We requested a reasonable bonus amount be
14 escrowed.
15 Q Okay. And if the Commission also required the
16 payment of royalty as the well produced, would that be
17 acceptable to Antero as well?
18 A Yes. It would.
19 Q But with respect to those interests that are
20 challenged as opposed to the whole well?
21 A Correct.
22 Q So for instance, existing royalty owners would
23 be paid?
24 A Correct.

Q And operators would not receive the full production from the well, obviously, because part of it would be escrowed. Except for the escrow, operators could be paid provided that the unleased interest, the unsettled right claimants' monies were escrowed?

A Yes. That is correct.

Q Obviously, it's up to the Commission as to how they'd like to do this, but that's Antero's request?

A That is Antero's request.

MR. PATTERSON: Now, I would have no further questions of this witness at this time.

CHAIRMAN LAY: Questions from the Commission?

EXAMINATION

BY COMMISSIONER MARTIN:

Q Question on the surface location. Mr. Patterson asked you, I think, or phrased the question that surface location generally hasn't changed. You said it hasn't changed.

A It has not changed. Correct.

Q According to the plat, it hasn't changed at all in terms of the actual spot on the ground.

A That's true.

EXAMINATION

BY CHAIRMAN LAY:

1 Q I have one question. Well, I shouldn't say one.
2 I may have more. With regard to-- In addition to what we
3 have agreed to hold as confidential as far as terms for
4 monetary bonus and royalties, were there any leases that
5 you found in your evaluation that did not include a post-
6 production deduction clause within the lease?
7 A No. All of our leases allowed for the deduction
8 of post-production costs.
9 Q Under these terms that you presented in this oil
10 and gas lease exhibit?
11 A Yes.
12 Q Same language?
13 A Yes, substantially.
14 Q Substantially same language or substantially?
15 A Yes.
16 Q What's the difference?
17 A Some of the leases may contain language that
18 allow for the deduction of some costs and not other costs,
19 but some leases-- They allow for deduction of post-
20 production costs, however, some people may have negotiated
21 that costs A and B not be deducted, but C three--
22 As long as they're associated with improving
23 the-- Essentially, as long as they're associated with
24 improving the final value of the prices they receive,

1 we're allowed to deduct the cost.

2 Q Give me an example.

3 A Processing charges.

4 Q They were allowed or they were denied?

5 A They were allowed as they enhance the total

6 value that the royalty owner would receive from what was

7 produced.

8 Q So under the terms of that particular lease, you

9 would only be allowed to deduct gas processing, liquids

10 removal and marketing of those liquids. Is that a fair

11 statement?

12 A And costs associated with that, yes.

13 Q And costs associated with that. Your evaluation

14 was limited to within a one mile radius. If you were to

15 conduct an analysis, say, on a twenty-five mile radius,

16 would you find essentially the same type of results with

17 regard to your bonus and royalties?

18 A We would actually find a lower royalty and a

19 lower bonus. This investigation was skewed on the high

20 end due to a five hundred and fifty acre negotiation that

21 occurred at four thousand dollars an acre and twenty

22 percent.

23 CHAIRMAN LAY: Okay. I have no further

24 questions.

1 MR. PATTERSON: I have no further questions of
2 this witness.
3 CHAIRMAN LAY: Witness may be excused.
4 (Witness excused.)
5 CHAIRMAN LAY: Do you have any further
6 witnesses?
7 MR. PATTERSON: No. I do not, Mr. Chairman.
8 I'd like to make one little brief argument.
9 CHAIRMAN LAY: Okay.
10 MR. PATTERSON: I continue to contend that the
11 appropriate manner, and respectfully-- Obviously, you're
12 the Commission. The appropriate way to go about this is
13 to make an escrow of some sort. Then when that missing
14 owner's case is over, then the rights of those parties
15 will be determined.
16 Let's assume, for example, Mr. Charles
17 Copeland claims to be an owner. We're aware of his claim.
18 We didn't testify much about it, but we actually came to
19 terms with him with the lease. But because his ownership
20 wasn't verified, right now we don't have a lease for Mr.
21 Copeland.
22 He may elect to participate in the well,
23 and he has that right under the statute. Or he may elect
24 to lease. So we would submit that the escrow would be

1 appropriate to protect his interests but that he be
2 permitted to make an election that he retain that right if
3 it's determined that he's an owner.
4 That way the owners in this case-- He's
5 not missing. He's not unknown. It's just the question of
6 whether or not he is an owner that's at issue. He is an
7 heir of Mr. Nevin Porter, but his great-grandfather
8 conveyed the property away. So did he get something from
9 an aunt or uncle? And that's what's going to be
10 determined in that Circuit Court case.
11 But if it is determined he got something
12 from an aunt or uncle, he's an owner. So I would ask that
13 the Commission let him exercise his option at that point
14 that that determination is made.
15 And obviously, if an escrow is providing a
16 royalty, assuming that that's appropriate-- He has
17 already agreed to the terms of the lease. If the
18 Commission decides a royalty escrow is an appropriate
19 measure, then that's an appropriate measure.
20 We would ask that the escrow relate to the
21 unsettled claim and not be one hundred percent of the well
22 proceeds. If it please the Commission, we'd be grateful
23 on that point.
24 CHAIRMAN LAY: Let me make sure that I-- I'm

1 not sure that I understand what you're asking. You're
2 asking that the Commission-- See if this is correct.
3 You're asking the Commission preserve the right of a party
4 subject to your circuit court case to preserve his
5 election at such time as he is deemed to be an heir.
6 MR. PATTERSON: Right.
7 CHAIRMAN LAY: Whether it be him or other
8 parties or whoever.
9 MR. PATTERSON: Right. When that case is over,
10 we will notify you and let you know if there is any
11 problem. Our anticipation is that he'll sign another
12 lease if he's an owner, and that'll be determined.
13 And if he doesn't-- If he is not an owner,
14 then the entire purpose of that proceeding is for the
15 circuit court to lease it to us, to Antero. So the
16 circuit court will approve the lease. There are very many
17 of those cases going on today, and Antero has acquired
18 several leases as a result of that.
19 It's not uncommon in those counties to find
20 a great number of missing and unknown heirs. So that's
21 where we are on this case. And if the Commission lets us
22 proceed, they can drill. The interest of those who might
23 be forced be protected by the escrow, and they continue to
24 be afforded their rights under the statute.

1 You know, certainly it's going to be over
2 at some reasonable period of time, but it won't be over
3 tomorrow. It may take a year or so for that to happen.
4 But this would preserve both safety for the missing and
5 unknown owners and preserve the missing and unknown
6 owners' rights. I ask that the Commission consider that
7 as an alternative.
8 CHAIRMAN LAY: Anything else from Mr. Patterson?
9 MR. PATTERSON: Not at this time.
10 CHAIRMAN LAY: That being the case, we have had
11 a request by Mr. Tuttle. Is that correct?
12 MR. TUTTLE: Yes, on behalf of Mr. Zechman.
13 CHAIRMAN LAY: Mr. Tuttle, are you an interested
14 party in this?
15 MR. TUTTLE: Not in the unit. I shared with you
16 at the beginning of my comments on behalf of Mr. Zechman.
17 CHAIRMAN LAY: Okay. So you have no other
18 evidence to offer in this matter?
19 MR. TUTTLE: No.
20 CHAIRMAN LAY: Ms. Hoke, do you have evidence to
21 offer in this matter?
22 MS. HOKE: No. I'm an interested party but not
23 connected to that unit.
24 CHAIRMAN LAY: So neither one of you have

1 additional evidence you'd like to offer on behalf of this
2 particular hearing?
3 MR. TUTTLE: Correct.
4 CHAIRMAN LAY: Very well. That being the case--
5 MR. PATTERSON: Want to kick us out?
6 CHAIRMAN LAY: Yes. I would like to kick you
7 out. We'll go off the record, please.
8 (WHEREUPON, a recess was had.)
9 CHAIRMAN LAY: Let's go back on the record. Do
10 we have a motion?
11 COMMISSIONER RADABAUGH: I have a motion. I
12 make a motion to allow Antero to set up an escrow account
13 for the unleased, unlocate-able persons. Any person
14 decided by the circuit court to be an owner shall have the
15 right to make an election for participation within thirty
16 days of notice from the company.
17 If someone would go non-consent, the
18 Commission shall audit the total costs and exclude the
19 science costs. Compensation awarded to those parties in
20 the escrow account will be the maximum bonus amount paid
21 per net acre, the maximum royalty amount also allowed by
22 Antero within a ten-mile radius.
23 For post-production costs and taxes
24 deducted from royalties, Antero shall refer to the lease

which has the most favorable terms concerning these deductions within the same ten-mile area.

CHAIRMAN LAY: We have a motion. Do I have a second?

COMMISSIONER GUM: I would like to second that motion.

CHAIRMAN LAY: Any further discussion on the motion? All in favor of the motion, aye. Opposed, nay. Motion carried. Mr. Patterson, your relief is granted.

(WHEREUPON, a motion was made and passed.)

MR. PATTERSON: Okay. What about the different size of the unit? The motion didn't address the revised unit size.

COMMISSIONER RADABAUGH: Oh, the hundred and seventy-two acres?

MR. PATTERSON: Yes, sir.

COMMISSIONER RADABAUGH: Okay. Give me another motion.

COMMISSIONER RADABAUGH: I'll make a motion to accept the amendment of the unit size that has now been expanded to a hundred and seventy-two acres from 157.51 acres.

CHAIRMAN LAY: I have a motion.

1 COMMISSIONER GUM: And I would second that
2 motion, Mr. Chairman.
3 CHAIRMAN LAY: Discussion on the motion? All
4 those in favor, aye. Opposed, nay. Motion carried.
5 (WHEREUPON, the motion was made
6 and passed.)
7 MR. PATTERSON: One more thing. I don't know if
8 I let the record reflect I wanted the exhibits admitted.
9 If not, I'd like the exhibits admitted.
10 CHAIRMAN LAY: The exhibits will be admitted.
11 However, Exhibit 29 shall be sealed.
12 MR. PATTERSON: Thank you.
13 COMMISSIONER RADABAUGH: Should I make an
14 amendment to that?
15 CHAIRMAN LAY: Just to reflect that the final
16 unit size will be 172.4 acres.
17 MR. PATTERSON: Thank you.
18 CHAIRMAN LAY: I think also for clarification
19 it's our intent that you escrow all funds attributable to
20 the unknown parties until such time, whether it be bonus
21 royalties, post-production costs, all those costs.
22 Otherwise, all other provisions under our last order
23 pertaining to escrows is extinguished.
24 MR. PATTERSON: Thank you very much.

1 CHAIRMAN LAY: Anything further?

2 MR. PATTERSON: Not at this time.

3 CHAIRMAN LAY: Okay. That being the case, we'll

4 go off the record -- or close the record, I should say.

5 Thank you.

6 (WHEREUPON, the hearing was adjourned.)

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REPORTER'S CERTIFICATE

STATE OF WEST VIRGINIA

COUNTY OF KANAWHA, to wit:

I, BONNIE K. WOLFE, Certified Court Reporter and Notary Public of West Virginia, do hereby certify that the foregoing is, to the best of my skill and ability, a true and accurate transcript of all the proceedings as set forth in the caption hereof.

Given under my hand this 13th day of August, 2013.

My commission expires October 21, 2014.

Bonnie K. Wolfe

Certified Court Reporter

Official Seal
Notary Public, State of West Virginia
Bonnie K. Wolfe
Certified Court Reporter
1211 Ellen Drive
So. Charleston, WV 25303
My Commission Expires October 21, 2014

west virginia department of environmental protection

Oil and Gas Conservation Commission
601 57th Street, SE Charleston, WV 25304
(304)926-0499, Ext 1656

Earl Ray Tomblin, Governor
Barry K. Lay, Chairman
www.wvdep.org

BEFORE THE OIL AND GAS CONSERVATION COMMISSION OF THE STATE OF WEST VIRGINIA

IN THE MATTER OF THE APPLICATION BY ANTERO RESOURCES CORPORATION FOR AN ORDER FROM THE COMMISSION ESTABLISHING A 157.51 ACRE DRILLING UNIT AND POOLING OF UNLEASED TRACTS AND INTERESTS OF OIL AND GAS OWNERS AND OPERATORS WHO HAVE NOT ENTERED INTO VOLUNTARY AGREEMENTS ALLOWING FOR THE DEVELOPMENT AND OPERATION OF THE UNIT, LINCOLN DISTRICT, TYLER COUNTY, WEST VIRGINIA.

DOCKET NO. 229
CAUSE NO. 220

NOTICE OF HEARING

Antero Resources Corporation ("Antero") has requested the Commission review and approve a 157.51 acre drilling unit and pooling of unleased tracts and interests of operators for the development and operation of the unit in Tyler County, West Virginia, pursuant to Chapter 22C-9-7(b).

The matter has been scheduled as stated below:

DATE: July 17, 2014

TIME: 10:00 am

PLACE: Department of Environmental Protection
Oil and Gas Conservation Commission
601 57th Street, SE
Charleston, WV 25304

IN THE NAME OF THE STATE OF WEST VIRGINIA

OIL AND GAS CONSERVATION COMMISSION
OF THE STATE OF WEST VIRGINIA

By: Barry K Lay
Barry K. Lay, Chairman

Dated this 19th day of June, 2014, at Charleston, West Virginia.

Promoting a healthy environment.

Ex. 1

Docket #_____

Certified Mail

Jennie Porter
102 Windy Ghoul
Beaver, PA 15009

91 7108 2133 3938 5385 0575

Hester A. Porter
102 Windy Ghoul
Beaver, PA 15009

91 7108 2133 3938 5385 0551

Mary F. Porter
102 Windy Ghoul
Beaver, PA 15009

91 7108 2133 3938 5385 0568

Edgar W. Porter
102 Windy Ghoul
Beaver, PA 15009

91 7108 2133 3938 5385 0544

Mary K. Porter
102 Windy Ghoul
Beaver, PA 15009

91 7199 9991 7031 5447 1053

Charles N. Porter
102 Windy Ghoul
Beaver, PA 15009

91 7108 2133 3938 5385 0537

Ronald Lee Dieterich
814 Oil Ridge Road
Sistersville, WV 26175

91 7108 2133 3938 5385 0520

Antero Resources Corporation
1615 Wynkoop Street
Denver, CO 80202

91 7108 2133 3938 5385 0513

Raines, Cindy J

From: adlaw@wvsos.com
Sent: Thursday, June 19, 2014 12:28 PM
To: Raines, Cindy J
Subject: Meeting Notice Approval

Your meeting notice has been approved.

You may view it online here.

If you have any questions, please contact our office during normal business hours for assistance.

Ex. 2

Raines, Cindy J

From: Raines, Cindy J
Sent: Thursday, June 19, 2014 12:33 PM
To: Bonnie Wolfe (bonzobon@msn.com)
Subject: OGCC hearing
Attachments: OGCC hearing 7-17-14.pdf

Please confirm receipt.
Thanks,
Cindy

Court reporter
Confirmation

EX 3

Raines, Cindy J

From: NATASHA MORRIS <nmorris@tylerstarnews.com>
Sent: Thursday, June 19, 2014 1:20 PM
To: Raines, Cindy J
Subject: Re[2]: Legal Ad
Attachments: AD-1299.pdf

Here is a proof of your legal any changes just let me know by Friday June 20 by 11:00am Thanks

Natasha Morris
Circulation
phone: 304-652-4141
fax : 304-652-1454

-----Original Message-----
From: "Raines, Cindy J" <Cindy.J.Raines@wv.gov>
To: "NATASHA MORRIS" <nmorris@tylerstarnews.com>
Date: 06/19/14 12:28 PM
Subject: RE: Legal Ad

My apologies....here you are.

From: NATASHA MORRIS [mailto:nmorris@tylerstarnews.com]
Sent: Thursday, June 19, 2014 12:08 PM
To: Raines, Cindy J
Subject: Re: Legal Ad

there is no attachment

Natasha Morris
Circulation
phone: 304-652-4141
fax : 304-652-1454

-----Original Message-----
From: "Raines, Cindy J" <Cindy.J.Raines@wv.gov>
To: nmorris@tylerstarnews.com
Date: 06/19/14 11:55 AM
Subject: Legal Ad

Attached is a legal ad that we are requesting be published as a Class II legal ad. Please confirm receipt.

Thank you,
Cindy Raines

Ex. 4

Raines, Cindy J

From: Raines, Cindy J
Sent: Thursday, June 19, 2014 11:54 AM
To: nmorris@tylerstarnews.com
Subject: Legal Ad

Attached is a legal ad that we are requesting be published as a Class II legal ad. Please confirm receipt.

Thank you,
Cindy Raines

west virginia department of environmental protection

Oil and Gas Conservation Commission
601 57th Street, SE Charleston, WV 25304
(304)926-0499, Ext 1656

Earl Ray Tomblin, Governor
Barry K. Lay, Chairman
www.wvdep.org

June 19, 2014

The Tyler Star News
Post Office Box 191
Sistersville, WV 26175

VIA email to: nmorris@tylerstarnews.com

RE: Class 11 - Legal Advertisement
Docket No. 229-220

Dear Sir:

Please print the enclosed Notice of Hearing as a Class 11 legal advertisement in the Tyler Star News on Wednesday, June 25 and again on Wednesday, July 2, and send affidavit of publication and invoice to me at the address above.

If you should have any questions, please call me at 304-926-0499 ext. 1656

Sincerely,

Cindy Raines

Cindy Raines
Executive Assistant

encl:

101 South Queen Street
Martinsburg, West Virginia 25401

7000 Hampton Center
Morgantown, West Virginia 26505

511 7th Street
Moundsville, West Virginia 26041

501 Avery Street
Parkersburg, West Virginia 26101

Bowles Rice LLP
ATTORNEYS AT LAW

600 Quarrier Street
Charleston, West Virginia 25301

Post Office Box 1386
Charleston, West Virginia 25325-1386
(304) 347-1100

www.bowlesrice.com

6000 Town Center Boulevard, Suite 210
Canonsburg, Pennsylvania 15317

333 West Vine Street, Suite 1700
Lexington, Kentucky 40507

480 West Jubal Early Drive, Suite 130
Winchester, Virginia 22601

May 27, 2014

George A. Patterson III
Telephone — (304) 347-1118
Facsimile — (304) 343-2867

E-Mail Address:
gpatterson@bowlesrice.com

Oil & Gas Conservation Commission
Department of Environmental Protection
Attention: Cindy Raines
601 57th Street
Charleston, WV 25304

Re: 157.51 AC Pursley Unit 2HD Deep Well Unit Amended Application

Dear Cindy:

Please find enclosed an original and two copies of Antero Resource Corporation's Amended Application to form a deep well drilling unit.

Should you have any questions, please feel free to contact me.

Very truly yours,

George A. Patterson III

GAP/adb

cc: Houston Eagleston
Antero Resources Corporation

6125050.1

Ex. 5

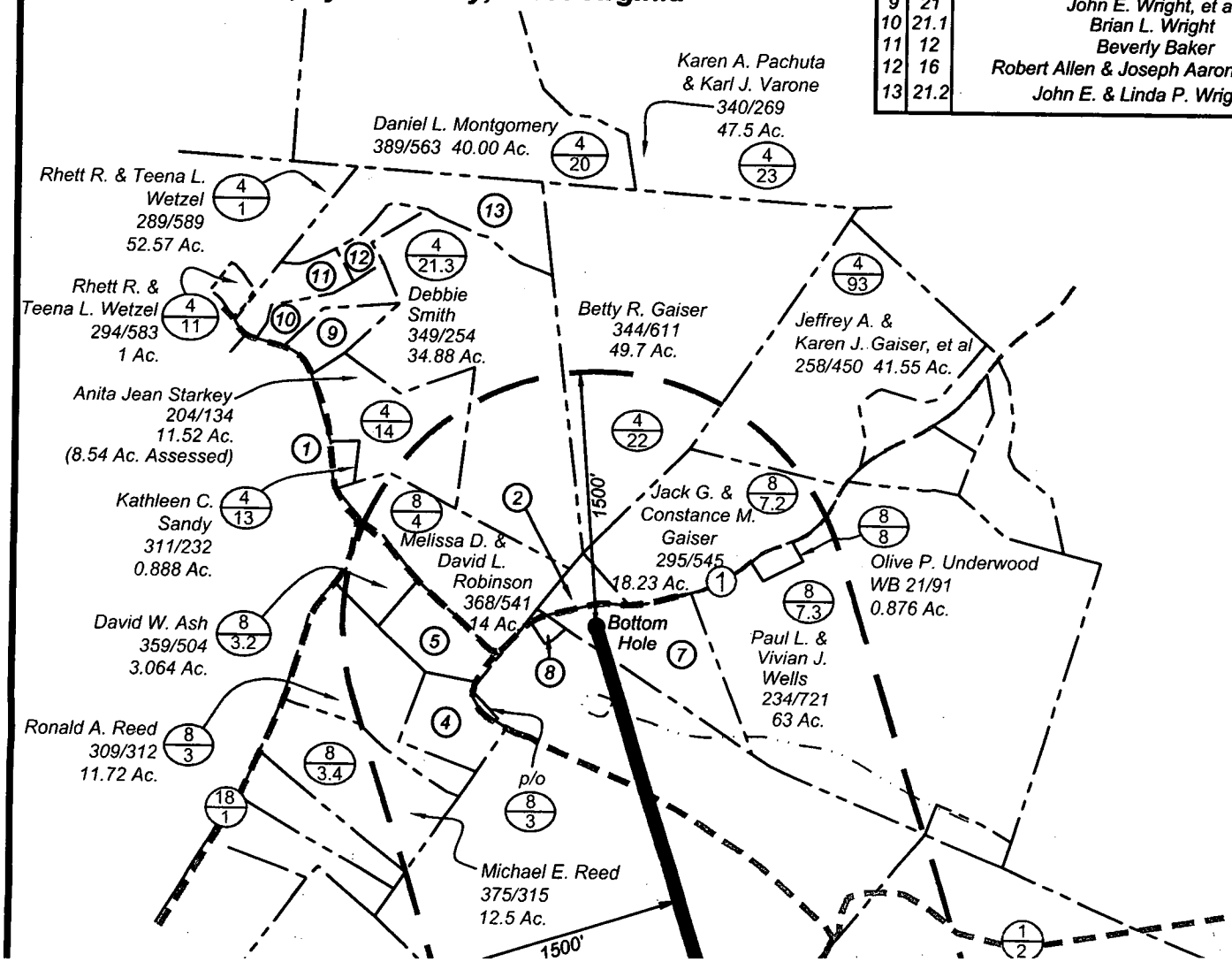
EX. 6

Exhibit Map for Antero Resources Corporation of Well No. Pursley 2HD Surface Owners

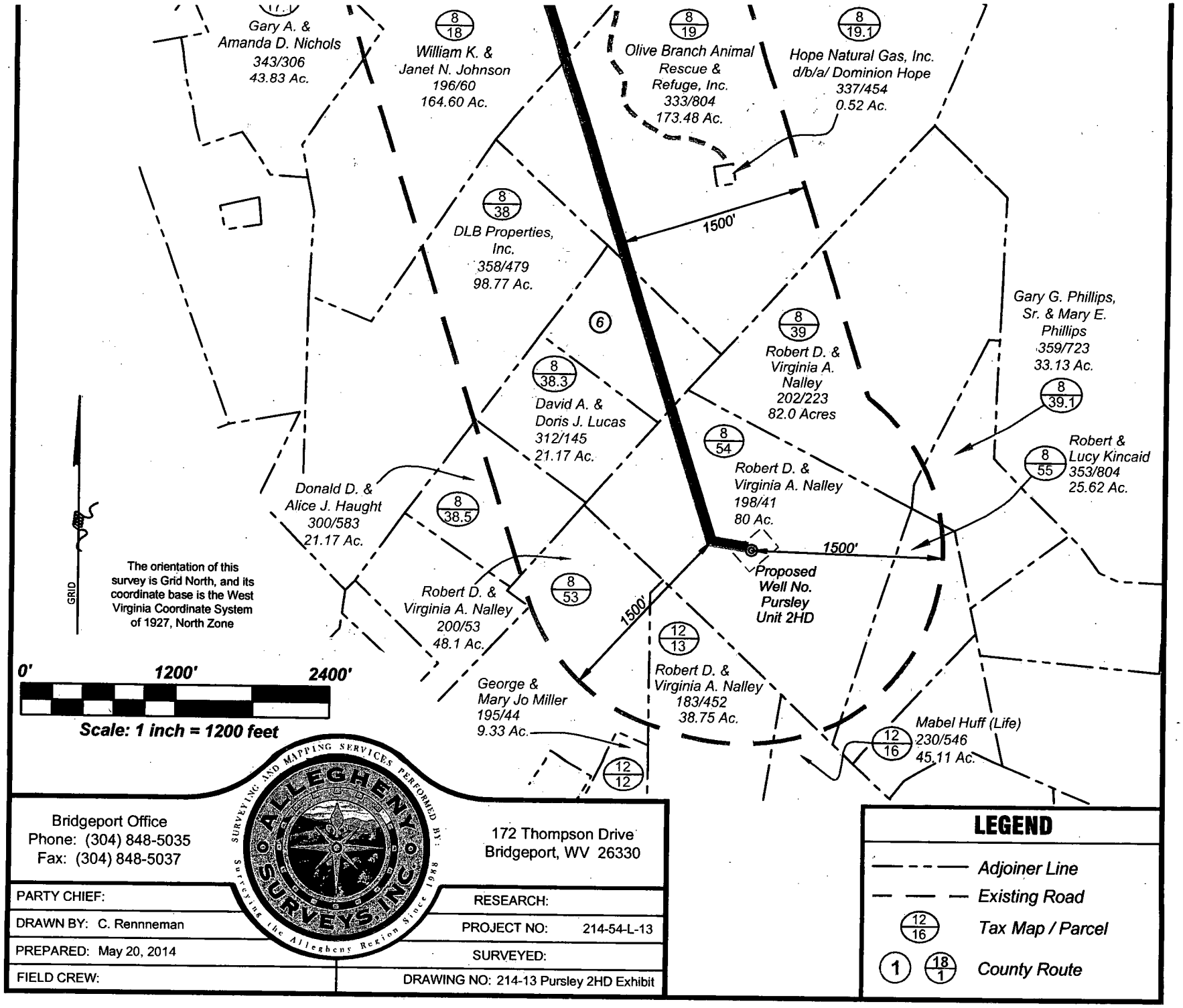
Situate on the waters of Pursley Creek of the Ohio River and along County Routes 1 and 1/2 in Lincoln District, Tyler County, West Virginia

	Tax Map 8 Owners			
	Par.	Owner	Bk. Pg.	Acres
1	2	David W. & Lori J. Ash	349/516	72.57
2	5	Steven E. Smith	320/488	2.12
3	7.2	Jack G. & Constance M. Gaiser	295/545	18.23
4	3.5	Russell J. Blatt II	343/617	4.97
5	3.6	Ronald L, Jr. & Crystal K. Perine	348/222	5.48
6	38.4	Carl W. & Jacqueline M. Woolwine	313/677	21.82
7	7	Gerald E. & Sarah J. Moore	234/689	9.76
8	6	Robert E. & Audrey L. Christy	340/395	0.38

	Tax Map 4 Owners			
	Par.	Owner	Bk. Pg.	Acres
9	21	John E. Wright, et al	344/608	3.02
10	21.1	Brian L. Wright	347/727	2.96
11	12	Beverly Baker	344/608	3.06
12	16	Robert Allen & Joseph Aaron Wayne	208/6	1.90
13	21.2	John E. & Linda P. Wright	347/727	10.91



RECEIVED Office of Oil and Gas MAY 27 2014 WV Department of Environmental Protection



Bridgeport Office
Phone: (304) 848-5035
Fax: (304) 848-5037

ALLEGHENY SURVEYS INC.
SURVEYING AND MAPPING SERVICES PERFORMED BY:
Surveying the Allegheny Region Since 1988

172 Thompson Drive
Bridgeport, WV 26330

PARTY CHIEF:	RESEARCH:
DRAWN BY: C. Rennneman	PROJECT NO: 214-54-L-13
PREPARED: May 20, 2014	SURVEYED:
FIELD CREW:	DRAWING NO: 214-13 Pursley 2HD Exhibit

west virginia department of environmental protection

Oil and Gas Conservation Commission
601 57th Street, SE Charleston, WV 25304
(304)926-0499, Ext 1656

Earl Ray Tomblin, Governor
Barry K. Lay, Chairman
www.wvdep.org

BEFORE THE OIL AND GAS CONSERVATION COMMISSION OF THE STATE OF WEST VIRGINIA

IN THE MATTER OF THE APPLICATION BY ANTERO RESOURCES CORPORATION FOR AN ORDER FROM THE COMMISSION ESTABLISHING A 157.51 ACRE DRILLING UNIT AND POOLING OF UNLEASED TRACTS AND INTERESTS OF OIL AND GAS OWNERS AND OPERATORS WHO HAVE NOT ENTERED INTO VOLUNTARY AGREEMENTS ALLOWING FOR THE DEVELOPMENT AND OPERATION OF THE UNIT, LINCOLN DISTRICT, TYLER COUNTY, WEST VIRGINIA.

DOCKET NO. 229
CAUSE NO. 220

NOTICE OF HEARING

Antero Resources Corporation ("Antero") has requested the Commission review and approve a 157.51 acre drilling unit and pooling of unleased tracts and interests of operators for the development and operation of the unit in Tyler County, West Virginia, pursuant to Chapter 22C-9-7(b).

The matter has been scheduled as stated below:

DATE: July 17, 2014

TIME: 10:00 am

PLACE: Department of Environmental Protection
Oil and Gas Conservation Commission
601 57th Street, SE
Charleston, WV 25304

IN THE NAME OF THE STATE OF WEST VIRGINIA

OIL AND GAS CONSERVATION COMMISSION
OF THE STATE OF WEST VIRGINIA

By: Barry K Lay
Barry K. Lay, Chairman

Dated this 19th day of June, 2014, at Charleston, West Virginia.

Promoting a healthy environment.

west virginia department of environmental protection

Oil and Gas Conservation Commission
601 57th Street, SE Charleston, WV 25304
(304)926-0499, Ext 1656

Earl Ray Tomblin, Governor
Barry K. Lay, Chairman
dep.wv.gov

June 19, 2014

Nancy Fout
1370 Brushy Fork Road
Bridgeport, WV 26330

RE: Offset operators

Dear Ms. Fout:

Please be advised that Antero Resources Corporation has applied to the Oil and Gas Conservation Commission for approval to intentionally deviate a new deep well. The Code of State Regulations Title 39 Section 1.4.10 requires that the Commission notify the offset operators of the applicants' intent to deviate the proposed well. You are receiving this notice because you are listed as an offset operator (unleased mineral owner is also an "offset operator") to the proposed well. A copy of the location plat is enclosed for your review.

An offset operator has **ten days from the date of this letter to file written objection** to the Commissions' granting approval to the proposed deviation. **If you file a written objection; you should be prepared to present the objection at the hearing scheduled on**:

DATE: **July 17, 2014**

TIME: **10:00 am**

PLACE: **WVDEP - Oil and Gas Conservation Commission**
601 57th Street, SE
Charleston, WV 25304
304-926-0499 Ext 1656

If you have any questions you may contact me at (304) 926-0499, extension 1656.

Sincerely,

Cindy Raines

Cindy Raines
Executive Assistant

encl: as stated

Ex. 8

west virginia department of environmental protection

Oil and Gas Conservation Commission
601 57th Street, SE Charleston, WV 25304
(304)926-0499, Ext 1656

Earl Ray Tomblin, Governor
Barry K. Lay, Chairman
dep.wv.gov

June 19, 2014

Catherine Elizabeth Parry Morris
502 S 4th Street, #105
Newport, PA 17074

RE: Offset operators

Dear Ms. Morris:

Please be advised that Antero Resources Corporation has applied to the Oil and Gas Conservation Commission for approval to intentionally deviate a new deep well. The Code of State Regulations Title 39 Section 1.4.10 requires that the Commission notify the offset operators of the applicants' intent to deviate the proposed well. You are receiving this notice because you are listed as an offset operator (unleased mineral owner is also an "offset operator") to the proposed well. A copy of the location plat is enclosed for your review.

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601 57th Street, SE
Charleston, WV 25304
304-926-0499 Ext 1656

If you have any questions you may contact me at (304) 926-0499, extension 1656.

Sincerely,

Cindy Raines

Cindy Raines
Executive Assistant

encl: as stated

west virginia department of environmental protection

Oil and Gas Conservation Commission
601 57th Street, SE Charleston, WV 25304
(304)926-0499, Ext 1656

Earl Ray Tomblin, Governor
Barry K. Lay, Chairman
dep.wv.gov

June 19, 2014

Alvin Parry
35 Grand Avenue
Cumberland, MD 21502

RE: Offset operators

Dear Mr. Parry:

Please be advised that Antero Resources Corporation has applied to the Oil and Gas Conservation Commission for approval to intentionally deviate a new deep well. The Code of State Regulations Title 39 Section 1.4.10 requires that the Commission notify the offset operators of the applicants' intent to deviate the proposed well. You are receiving this notice because you are listed as an offset operator (unleased mineral owner is also an "offset operator") to the proposed well. A copy of the location plat is enclosed for your review.

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PLACE: **WVDEP - Oil and Gas Conservation Commission**
601 57th Street, SE
Charleston, WV 25304
304-926-0499 Ext 1656

If you have any questions you may contact me at (304) 926-0499, extension 1656.

Sincerely,

Cindy Raines

Cindy Raines
Executive Assistant

encl: as stated

west virginia department of environmental protection

Oil and Gas Conservation Commission
601 57th Street, SE Charleston, WV 25304
(304)926-0499, Ext 1656

Earl Ray Tomblin, Governor
Barry K. Lay, Chairman
dep.wv.gov

June 19, 2014

Barbara Jean Parry Coleman
935 S Charlevoix Place
Romney, WV 26757

RE: Offset operators

Dear Ms. Coleman:

Please be advised that Antero Resources Corporation has applied to the Oil and Gas Conservation Commission for approval to intentionally deviate a new deep well. The Code of State Regulations Title 39 Section 1.4.10 requires that the Commission notify the offset operators of the applicants' intent to deviate the proposed well. You are receiving this notice because you are listed as an offset operator (unleased mineral owner is also an "offset operator") to the proposed well. A copy of the location plat is enclosed for your review.

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601 57th Street, SE
Charleston, WV 25304
304-926-0499 Ext 1656

If you have any questions you may contact me at (304) 926-0499, extension 1656.

Sincerely,

Cindy Raines

Cindy Raines
Executive Assistant

encl: as stated

west virginia department of environmental protection

Oil and Gas Conservation Commission
601 57th Street, SE Charleston, WV 25304
(304)926-0499, Ext 1656

Earl Ray Tomblin, Governor
Barry K. Lay, Chairman
dep.wv.gov

June 19, 2014

Shirley Maxine Parry Lee
1640 HC 63
Romney, WV 26757

RE: Offset operators

Dear Ms. Lee:

Please be advised that Antero Resources Corporation has applied to the Oil and Gas Conservation Commission for approval to intentionally deviate a new deep well. The Code of State Regulations Title 39 Section 1.4.10 requires that the Commission notify the offset operators of the applicants' intent to deviate the proposed well. You are receiving this notice because you are listed as an offset operator (unleased mineral owner is also an "offset operator") to the proposed well. A copy of the location plat is enclosed for your review.

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DATE: **July 17, 2014**

TIME: **10:00 am**

PLACE: **WVDEP - Oil and Gas Conservation Commission**
601 57th Street, SE
Charleston, WV 25304
304-926-0499 Ext 1656

If you have any questions you may contact me at (304) 926-0499, extension 1656.

Sincerely,

Cindy Raines

Cindy Raines
Executive Assistant

encl: as stated

west virginia department of environmental protection

Oil and Gas Conservation Commission
601 57th Street, SE Charleston, WV 25304
(304)926-0499, Ext 1656

Earl Ray Tomblin, Governor
Barry K. Lay, Chairman
dep.wv.gov

June 19, 2014

Kaye Davies
10476 E Stanford Circle G-2
Aurora, CO 80015

RE: Offset operators

Dear Ms. Davies:

Please be advised that Antero Resources Corporation has applied to the Oil and Gas Conservation Commission for approval to intentionally deviate a new deep well. The Code of State Regulations Title 39 Section 1.4.10 requires that the Commission notify the offset operators of the applicants' intent to deviate the proposed well. You are receiving this notice because you are listed as an offset operator (unleased mineral owner is also an "offset operator") to the proposed well. A copy of the location plat is enclosed for your review.

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Earl Ray Tomblin, Governor
Barry K. Lay, Chairman
dep.wv.gov

June 19, 2014

Mary Ann Enochs
4680 Sebald Drive
Franklin, OH 45005

RE: Offset operators

Dear Ms. Enochs:

Please be advised that Antero Resources Corporation has applied to the Oil and Gas Conservation Commission for approval to intentionally deviate a new deep well. The Code of State Regulations Title 39 Section 1.4.10 requires that the Commission notify the offset operators of the applicants' intent to deviate the proposed well. You are receiving this notice because you are listed as an offset operator (unleased mineral owner is also an "offset operator") to the proposed well. A copy of the location plat is enclosed for your review.

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Earl Ray Tomblin, Governor
Barry K. Lay, Chairman
dep.wv.gov

June 19, 2014

Sistersville General Hospital
314 S Wells Street
Sistersville, WV 26175

RE: Offset operators

Dear Sir:

Please be advised that Antero Resources Corporation has applied to the Oil and Gas Conservation Commission for approval to intentionally deviate a new deep well. The Code of State Regulations Title 39 Section 1.4.10 requires that the Commission notify the offset operators of the applicants' intent to deviate the proposed well. You are receiving this notice because you are listed as an offset operator (unleased mineral owner is also an "offset operator") to the proposed well. A copy of the location plat is enclosed for your review.

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Earl Ray Tomblin, Governor
Barry K. Lay, Chairman
dep.wv.gov

June 19, 2014

Sistersville Public Library
Wells Street
Sistersville, WV 26175

RE: Offset operators

Dear Sir:

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601 57th Street, SE Charleston, WV 25304
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Earl Ray Tomblin, Governor
Barry K. Lay, Chairman
dep.wv.gov

June 19, 2014

Mary Lou Boston
335 N Wells Street
Sistersville, WV 26175

RE: Offset operators

Dear Ms. Boston:

Please be advised that Antero Resources Corporation has applied to the Oil and Gas Conservation Commission for approval to intentionally deviate a new deep well. The Code of State Regulations Title 39 Section 1.4.10 requires that the Commission notify the offset operators of the applicants' intent to deviate the proposed well. You are receiving this notice because you are listed as an offset operator (unleased mineral owner is also an "offset operator") to the proposed well. A copy of the location plat is enclosed for your review.

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601 57th Street, SE Charleston, WV 25304
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Earl Ray Tomblin, Governor
Barry K. Lay, Chairman
dep.wv.gov

June 19, 2014

Jane Ann Kronsberg
8 Wedgepark Road
Charleston, SC 29407

RE: Offset operators

Dear Ms. Kronsberg:

Please be advised that Antero Resources Corporation has applied to the Oil and Gas Conservation Commission for approval to intentionally deviate a new deep well. The Code of State Regulations Title 39 Section 1.4.10 requires that the Commission notify the offset operators of the applicants' intent to deviate the proposed well. You are receiving this notice because you are listed as an offset operator (unleased mineral owner is also an "offset operator") to the proposed well. A copy of the location plat is enclosed for your review.

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Earl Ray Tomblin, Governor
Barry K. Lay, Chairman
dep.wv.gov

June 19, 2014

Elizabeth Chandler Jenrette
667 Maple Avenue
New Martinsville, WV 26155

RE: Offset operators

Dear Ms. Jenrette:

Please be advised that Antero Resources Corporation has applied to the Oil and Gas Conservation Commission for approval to intentionally deviate a new deep well. The Code of State Regulations Title 39 Section 1.4.10 requires that the Commission notify the offset operators of the applicants' intent to deviate the proposed well. You are receiving this notice because you are listed as an offset operator (unleased mineral owner is also an "offset operator") to the proposed well. A copy of the location plat is enclosed for your review.

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Earl Ray Tomblin, Governor
Barry K. Lay, Chairman
dep.wv.gov

June 19, 2014

George Chandler
2406 Elm Street
Parkersburg, WV 26101

RE: Offset operators

Dear Mr. Chandler:

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Earl Ray Tomblin, Governor
Barry K. Lay, Chairman
dep.wv.gov

June 19, 2014

Trustees of the First Baptist Church
506 Wells Street
Sistersville, WV 26175

RE: Offset operators

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Earl Ray Tomblin, Governor
Barry K. Lay, Chairman
dep.wv.gov

June 19, 2014

Robert McEldowney
286 Baker Lane
Charleston, WV 25302

RE: Offset operators

Dear Mr. McEldowney:

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Earl Ray Tomblin, Governor
Barry K. Lay, Chairman
dep.wv.gov

June 19, 2014

Robert McEldowney
1560 Hampton Road
Charleston, WV 25314

RE: Offset operators

Dear Mr. McEldowney:

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601 57th Street, SE Charleston, WV 25304
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Earl Ray Tomblin, Governor
Barry K. Lay, Chairman
dep.wv.gov

June 19, 2014

Samuel C McEldowney
2406 Elm Street
Parkersburg, WV 26101

RE: Offset operators

Dear Mr. McEldowney:

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Earl Ray Tomblin, Governor
Barry K. Lay, Chairman
dep.wv.gov

June 19, 2014

John McEldowney
RR 3, Box 148C
Bridgeport, WV 26330

RE: Offset operators

Dear Mr. McEldowney:

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June 19, 2014

John McEldowney
6920 Heritage
Charleston, WV 25312

RE: Offset operators

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Earl Ray Tomblin, Governor
Barry K. Lay, Chairman
dep.wv.gov

June 19, 2014

Walter Reitz (heirs)
4825 Woodvale Drive NW
Atlanta, GA 30327

RE: Offset operators

Dear Mr. Reitz:

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Earl Ray Tomblin, Governor
Barry K. Lay, Chairman
dep.wv.gov

June 19, 2014

Thomas Erwin Schneider, Jr
4825 Woodvale Drive, NW
Atlanta, GA 30327

RE: Offset operators

Dear Mr. Schneider:

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Earl Ray Tomblin, Governor
Barry K. Lay, Chairman
dep.wv.gov

June 19, 2014

Edward Reisinger Trust
c/o Paul Mason – Bank of America
600 Grant Street, Suite 4900
Pittsburgh, PA 15129

RE: Offset operators

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Earl Ray Tomblin, Governor
Barry K. Lay, Chairman
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June 19, 2014

Harry Huff
1033 Tyler Highway
Sistersville, WV 26175

RE: Offset operators

Dear Mr. Huff:

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Earl Ray Tomblin, Governor
Barry K. Lay, Chairman
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June 19, 2014

Jennie Porter
102 Windy Ghoul
Beaver, PA 15009

RE: Offset operators

Dear Ms Porter:

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June 19, 2014

Mary Porter
102 Windy Ghoul
Beaver, PA 15009

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Executive Assistant

encl: as stated

west virginia department of environmental protection

Oil and Gas Conservation Commission
601 57th Street, SE Charleston, WV 25304
(304)926-0499, Ext 1656

Earl Ray Tomblin, Governor
Barry K. Lay, Chairman
dep.wv.gov

June 19, 2014

Hester Porter
102 Windy Ghoul
Beaver, PA 15009

RE: Offset operators

Dear Mr. Porter:

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DATE: **July 17, 2014**

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601 57th Street, SE
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304-926-0499 Ext 1656

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Sincerely,

Cindy Raines

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Executive Assistant

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June 19, 2014

Edgar Porter
102 Windy Ghoul
Beaver, PA 15009

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June 19, 2014

Charles Porter
102 Windy Ghoul
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Earl Ray Tomblin, Governor
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June 19, 2014

Ronald Lee Dietrich
814 Oil Ridge Road
Sistersville, WV 26175

RE: Offset operators

Dear Mr. Dietrich:

Please be advised that Antero Resources Corporation has applied to the Oil and Gas Conservation Commission for approval to intentionally deviate a new deep well. The Code of State Regulations Title 39 Section 1.4.10 requires that the Commission notify the offset operators of the applicants' intent to deviate the proposed well. You are receiving this notice because you are listed as an offset operator (unleased mineral owner is also an "offset operator") to the proposed well. A copy of the location plat is enclosed for your review.

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Earl Ray Tomblin, Governor
Barry K. Lay, Chairman
dep.wv.gov

June 19, 2014

Thomas Wright
5838 Valleyway Court
Cincinnati, OH 44124

RE: Offset operators

Dear Mr. Wright:

Please be advised that Antero Resources Corporation has applied to the Oil and Gas Conservation Commission for approval to intentionally deviate a new deep well. The Code of State Regulations Title 39 Section 1.4.10 requires that the Commission notify the offset operators of the applicants' intent to deviate the proposed well. You are receiving this notice because you are listed as an offset operator (unleased mineral owner is also an "offset operator") to the proposed well. A copy of the location plat is enclosed for your review.

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Earl Ray Tomblin, Governor
Barry K. Lay, Chairman
dep.wv.gov

June 19, 2014

Joanna Rini
1437 Genessee Avenue
Mayfield Heights, OH 44124

RE: Offset operators

Dear Ms. Rini:

Please be advised that Antero Resources Corporation has applied to the Oil and Gas Conservation Commission for approval to intentionally deviate a new deep well. The Code of State Regulations Title 39 Section 1.4.10 requires that the Commission notify the offset operators of the applicants' intent to deviate the proposed well. You are receiving this notice because you are listed as an offset operator (unleased mineral owner is also an "offset operator") to the proposed well. A copy of the location plat is enclosed for your review.

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Cindy Raines
Executive Assistant

June 19, 2014

west virginia department of environmental protection

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Earl Ray Tomblin, Governor
Barry K. Lay, Chairman
dep.wv.gov

Jeanette W Lee
460 West Virginia Avenue
Morgantown, WV 26505

RE: Offset operators

Dear Ms. Lee:

Please be advised that Antero Resources Corporation has applied to the Oil and Gas Conservation Commission for approval to intentionally deviate a new deep well. The Code of State Regulations Title 39 Section 1.4.10 requires that the Commission notify the offset operators of the applicants' intent to deviate the proposed well. You are receiving this notice because you are listed as an offset operator (unleased mineral owner is also an "offset operator") to the proposed well. A copy of the location plat is enclosed for your review.

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Earl Ray Tomblin, Governor
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June 19, 2014

Triad Hunter, LLC
777 Post Oak Blvd., Suite 910
Houston, TX 77056

RE: Offset operators

Dear Sir:

Please be advised that Antero Resources Corporation has applied to the Oil and Gas Conservation Commission for approval to intentionally deviate a new deep well. The Code of State Regulations Title 39 Section 1.4.10 requires that the Commission notify the offset operators of the applicants' intent to deviate the proposed well. You are receiving this notice because you are listed as an offset operator (unleased mineral owner is also an "offset operator") to the proposed well. A copy of the location plat is enclosed for your review.

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Earl Ray Tomblin, Governor
Barry K. Lay, Chairman
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June 19, 2014

Chesapeake Appalachia, LLC
Post Office Box 6070
Charleston, WV 25362

RE: Offset operators

Dear Sir:

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Earl Ray Tomblin, Governor
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June 19, 2014

StatoilHydro USA Onshore Properties
103 City West Blvd., Suite 800
Houston, TX 77042

RE: Offset operators

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June 19, 2014

Larry Henthorn
101 Hills Run Road
Sistersville, WV 26175

RE: Offset operators

Dear Mr. Henthorn:

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Earl Ray Tomblin, Governor
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June 19, 2014

David and Lori Ash
702 Oil Ridge Road
Sistersville, WV 26175

RE: Offset operators

Dear Mr and Mrs. Ash:

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Earl Ray Tomblin, Governor
Barry K. Lay, Chairman
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June 19, 2014

Russell James Blatt
104 Diamond Street
Sistersville, WV 26147

RE: Offset operators

Dear Mr. Blatt:

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June 19, 2014

Ronald and Crystal Perrine
Route 18/1
Sistersville, WV 26175

RE: Offset operators

Dear Mr. and Mrs. Perrine:

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June 19, 2014

Ward Allen
2204 Packard Way
Parkersburg, WV 26104

RE: Offset operators

Dear Mr. Allen:

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Executive Assistant

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Ex. 14

Antero Resources Corp.
Authority for Expenditure
Utica Shale horizontal well

Well Name/No	Pursley Unit 2HD	Est. Completion Total Depth (TVD)	10,800		
Survey/Abstract	Nalley Pad	Estimated Total Depth (MD)	17,930		
County/State	Tyler County, WV	Directional Reach	0		
Location SHL	39° 32' 40.39" N & 80° 57' 17.13" W	Shallow Rig Days	0		
Location BHL	39° 33' 43.19" N & 80° 57' 47.93" W	Big Rig Mob Days	10		
Elevation GL	971'	Big Rig Days	46		
Elevation KB		Lateral Length	6,630		
Prospect	Utica Shale	Frac Stages	38		40
Field	Middlebourne		3.65	Coil Unit Days	0
Date	7/14/2014	Surface Casing Depth (MD)	300	WSU Days	9
API		Intermediate Casing Depth (MD) 1	2,500		
		Intermediate Casing Depth (MD) 2	9,000		
AFE Number	PURSLEY2HD	Production Tbg Set Depth (MD)	10,800		

DRILLING COSTS (BCP)

Account	Category	Description	Intangible	Tangible	Total
830/010	Legal	DO/Title/Legal	24,876	0	24,876
830/020	Surface Damages	Surface Damages	45,000	0	45,000
830/030	Survey & Stake Location	Survey / Staking Location	20,266	0	20,266
830/050	Roads / Gravel / Culvert	Build Road to Location	42,206	0	42,206
830/060	Prep / Planning by Engineer	Prep / Planning by Engineer	0	0	0
830/070	Location Preparation	Build Location	310,000	0	310,000
830/080	Rig Transport	Drilling Rig Mobilization one well	515,810	0	515,810
830/090	Rig Fuel Big rig	Fuel, Oil & Power . Diesel	472,240	0	472,240
830/100	IDC Drilling - Shallow Rig	Shallow Rig Preset	0	0	0
830/100	IDC Drilling - Daywork	Big Rig	1,173,282	0	1,173,282
830/140	Rat Hole & Mouse Hole	Rathole/Mousehole/Cellar/conductor	26,016	0	26,016
830/145	Cement Conductor	Cementing of Conductor Casing	10,954	0	10,954
830/150	Cement Surface Casing	Surface Cement 18-5/8" + 13-3/8"	78,596	0	78,596
830/155	Cement Intermidate Casing	Intermidate Cement 9-5/8"	173,610		173,610
830/160	Surface Casing Crew & Tongs	Casing Crew 18-5/8" + 13-3/8"	20,524	0	20,524
830/165	Intermidiate Casing Crew & Tongs\LM	Casing Crew 9-5/8"	31,590		31,590
830/170	Welding	Welding Services	21,253	0	21,253
830/180	Geologic Services/Mudlogging	Mud Logging	35,000	0	35,000
830/190	Water (Drilling & Cementing)	Drilling Water & Fluids (Cementing)	37,725	0	37,725
830/200	Drilling Fluids, Mud & Chemicals	Mud & Chemicals	369,424	0	369,424
830/210	Permits/Fees	Permits, Fees	1,250	0	1,250
830/230	Bonds and Insurance	Bonds and Insurance	2,500	0	2,500
830/250	Contract Drilling Supervision	Supervision	201,431	0	201,431
830/270	Equipment Rental	Rental Tools / Equipment	859,294	0	859,294
830/280	Materials and Supplies	Materials	64,630	0	64,630
830/290	Coring/Core Analysis	Coring/Core Analysis	390,000	0	390,000
830/310	Bits and Reamers	Bits	89,291	0	89,291
830/320	Contract Services/ Roustabouts Drilling	Contract Services / Labor	251,147	0	251,147
830/330	Mud Disposal & Cuttings	Haul Cuttings, Work cutting	346,049	0	346,049
830/340	Trucking/Hauling	Trucking & Hauling	103,397	0	103,397
830/350	Open Hole Logs	Open Hole Logging	150,000	0	150,000
830/370	Drilling Fixed Overhead	Drilling Fixed Overhead	3,210	0	3,210
830/430	Miscellaneous Expense/Supplies	Materials & Supplies	0	0	0
830/440	Plug Back Cement	Plug Back Cement	50,000	0	50,000
830/450	Enviromental & Safety	Enviormental & Safety	64,000	0	64,000
830/480	Directional Drilling Tools	Tools, Supervision, Surveys	379,899	0	379,899
840/060	Production Cement	Production Cement and Jewelry	138,633	0	138,633
840/070	Production Casing Crew & Tongs\LM	Casing Crew	37,857	0	37,857
850/005	Conductor Casing	26" Conductor Pipe	0	0	0
850/010	Surface Casing (New)	J-55 18-5/8" 57.5 lb STC	0	6,459	6,459
850/020	Intermidiate Casing (New)	J-55 13-3/8" 54.5 lb LTC	0	53,825	53,825
850/020	Intermidiate Casing (New)	P-110 9-5/8" 43.5lb LTC	0	428,760	428,760
850/030	Production Casing (New)	P-110 5-1/2" 26lb Premium Thread	0	412,390	412,390
	TOTAL DRILLING COSTS		6,540,961	901,434	7,442,395

COMPLETION COSTS (ACP)

840/040	Completion Unit-Daywork	WOR/Snubbing Unit	141,134	0	141,134
840/045	Coil unit	Coil unit prep toe and drill out plugs	0	0	0
840/050	Contract Completion Supervision	Completion Supervision	212,160	0	212,160
840/080	Fuel and Power	Fuel and Power	23,623	0	23,623
840/090	Cased-Hole Log/Perforate	Logging & Perforation + Plugs	557,034	0	557,034
840/100	Slick Line work	Pulling Plugs	4,558	0	4,558
840/110	Roads & Location & Pit Restoration	Restore location / Pit Restoration	94,373	0	94,373
840/120	Pulling Trucks & Equipment	Pulling Trucks & Equipment	6,863	0	6,863
840/130	Frac Treatment	Includes frac treatment & chemicals	3,220,286	0	3,220,286
840/135	Frac Testing/Analysis	Frac Testing/Analysis (Tracer Survey)	189,429	0	189,429
840/140	Equipment Rental	Equipment Rental	457,470	0	457,470
840/150	Trucking & Hauling	Trucking & Hauling	130,478	0	130,478
840/160	Frac Water & Hauling	Haul Water for Frac	967,980	0	967,980
840/132	Frac Pit	Frac Pit	0	0	0
840/170	Parts/Supplies/Bits	Parts/Supplies/Bits	95,605	0	95,605
840/180	Contract Services / Labor	Contract Services / Labor	232,050	0	232,050
840/190	OEE Insurance	$0.66/ft	11,834	0	11,834
840/230	Chemicals	Frac Chemicals	30,564	0	30,564
840/240	Heat Frac & Flowback Tank	Heat Frac & Flowback Tank	0	0	0
840/250	Frac Tank Rental	Frac Tank Rental	40,386	0	40,386
840/260	Flowback, Haul and disposal	Flowback, Haul & Disposal, Water Treating	142,843	0	142,843
840/280	Acidizing/Nitrogen	Acidizing/Nitrogen	1,814	0	1,814
840/300	Swabbing	Swabbing	0	0	0
840/310	Environmental Services	Environmental Services	16,253	0	16,253
840/350	Fixed Rate COPAS Overhead	Completion - Administrative Overhead	7,042	0	7,042
840/380	Flowback well testing	Includes light plant, test, hookup & equ.	265,200	0	265,200
840/900	Miscellaneous Expense/Supplies	Miscellaneous	25,000	0	25,000
850/040	Tubing (New)	N-80 4.7lb tubing	0	43,740	43,740
850/050	Flowline/Installation	Flowline/Installation	0	12,168	12,168
850/060	Wellhead Assembly	Braden head, "B" Section and 5K Tree	0	27,736	27,736
850/080	Fittings & Valves, Controls	Fittings, Valves, Controller + Install Automati	0	15,000	15,000
850/110	Hi-Pressure Separator	10' X 28" Separator Vessel + Installation	0	122,596	122,596
850/160	Tank Battery/Header Installation	(4) 400 BBL Steel Tank/Battery/Install	0	56,000	56,000
850/190	Line Heater	Line Heater and install	0	36,415	36,415
850/200	Anchors	Anchors for completion rig	0	600	600
850/220	Gas Metering	EFM + Installation + VRU	0	108,753	108,753
850/300	Downhole Equipment	Profile Nipples, Pump Sub,	0	2,957	2,957
850/370	Fence / Cattleguard / Culvert	Fences / Cattleguard / Culverts + Install	0	2,082	2,082
850/400	Dehydrators	Dehydrators	0	16,753	16,753
	TOTAL COMPLETION COSTS		6,873,978	444,800	7,318,778
Total Estimated Intangible Cost:			$13,414,939		
Total Estimated Tangible Cost:				$1,346,234	
TOTAL ESTIMATED WELL COST:					$14,761,173

WI Owner Approval: _____

Signature Name Title Date

Prepared by: Carver Stone Signed _____

Antero Resources Corporation will carry operators extra expense (OEE) well control insurance for all parties electing to participate in the drilling and/or completion of this well, unless advised otherwise at the time this form is executed. Costs shown on this form are estimates only. Non-operators should not consider these estimates as establishing any limits on the monies which will be required to perform the proposed operation.

west virginia department of environmental protection

Oil and Gas Conservation Commission
601 57th Street, SE Charleston, WV 25304
(304)926-0499, Ext 1656

Earl Ray Tomblin, Governor
Barry K. Lay, Chairman
dep.wv.gov

June 19, 2014

The Trustees of the First Presbyterian Church
801 Chelsea Street
Sistersville, WV 26175

RE: Offset operators

Dear Sir:

Please be advised that Antero Resources Corporation has applied to the Oil and Gas Conservation Commission for approval to intentionally deviate a new deep well. The Code of State Regulations Title 39 Section 1.4.10 requires that the Commission notify the offset operators of the applicants' intent to deviate the proposed well. You are receiving this notice because you are listed as an offset operator (unleased mineral owner is also an "offset operator") to the proposed well. A copy of the location plat is enclosed for your review.

An offset operator has **ten days from the date of this letter to file written objection** to the Commissions' granting approval to the proposed deviation. **If you file a written objection; you should be prepared to present the objection at the hearing scheduled on**:

DATE: **July 17, 2014**

TIME: **10:00 am**

PLACE: **WVDEP - Oil and Gas Conservation Commission**
601 57th Street, SE
Charleston, WV 25304
304-926-0499 Ext 1656

If you have any questions you may contact me at (304) 926-0499, extension 1656.

Sincerely,

Cindy Raines

Cindy Raines
Executive Assistant

encl: as stated

west virginia department of environmental protection

Oil and Gas Conservation Commission
601 57th Street, SE Charleston, WV 25304
(304)926-0499, Ext 1656

Earl Ray Tomblin, Governor
Barry K. Lay, Chairman
dep.wv.gov

June 19, 2014

Feato Bazzell
c/o Deanna Fishel Heir of Richard Parry
HC 86 Box 10A
Green Spring, WV 26722

RE: Offset operators

Dear Sir:

Please be advised that Antero Resources Corporation has applied to the Oil and Gas Conservation Commission for approval to intentionally deviate a new deep well. The Code of State Regulations Title 39 Section 1.4.10 requires that the Commission notify the offset operators of the applicants' intent to deviate the proposed well. You are receiving this notice because you are listed as an offset operator (unleased mineral owner is also an "offset operator") to the proposed well. A copy of the location plat is enclosed for your review.

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Sincerely,

Cindy Raines

Cindy Raines
Executive Assistant

encl: as stated

west virginia department of environmental protection

Oil and Gas Conservation Commission
601 57th Street, SE Charleston, WV 25304
(304)926-0499, Ext 1656

Earl Ray Tomblin, Governor
Barry K. Lay, Chairman
dep.wv.gov

June 19, 2014

Charles P Copeland
102 Windy Ghoul Drive
Beaver, PA 15009

RE: Offset operators

Dear Mr. Copeland:

Please be advised that Antero Resources Corporation has applied to the Oil and Gas Conservation Commission for approval to intentionally deviate a new deep well. The Code of State Regulations Title 39 Section 1.4.10 requires that the Commission notify the offset operators of the applicants' intent to deviate the proposed well. You are receiving this notice because you are listed as an offset operator (unleased mineral owner is also an "offset operator") to the proposed well. A copy of the location plat is enclosed for your review.

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DATE: **July 17, 2014**

TIME: **10:00 am**

PLACE: **WVDEP - Oil and Gas Conservation Commission**
601 57th Street, SE
Charleston, WV 25304
304-926-0499 Ext 1656

If you have any questions you may contact me at (304) 926-0499, extension 1656.

Sincerely,

Cindy Raines

Cindy Raines
Executive Assistant

encl: as stated

WW-6A1

Operator's Well Number Pursley Unit 2HD

PERMIT UPDATE - API# 47-095-02130

INFORMATION SUPPLIED UNDER WEST VIRGINIA CODE
Chapter 22, Article 6A, Section 5(a)(5)
IN LIEU OF FILING LEASE(S) AND OTHER CONTINUING CONTRACT(S)

Under the oath required to make the verification on page 1 of this Notice and Application, I depose and say that I am the person who signed the Notice and Application for the Applicant, and that –

(1) the tract of land is the same tract described in this Application, partly or wholly depicted in the accompanying plat, and described in the Construction and Reclamation Plan;

(2) the parties and recordation data (if recorded) for lease(s) or other continuing contract(s) by which the Applicant claims the right to extract, produce or market the oil or gas are as follows:

Grantor, lessor, etc.	Grantee, lessee, etc.	Royalty	Book/Page
Robert D. Nalley et ux Lease			
Robert D. Nalley, et ux	Antero Resources Appalachian Corporation	1/8+	0403/0711
Antero Resources Appalachian Corporation	**Antero Resources Corporation**	**Name Change**	**Exhibit 1**
Robert D. Nalley et ux Lease			
Robert D. Nalley, et ux	Antero Resources Appalachian Corporation	1/8+	0403/0774
Antero Resources Appalachian Corporation	**Antero Resources Corporation**	**Name Change**	**Exhibit 1**
Victoria Keller et al Lease			
Victoria Keller, et al	Bald Eagle Oil & Gas, Inc.	1/8	0332/0533
Bald Eagle Oil & Gas, Inc.	Antero Resources Appalachian Corporation	Sublease	0402/0303
Antero Resources Appalachian Corporation	**Antero Resources Corporation**	**Name Change**	**Exhibit 1**
Chris Starkey Lease			
Clair Starkey, et al	John Richmond	1/8	0203/0045
John Richmond	James T. Emes	Assignment	0217/0069
James T. Emes, et ux	The Jim Emes Petroleum Company	Assignment	0220/0272
The Jim Emes Petroleum Company, by James J. Harkins Trustee in Bankruptcy	Robert Matthey	Bill of Sale and Assignment	0280/0521
Robert Matthey	Bald Eagle Oil & Gas, Inc.	Assignment	0302/0109
Bald Eagle Oil & Gas, Inc.	The Sun Valley Oil & Gas, LLC	Assignment	0396/0663
The Sun Valley Oil & Gas, LLC	Antero Resources Appalachian Corporation	Assignment	0393/0750
Antero Resources Appalachian Corporation	**Antero Resources Corporation**	**Name Change**	**Exhibit 1**
William K. Johnson et ux Lease			
William K. Johnson, et ux	John Richmond	1/8	0220/0459
John Richmond	The Jim Emes Petroleum Company	Assignment	0230/0507
The Jim Emes Petroleum Company	Fred Steudler	Assignment of Lease and Agreement	0230/0514
Mrs. Jeanette Steudler, Executrix of the Frederick W. Steudler, Sr. estate	Bald Eagle Oil & Gas, Inc.	Assignment	0298/0595
Bald Eagle Oil & Gas, Inc.	The Sun Valley Oil & Gas, LLC	Assignment	0390/0663
The Sun Valley Oil & Gas, LLC	Antero Resources Appalachian Corporation	Assignment	0393/0750
Antero Resources Appalachian Corporation	**Antero Resources Corporation**	**Name Change**	**Exhibit 1**
Nancy Fout Lease			
Nancy Fout	Antero Resources Appalachian Corporation	1/8+	0397/0017
Antero Resources Appalachian Corporation	**Antero Resources Corporation**	**Name Change**	**Exhibit 1**

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JUL 16 2014

WV Department of
Environmental Protection

***Partial Assignments to Antero Resources Corporation include 100% rights to extract, produce and market the oil and gas from the Marcellus and any other formations completed with this well.**

****CONTINUED ON NEXT PAGE****

Ex. 9

WW-6B
(9/13)

PERMIT UPDATE - API# 47-095-02130

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

1) Well Operator: Antero Resources Corporation | 494488557 | 095- Tyler | Lincoln | Paden City
Operator ID | County | District | Quadrangle

2) Operator's Well Number: Pursley Unit 2HD Well Pad Name: Nalley Pad

3) Farm Name/Surface Owner: Nalley, Robert D. & Virginia D. Public Road Access: CR 18

4) Elevation, current ground: ~985' Elevation, proposed post-construction: 971'

5) Well Type (a) Gas ■ Oil ____ Underground Storage ____
Other ____
(b)If Gas Shallow ____ Deep ■
Horizontal ■

6) Existing Pad: Yes or No No

MDG 7/10/14

7) Proposed Target Formation(s), Depth(s), Anticipated Thickness and Associated Pressure(s):
Point Pleasant: 10,800' TVD, Anticipated Thickness- 95 feet , Associated Pressure- 8400#

8) Proposed Total Vertical Depth: 10,800' TVD

9) Formation at Total Vertical Depth: Point Pleasant

10) Proposed Total Measured Depth: 19,900' MD

11) Proposed Horizontal Leg Length: 8650'

12) Approximate Fresh Water Strata Depths: 40', 130'

13) Method to Determine Fresh Water Depths: Offset well records. Depths have been adjusted according to surface elevations.

14) Approximate Saltwater Depths: 1415', 1510', 1745'

15) Approximate Coal Seam Depths: 667', 692', 1132'

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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Environmental Protection

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	26"	New	H-40	94#	90'	90'	CTS, 220 Cu. Ft.
Fresh Water	18-5/8"	New	J-55/H-40	87.5#	300'	300'	CTS, 734 Cu. Ft.
Coal	13-3/8"	New	J-55	54.5#	2500'	2500'	CTS, 2243 Cu. Ft.
Intermediate	9-5/8"	New	P-110	43.5#	9000'	9000'	CTS, 2844 Cu. Ft.
Production	5-1/2"	New	P-110	26#	19900'	19900'	2864 Cu. Ft.
Tubing	2-3/8"	New	N-80	4.7#		10800'	
Liners							

MDG
7/16/14

TYPE	Size	Wellbore Diameter	Wall Thickness	Burst Pressure	Cement Type	Cement Yield (cu. ft./k)
Conductor	26"	32"	.7"	960	Class A	1.18
Fresh Water	18-5/8"	24"	0.438"	1530	Class A	1.18
Coal	13-3/8"	17-1/2"	0.38"/0.33"	2730/1730	Class A	1.18
Intermediate	9-5/8"	12-1/4"	0.352"	3520	Class A	1.18
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 hole:

Drill, perforate, fracture a new horizontal deep well and complete Point Pleasant.

20) Describe fracturing/stimulating methods in detail, including anticipated max pressure and max rate:

Antero plans to pump Slickwater into the Point Pleasant 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): 26.60 acres

22) Area to be disturbed for well pad only, less access road (acres): 6.10 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.
Intermediate 2 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.

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Office of Oil and Gas
JUL 16 2014
WV Department of
Environmental Protection

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
Intermediate 2: 100% Low Dense, 3%BWOW Potassium Chloride, Class A, 2%BWOC Gel, 3% BWOW Potassium Chloride
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.
Intermediate 2: 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.

WW-9
(9/13)

API Number 47 - 095 - 02130
Operator's Well No. Pursley Unit 2HD
PERMIT UPDATE - API# 47-095-02130

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

FLUIDS/ CUTTINGS DISPOSAL & RECLAMATION PLAN

Operator Name Antero Resources Corporation OP Code 494488557

Watershed (HUC 10) Pursley Creek of the Ohio River Quadrangle Paden City

Elevation 971' County Tyler District Lincoln

Do you anticipate using more than 5,000 bbls of water to complete the proposed well work? Yes ☑ No ☐

Will a pit be used? Yes ☐ No ☑

If so, please describe anticipated pit waste: No pit will be used at this site (Drilling and Flowback Fluids will be stored in tanks. Cuttings will be tanked and hauled off site.

Will a synthetic liner be used in the pit? Yes ☐ No ☑ If so, what ml.? N/A

Proposed Disposal Method For Treated Pit Wastes:

- ____ Land Application
- ____ Underground Injection (UIC Permit Number ____)
- ■ Reuse (at API Number Future permitted well locations when applicable. API# will be provided on Form WR-34)
- ■ Off Site Disposal (Supply form WW-9 for disposal location) (Meadowfill Landfill Permit #SWF-1032-98)
- ____ Other (Explain ____

Will closed loop system be used? If so, describe: Yes

Drilling medium anticipated for this well (vertical and horizontal)? Air, freshwater, oil based, etc. Surface - Air/Freshwater, Intermediate - Dust/Stiff Foam, Production - Water & Oil Based Mud

-If oil based, what type? Synthetic, petroleum, etc. Synthetic

Additives to be used in drilling medium? Please See Attachment

Drill cuttings disposal method? Leave in pit, landfill, removed offsite, etc. Stored in tanks, removed offsite and taken to landfill.

-If left in pit and plan to solidify what medium will be used? (cement, lime, sawdust) N/A

-Landfill or offsite name/permit number? Meadowfill Landfill (Permit #SWF-1032-98)

I certify that I understand and agree to the terms and conditions of the GENERAL WATER POLLUTION PERMIT issued on August 1, 2005, by the Office of Oil and Gas of the West Virginia Department of Environmental Protection. I understand that the provisions of the permit are enforceable by law. Violations of any term or condition of the general permit and/or other applicable law or regulation can lead to enforcement action.

I certify under penalty of law that I have personally examined and am familiar with the information submitted on this application form and all attachments thereto and that, based on my inquiry of those individuals immediately responsible for obtaining the information, I believe that the information is true, accurate, and complete. I am aware that there are significant penalties for submitting false information, including the possibility of fine or imprisonment.

Company Official Signature [signature]
Company Official (Typed Name) Cole Kilstrom
Company Official Title Environmental Specialist

SAMANTHA MARSH
NOTARY PUBLIC
STATE OF COLORADO
NOTARY ID 20134079428
MY COMMISSION EXPIRES DECEMBER 20, 2017

Subscribed and sworn before me this 15th day of July, 20 14

Samantha Marsh Notary Public

My commission expires December 20, 2017

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Office of Oil and Gas
JUL 16 2014
WV Department of
Environmental Protection

PERMIT UPDATE - API# 47-095-02130

Form WW-9

Operator's Well No. Pursley Unit 2HD

Antero Resources Corporation

Proposed Revegetation Treatment: Acres Disturbed 26.60 Prevegetation pH _____

Lime 2-4 Tons/acre or to correct to pH 6.5

Fertilizer type Hay or straw or Wood Fiber (will be used where needed)

Fertilizer amount 500 lbs/acre

Mulch 2-3 Tons/acre

ew Access Road A (12.06) + New Access Road B (.18) + New Staging Area (.82) + New Well Pad (6.10) + New Water Containment Pad (1.62) + New Excess/Topsoil Material Stockpiles (5.82) = 26.60 Acre

Seed Mixtures

Temporary		Permanent	
Seed Type	lbs/acre	Seed Type	lbs/acre
Annual Ryegrass	40	Tall Fescue	40
See attached Table 3 for additional seed type (Nalley Pad Design Page 21)		See attached Table 4a for additional seed type (Nalley Pad Design Page 21)	
*or type of grass seed requested by surface owner		*or type of grass seed requested 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.

Plan Approved by: Michael Goff

Comments: Pre seed & mulch any disturbed areas per WVDEP Regulations. Maintain & upgrade E & S as necessary

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Office of Oil and Gas

JUL 16 2014

WV Department of Environmental Protection

Title: Oil & Gas Inspector Date: 7/16/14

Field Reviewed? (☐) Yes (☑) No

west virginia department of environmental protection

Oil and Gas Conservation Commission
601 57th Street, SE Charleston, WV 25304
(304)926-0499, Ext 1656

Earl Ray Tomblin, Governor
Barry K. Lay, Chairman
www.wvdep.org

BEFORE THE OIL AND GAS CONSERVATION COMMISSION OF THE STATE OF WEST VIRGINIA

IN THE MATTER OF THE APPLICATION BY ANTERO RESOURCES CORPORATION FOR AN ORDER FROM THE COMMISSION ESTABLISHING A 157.51 ACRE DRILLING UNIT AND POOLING OF UNLEASED TRACTS AND INTERESTS OF OIL AND GAS OWNERS AND OPERATORS WHO HAVE NOT ENTERED INTO VOLUNTARY AGREEMENTS ALLOWING FOR THE DEVELOPMENT AND OPERATION OF THE UNIT, LINCOLN DISTRICT, TYLER COUNTY, WEST VIRGINIA.

DOCKET NO. 230
CAUSE NO. 220

CONTINUANCE

Antero Resources Corporation ("Antero") has requested the Commission review and approve a 157.51 acre drilling unit and pooling of unleased tracts and interests of operators for the development and operation of the unit in Tyler County, West Virginia, pursuant to Chapter 22C-9-7(b).

The matter has been scheduled as stated below:

DATE: August 8, 2014

TIME: 1:00 pm

PLACE: Department of Environmental Protection
Oil and Gas Conservation Commission
601 57th Street, SE
Charleston, WV 25304

IN THE NAME OF THE STATE OF WEST VIRGINIA

OIL AND GAS CONSERVATION COMMISSION
OF THE STATE OF WEST VIRGINIA

By: Barry K. Lay
Barry K. Lay, Chairman

Dated this 25th day of July, 2014 at Charleston, West Virginia.

Promoting a healthy environment.

no. ~~16~~ 17

101 South Queen Street
Martinsburg, West Virginia 25401

7000 Hampton Center
Morgantown, West Virginia 26505

511 7th Street
Moundsville, West Virginia 26041

501 Avery Street
Parkersburg, West Virginia 26101

Bowles Rice LLP
ATTORNEYS AT LAW

600 Quarrier Street
Charleston, West Virginia 25301

Post Office Box 1386
Charleston, West Virginia 25325-1386
(304) 347-1100

www.bowlesrice.com

6000 Town Center Boulevard, Suite 210
Canonsburg, Pennsylvania 15317

333 West Vine Street, Suite 1700
Lexington, Kentucky 40507

480 West Jubal Early Drive, Suite 130
Winchester, Virginia 22601

July 28, 2014

George A. Patterson III
Telephone — (304) 347-1118
Facsimile — (304) 343-2867

E-Mail Address:
gpatterson@bowlesrice.com

Oil and Gas Conservation Commission
Department of Environmental Protection
Attention: Cindy Raines
601 57th Street
Charleston, West Virginia 25304

HAND DELIVERY

Re: Notice of Motion for the 157.51 Acre Deep Well Unit
Docket No. 230
Case No. 220

Dear Cindy:

Please find enclosed an original and two copies of Notice of Motion for the above matter.

Should you have any questions, please feel free to contact me.

Very truly yours,

Angela Belcher, Secretary for

George A. Patterson III

GAP/adb
Enclosures
cc: Houston Eagleston
Antero Resources Corporation

no. 18

6275021.1

BEFORE THE OIL AND GAS CONSERVATION COMMISSION
OF THE STATE OF WEST VIRGINIA

IN THE MATTER OF THE APPLICATION BY
ANTERO RESOURCES CORPORATION, A
DELAWARE CORPORATION, FOR POOLING
AND UNIT OPERATION OF A 157.51 ACRE DEEP
WELL UNIT FOR THE PRODUCTION OF OIL AND
GAS IN LINCOLN DISTRICT, TYLER COUNTY,
WEST VIRGINIA

DOCKET NO. 230
CASE NO. 220

NOTICE OF MOTION AND MOTION TO MODIFY UNIT IN ACCORDANCE WITH COMMISSION RULING

Notice of Motion

PLEASE TAKE NOTICE that Antero Resources Corporation (the "Applicant") will bring on for hearing the Motion to Modify Unit in Accordance with Commission Ruling stated hereafter on:

DATE: August 8, 2014

TIME: 1:00 pm

PLACE: Department of Environmental Protection
Oil and Gas Conservation Commission
601 57th Street, SE
Charleston, WV 25304

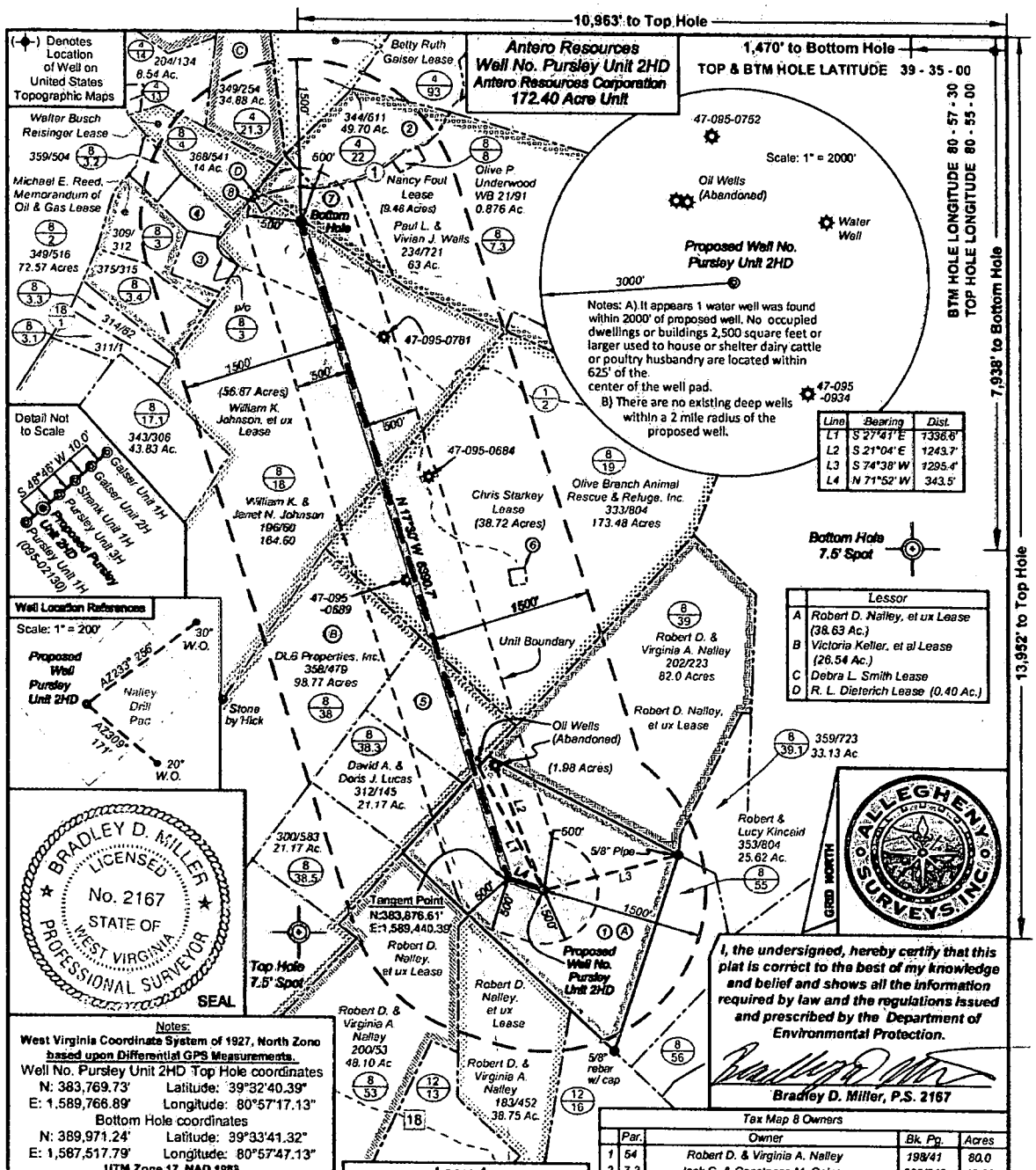
Motion to Modify Unit in Accordance with Commission Ruling

At the conclusion of the hearing on July 17, 2014, the Commission denied Applicant's request to grant exceptions to the required 400 foot well set-back from lease or unit boundary contained in the Rules of the Commission at 39 CSR 1-4.2. In accordance with the Commission's ruling, the Applicant revised the proposed unit to meet the 400 foot set-back rule. A copy of the plat as revised is attached hereto and incorporated herein. No additional royalty owners or operators will be affected by the amendment requested. The Applicant hereby requests that the unit authorized by the Commission at the July 17 hearing be amended to conform to the plat attached.

Antero Resources Corporation
By Counsel

George A. Patterson, III (WV State Bar 2831)
600 Quarrier Street
Charleston, WV 25304

6274614.1



Line	Bearing	Dist.
L1	S 27°41' E	1336.8'
L2	S 21°04' E	1243.7'
L3	S 74°38' W	1295.4'
L4	N 71°52' W	343.5'

	Lessor
A	Robert D. Nalley, et ux Lease (38.63 Ac.)
B	Victoria Keller, et al Lease (26.54 Ac.)
C	Debra L. Smith Lease
D	R. L. Dieterich Lease (0.40 Ac.)

I, the undersigned, hereby certify that this plat is correct to the best of my knowledge and belief and shows all the information required by law and the regulations issued and prescribed by the Department of Environmental Protection.

Bradley D. Miller, P.S. 2167

Notes:

West Virginia Coordinate System of 1927, North Zone based upon Differential GPS Measurements.

Well No. Pursley Unit 2HD Top Hole coordinates
N: 383,769.73' Latitude: 39°32'40.39"
E: 1,589,766.89' Longitude: 80°57'17.13"

Bottom Hole coordinates
N: 389,971.24' Latitude: 39°33'41.32"
E: 1,587,517.79' Longitude: 80°57'47.13"

UTM Zone 17, NAD 1983

Top Hole Coordinates: N: 4,377,218.483m E: 503,902.065m
Bottom Hole Coordinates: N: 4,379,096.357m E: 503,185.368m

Plat orientation and corner and well references are based upon the grid north meridian.
Well location references are based upon the magnetic meridian.

Legend

- Proposed gas well
- Found corner, as noted
- Creek or Drain
- Existing Road
- Surface boundary (approx.)
- Interior surface tracts (approx.)

	Par.	Tax Map 8 Owners: Owner	Bk. Pg.	Acres
1	54	Robert D. & Virginia A. Nalley	198/41	80.0
2	7.2	Jack G. & Constance M. Gaiser	295/545	18.23
3	3.5	Russell J. Blatt II	343/677	4.91
4	3.6	Ronald L. Jr. & Crystal K. Perine	348/722	5.48
5	38.4	Carl W. & Jacqueline M. Woolwine	313/677	21.32
6	19.1	Hope Natural Gas, Inc. d/b/a/ Dominion Hope	337/454	0.52
7	7	Gerald E. & Sarah J. Moore	234/689	9.78
8	6	Robert E. & Audrey L. Christy	346/395	0.38

FILE NO: 214-54-L-13
DRAWING NO: 214-13 Pursley 2HD Rev 5
SCALE: 1" = 1200'
MINIMUM DEGREE OF ACCURACY: Submeter
PROVEN SOURCE OF ELEVATION: WVDOT, Harrisville, WV

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

DATE: July 23 2014
OPERATOR'S WELL NO. Pursley Unit 2HD

API WELL NO
47 - 095 - ____
STATE COUNTY PERMIT

WELL TYPE: ☐ OIL ☒ GAS ☐ LIQUID INJECTION ☐ WASTE DISPOSAL
(IF GAS) PRODUCTION: ☐ STORAGE ☒ DEEP ☐ SHALLOW

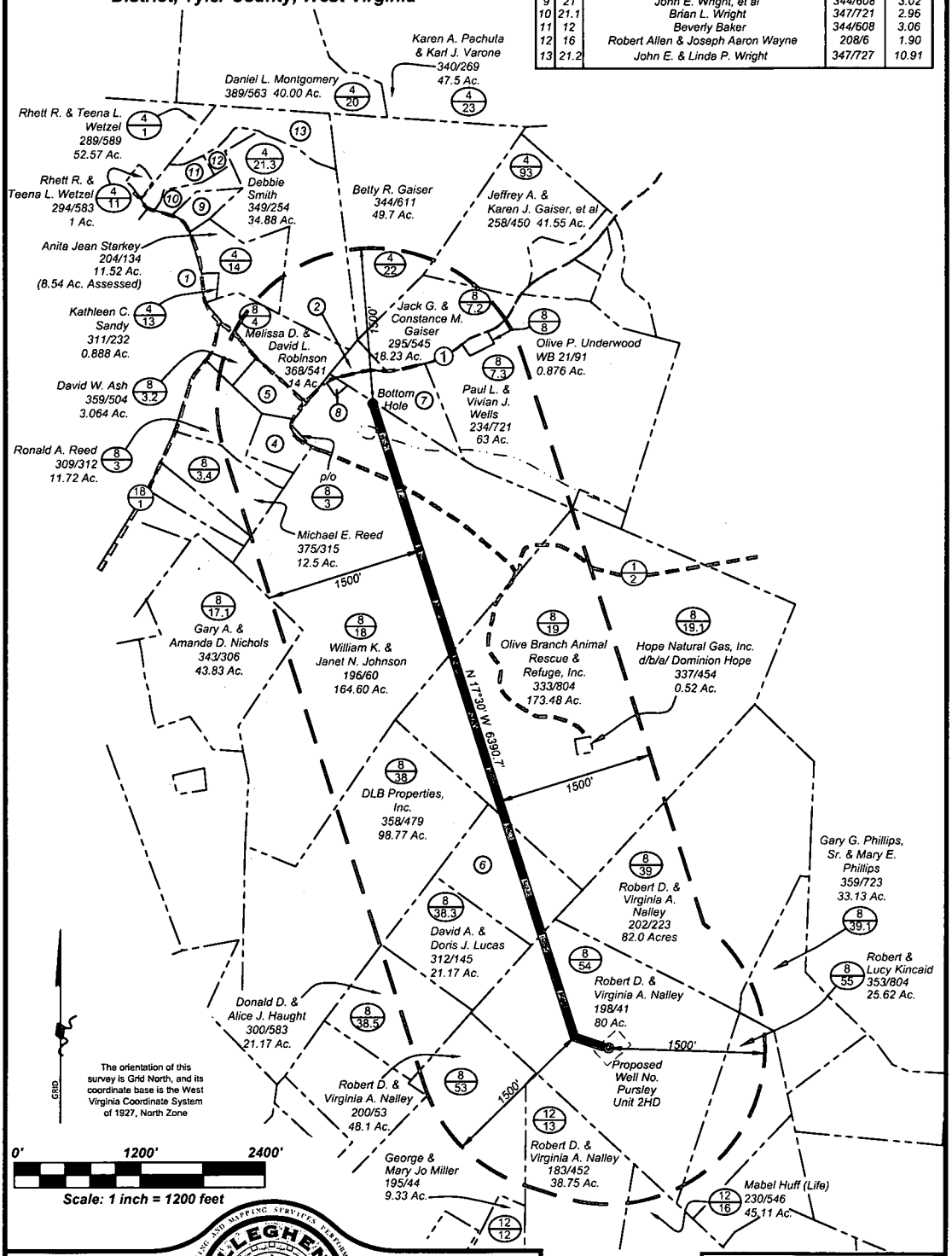
LOCATION: ELEVATION: 971' WATERSHED: Pursley Creek of the Ohio River QUADRANGLE: Paden City
DISTRICT: Lincoln COUNTY: Tyler
SURFACE OWNER: Robert D. & Virginia D. Nalley; William K. Johnson, et ux ACREAGE: 80; 164;
ROYALTY OWNER: Robert D. Nalley, et ux; Victoria Keller, et al; Chris Starkey LEASE NO: ____ ACREAGE: 214; 174; 80
PROPOSED WORK: ☒ DRILL ☐ CONVERT ☐ DRILL DEEPER ☒ FRACTURE OR STIMULATE ☐ PLUG OFF OLD FORMATION
☒ PERFORATE NEW FORMATION ☐ OTHER PHYSICAL CHANGE IN WELL (SPECIFY) ____
☐ PLUG AND ABANDON ☐ CLEAN OUT AND REPLUG TARGET FORMATION: Point Pleasant ESTIMATED DEPTH: 10,800' TVD 17,800' MD

WELL OPERATOR: Antero Resources Corporation
ADDRESS: 1615 Wynkoop Street, Denver, CO 80202
DESIGNATED AGENT: Dianna Stamper - CT Corporation System
ADDRESS: 5400 D Big Tyler Road, Charleston, WV 25313

Exhibit Map
for
Antero Resources Corporation
of
Well No. Pursley 2HD Surface Owners

Situate on the waters of Pursley Creek of the Ohio River and along County Routes 1 and 1/2 in Lincoln District, Tyler County, West Virginia

	Tax Map 8 Owners			
	Par.	Owner	Bk. Pg.	Acres
1	2	David W. & Lori J. Ash	349/516	72.57
2	5	Steven E. Smith	320/488	2.12
3	7.2	Jack G. & Constance M. Gaiser	295/545	18.23
4	3.5	Russell J. Blatt II	343/677	4.91
5	3.6	Ronald L, Jr. & Crystal K. Perine	348/722	5.48
6	38.4	Carl W. & Jacqueline M. Woolwine	313/677	21.32
7	7	Gerald E. & Sarah J. Moore	234/689	9.78
8	6	Robert E. & Audrey L. Christy	346/395	0.38
		Tax Map 4 Owners		
	Par.	Owner	Bk. Pg.	Acres
9	21	John E. Wright, et al	344/608	3.02
10	21.1	Brian L. Wright	347/721	2.96
11	12	Beverly Baker	344/608	3.06
12	16	Robert Allen & Joseph Aaron Wayne	208/6	1.90
13	21.2	John E. & Linda P. Wright	347/727	10.91



Bridgeport Office
Phone: (304) 848-5035
Fax: (304) 848-5037

172 Thompson Drive
Bridgeport, WV 26330

PARTY CHIEF:	RESEARCH:
DRAWN BY: C. Rennneman	PROJECT NO: 214-54-L-13
PREPARED: July 23, 2014	SURVEYED:
FIELD CREW:	DRAWING NO: 214-13 Pursley 2HD Exhibit Rev. 5

LEGEND

- Adjoiner Line
- Existing Road
- (12/16) Tax Map / Parcel
- (1) (18/1) County Route

Ex. 19

Raines, Cindy J

From: adlaw@wvsos.com
Sent: Monday, July 28, 2014 8:41 AM
To: Raines, Cindy J
Subject: Meeting Notice Approval

Your meeting notice has been approved.

You may view it online here.

If you have any questions, please contact our office during normal business hours for assistance.

EX. 20

WW-6A1

Operator's Well Number Pursley Unit 2HD

PERMIT UPDATE API # 47-095-02175

INFORMATION SUPPLIED UNDER WEST VIRGINIA CODE
Chapter 22, Article 6A, Section 5(a)(5)
IN LIEU OF FILING LEASE(S) AND OTHER CONTINUING CONTRACT(S)

Under the oath required to make the verification on page 1 of this Notice and Application, I depose and say that I am the person who signed the Notice and Application for the Applicant, and that –

(1) the tract of land is the same tract described in this Application, partly or wholly depicted in the accompanying plat, and described in the Construction and Reclamation Plan;

(2) the parties and recordation data (if recorded) for lease(s) or other continuing contract(s) by which the Applicant claims the right to extract, produce or market the oil or gas are as follows:

Grantor, lessor, etc.	Grantee, lessee, etc.	Royalty	Book/Page
Robert D. Nalley et ux Lease			
Robert D. Nalley, et ux	Antero Resources Appalachian Corporation	1/8+	0403/0711
Antero Resources Appalachian Corporation	**Antero Resources Corporation**	**Name Change**	**Exhibit 1**
Robert D. Nalley et ux Lease			
Robert D. Nalley, et ux	Antero Resources Appalachian Corporation	1/8+	0403/0774
Antero Resources Appalachian Corporation	**Antero Resources Corporation**	**Name Change**	**Exhibit 1**
Victoria Keller et al Lease			
Victoria Keller, et al	Bald Eagle Oil & Gas, Inc.	1/8	0332/0533
Bald Eagle Oil & Gas, Inc.	Antero Resources Appalachian Corporation	Sublease	0402/0303
Antero Resources Appalachian Corporation	**Antero Resources Corporation**	**Name Change**	**Exhibit 1**
Chris Starkey Lease			
Clair Starkey, et al	John Richmond	1/8	0203/0045
John Richmond	James T. Emes	Assignment	0217/0069
James T. Emes, et ux	The Jim Emes Petroleum Company	Assignment	0220/0272
The Jim Emes Petroleum Company, by James J. Harkins Trustee in Bankruptcy	Robert Matthey	Bill of Sale and Assignment	0280/0521
Robert Matthey	Bald Eagle Oil & Gas, Inc.	Assignment	0302/0109
Bald Eagle Oil & Gas, Inc.	The Sun Valley Oil & Gas, LLC	Assignment	0396/0663
The Sun Valley Oil & Gas, LLC	Antero Resources Appalachian Corporation	Assignment	0393/0750
Antero Resources Appalachian Corporation	**Antero Resources Corporation**	**Name Change**	**Exhibit 1**
William K. Johnson et ux Lease			
William K. Johnson, et ux	John Richmond	1/8	0220/0459
John Richmond	The Jim Emes Petroleum Company	Assignment	0230/0507
The Jim Emes Petroleum Company	Fred Steudler	Assignment of Lease and Agreement	0230/0514
Mrs. Jeanette Steudler, Executrix of the Frederick W. Steudler, Sr. estate	Bald Eagle Oil & Gas, Inc.	Assignment	0298/0595
Bald Eagle Oil & Gas, Inc.	The Sun Valley Oil & Gas, LLC	Assignment	0390/0663
The Sun Valley Oil & Gas, LLC	Antero Resources Appalachian Corporation	Assignment	0393/0750
Antero Resources Appalachian Corporation	**Antero Resources Corporation**	**Name Change**	**Exhibit 1**
Nancy Fout Lease			
Nancy Fout	Antero Resources Appalachian Corporation	1/8+	0397/0017
Antero Resources Appalachian Corporation	**Antero Resources Corporation**	**Name Change**	**Exhibit 1**
R. L. Dieterich Lease			
Ronald Lee Dieterich	**Antero Resources Corporation**	**1/8+**	**0444/0536**

***Partial Assignments to Antero Resources Corporation include 100% rights to extract, produce and market the oil and gas from the Marcellus and any other formations completed with this well.**

RECEIVED
Office of Oil and Gas

****CONTINUED ON NEXT PAGE****

AUG 01 2014

WV Department of
Environmental Protection

Ex. 21

WW-6A1
(5/13)

Operator's Well No. Pursley Unit 2HD

PERMIT UPDATE - API# 47-095-02175

INFORMATION SUPPLIED UNDER WEST VIRGINIA CODE
Chapter 22, Article 6A, Section 5(a)(5)
IN LIEU OF FILING LEASE(S) AND OTHER CONTINUING CONTRACT(S)

Under the oath required to make the verification on page 1 of this Notice and Application, I depose and say that I am the person who signed the Notice and Application for the Applicant, and that –

(1) the tract of land is the same tract described in this Application, partly or wholly depicted in the accompanying plat, and described in the Construction and Reclamation Plan;

(2) the parties and recordation data (if recorded) for lease(s) or other continuing contract(s) by which the Applicant claims the right to extract, produce or market the oil or gas are as follows:

Lease Name or Number	Grantor, Lessor, etc.	Grantee, Lessee, etc.	Royalty	Book/Page
Nancy Fout Lease	Nancy Fout **Antero Resources Appalachian Corporation**	Antero Resources Appalachian Corporation **Antero Resources Corporation**	1/8+ **Name Change**	0397/0017 **Exhibit 1**

***Partial Assignments to Antero Resources Corporation include 100% rights to extract, produce and market the oil and gas from the Marcellus and any other formations completed with this well.**

Acknowledgement of Possible Permitting/Approval
In Addition to the Office of Oil and Gas

The permit applicant for the proposed well work addressed in this application hereby acknowledges the possibility of the need for permits and/or approvals from local, state, or federal entities in addition to the DEP, Office of Oil and Gas, including but not limited to the following:

- WV Division of Water and Waste Management
- WV Division of Natural Resources WV Division of Highways
- U.S. Army Corps of Engineers
- U.S. Fish and Wildlife Service
- County Floodplain Coordinator

The applicant further acknowledges that any Office of Oil and Gas permit in no way overrides, replaces, or nullifies the need for other permits/approvals that may be necessary and further affirms that all needed permits/approvals should be acquired from the appropriate authority before the affected activity is initiated.

Well Operator: Antero Resources Corporation
By: Kevin Kilstrom
Its: Vice President of Production

RECEIVED
Office of Oil and Gas

AUG 01 2014

WV Department of
Environmental Protection

HughesNet Webmail **aetuttle@hughes.net**

FW: August 8th - Antero Hearing/Continuance - Objection

From : Steve Zechman <steve.zechman@gmail.com> Fri, Aug 08, 2014 07:30 AM
Subject : FW: August 8th - Antero Hearing/Continuance - Objection 1 attachment
To : 'Al Tuttle' <aetuttle@hughes.net>

Al,

I'm forwarding this objection that was send to Cindy Raines.

Please take it with you as proof.

Steve

From: Steve Zechman [mailto:steve.zechman@gmail.com]
Sent: Tuesday, August 05, 2014 7:22 AM
To: 'Raines, Cindy J'
Subject: August 8th - Antero Hearing/Continuance - Objection

Cindy,

I respectfully object to this hearing/continuance at this time. The public has not seen the transcript or documents that have been entered into evidence from the last hearing on July 17. I believe a reasonable time period should be allowed before any associated hearing may take place. Thirty days for review of the evidence and transcript would be fair and reasonable.

Kindly, pass this objection along to the Commission Chairman and Members. I also request that this objection be placed in the appropriate public record(s).

Respectfully Yours,

Steven D. Zechman

Steve Zechman, Owner/Operator

Long Creek Farm
5073 Cow House Rd | Sistersville, WV 26175
Mobile 304.771.1063 | Res. 304.758.4595
Steve.zechman@gmail.com

Ex 22

Confidentiality Notice: The information included in this e-mail, including any attachments, is for the sole use of the intended recipient and may contain information that is confidential. Any unauthorized review, use, disclosure, distribution or similar action is prohibited. If you are not the intended recipient, please contact the sender and delete all copies of the original message immediately. Thank you, Long Creek Farm.

---

image003.jpg
5 KB

BEFORE THE OIL AND GAS CONSERVATION COMMISSION
OF THE STATE OF WEST VIRGINIA

IN THE MATTER OF THE APPLICATION BY
ANTERO RESOURCES CORPORATION, A
DELAWARE CORPORATION, FOR POOLING
AND UNIT OPERATION OF A 157.51 ACRE DEEP
WELL UNIT FOR THE PRODUCTION AND OF OIL AND
GAS IN LINCOLN DISTRICT, TYLER COUNTY,
WEST VIRGINIA

DOCKET NO. 230
CASE NO. 220

CERTIFICATE OF NOTICE

George A. Patterson, III, Esquire, of Bowles Rice, LLP, Counsel for Antero Resources Corporation do hereby certify that on July 29, 2014, I gave notice of the August 8, 2014 1:00 pm hearing to persons on the attached list as follows:

To Chris Hoke by US Mail to the address listed

To all others listed on the attached list, by email at the email address listed.

Where receipt of the email notice was not acknowledged within three days of the email notice, at least one call was made to the telephone number listed.

Antero Resources Corporation
By Counsel

George A. Patterson, III (WV State Bar 2831)
600 Quarrier Street
Charleston, WV 25304

Ex. 23

Sign In Sheet

8/1/14 called Rec'd in email

Name (please print)	Address	Organization	Phone/Fax	E-mail	Comment Yes/No	
MAC NO CHRIS HOKE	3420 Little Sancho Creek Rd Middlebourne WV 26149	SELF.		ca hoke@hughes.net	NO	Sent via email
ACK like Alfred Tuttle	Tyler County	Self	304-758-2745	aetuttle@hughes.net	would like to.	Rec'd.
Left message Ed Howell	Tyler	Self	304-777-3300	edcon1951@yahoo.com	YES	Rec'd
Called & emailed Steve Zechman	Tyler	self	304.771.1063	steve_zechman@gmail.com	Yes	Rec'd
Robert Price	Tyler	self	304 337-8536	Janie_RT@yahoo.com	YES	
Ben Elmore		Jackson Kelly	304 3401258	ebelmore@jacksonkelly.com	No	Rec'd
Dean Harris	Fairmont, WV	WVROA	304-363-0239	dnr1106@yahoo.com	No	Rec'd
Dave McMahon	Charleston, WV	SORO	304-343-6101	wvdavid@wvdavid.net	No	Rec'd
Left message Julie Archer	Charleston, WV	SORO	304-346-5891	julie@wvsoro.org	No	Rec'd
Left message Nancy Fout	1370 Brushy Fk Bridgeport WV	Self	304 842-4776	NFOUT@hotmail.com	—	CAP speaker
Left message Linda Jensen	5073 Cow House Rd Sistersville, WV 26175	Self	304-758-4595	linda_m_jensen@msn.com	No	

CAUTION

Due to the condition of the original document(s), the following images may be of poor quality.

101 South Queen Street
Martinsburg, West Virginia 25401

7000 Hampton Center
Morgantown, West Virginia 26505

511 7th Street
Moundsville, West Virginia 26041

501 Avery Street
Parkersburg, West Virginia 26101

Bowles Rice LLP
ATTORNEYS AT LAW

600 Quarrier Street
Charleston, West Virginia 25301

Post Office Box 1386
Charleston, West Virginia 25325-1386
(304) 347-1100

www.bowlesrice.com

6000 Town Center Boulevard, Suite 210
Canonsburg, Pennsylvania 15317

333 West Vine Street, Suite 1700
Lexington, Kentucky 40507

480 West Jubal Early Drive, Suite 130
Winchester, Virginia 22601

July 30, 2014

George A. Patterson III
Telephone — (304) 347-1118
Facsimile — (304) 343-2867

E-Mail Address:
gpatterson@bowlesrice.com

Mr. Chris Hoke
3420 Little Saucko Creek Road
Middlebourne, West Virginia 26149

Re: (Pursley Unit) Notice of Motion with Attachments
Docket # 230
Cause 220

Dear Mr. Hoke:

Please find enclosed the Notice of Motion with attachments regarding the Pursley Unit.

If you should have any questions or concerns, please do not hesitate to contact me. Thank you.

Very truly yours,

George A. Patterson III

GAP/adb
Enclosure

6282469.1

BEFORE THE OIL AND GAS CONSERVATION COMMISSION
OF THE STATE OF WEST VIRGINIA

IN THE MATTER OF THE APPLICATION BY
ANTERO RESOURCES CORPORATION, A
DELAWARE CORPORATION, FOR POOLING
AND UNIT OPERATION OF A 157.51 ACRE DEEP
WELL UNIT FOR THE PRODUCTION OF OIL AND
GAS IN LINCOLN DISTRICT, TYLER COUNTY,
WEST VIRGINIA

DOCKET NO. 230
CASE NO. 220

NOTICE OF MOTION AND MOTION TO MODIFY UNIT IN ACCORDANCE WITH COMMISSION RULING

Notice of Motion

PLEASE TAKE NOTICE that Antero Resources Corporation (the "Applicant") will bring on for hearing the Motion to Modify Unit in Accordance with Commission Ruling stated hereafter on:

DATE:	August 8, 2014
TIME:	1:00 pm
PLACE:	Department of Environmental Protection Oil and Gas Conservation Commission 601 57th Street, SE Charleston, WV 25304

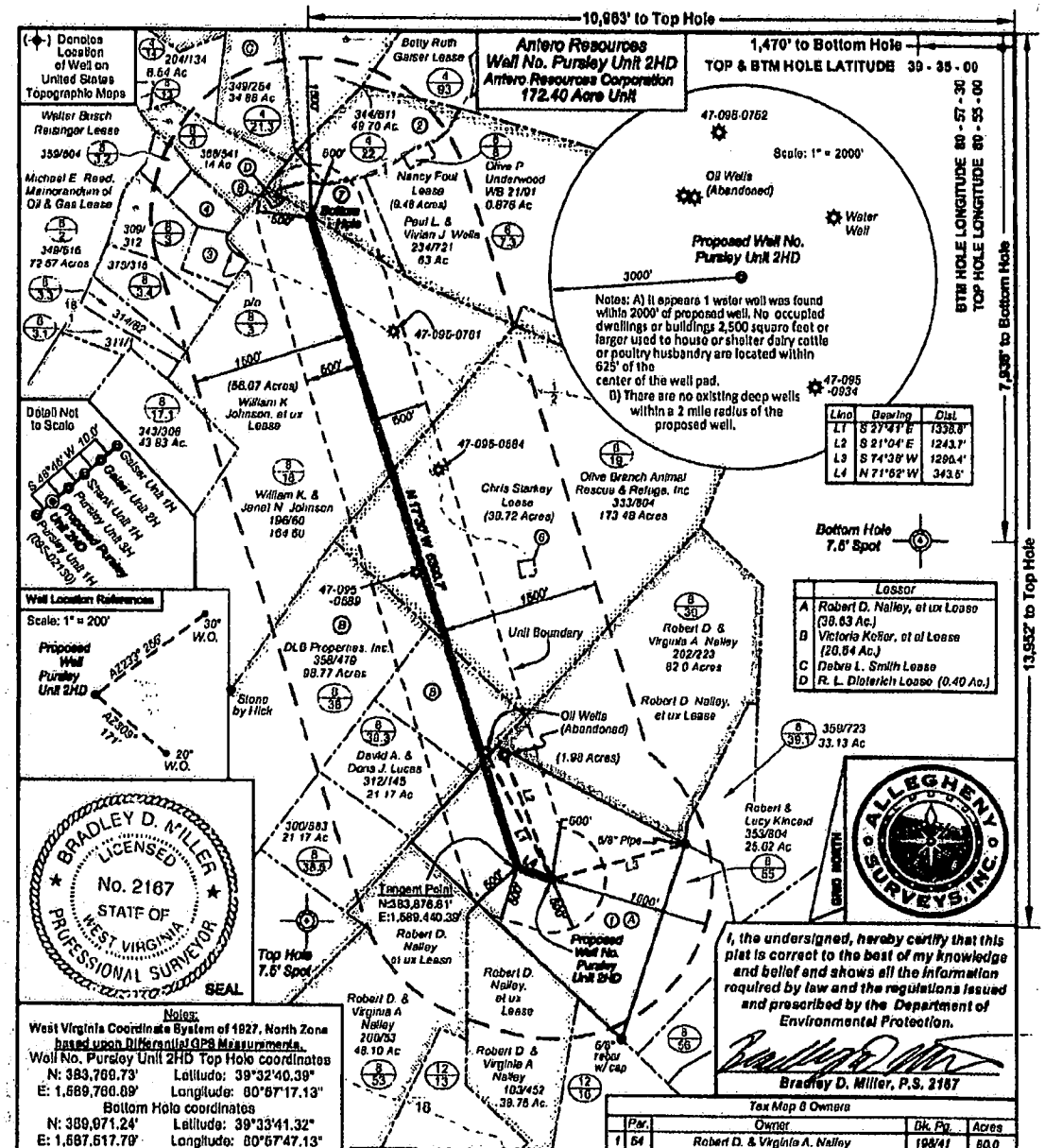
Motion to Modify Unit in Accordance with Commission Ruling

At the conclusion of the hearing on July 17, 2014, the Commission denied Applicant's request to grant exceptions to the required 400 foot well set-back from lease or unit boundary contained in the Rules of the Commission at 39 CSR 1-4.2. In accordance with the Commission's ruling, the Applicant revised the proposed unit to meet the 400 foot set-back rule. A copy of the plat as revised is attached hereto and incorporated herein. No additional royalty owners or operators will be affected by the amendment requested. The Applicant hereby requests that the unit authorized by the Commission at the July 17 hearing be amended to conform to the plat attached.

Antero Resources Corporation
By Counsel

George A. Patterson, III (WV State Bar 2831)
600 Quarrier Street
Charleston, WV 25304

6274614.1



Line	Bearing	Dist.
L1	S 27°41' E	1338.8'
L2	S 21°04' E	1243.7'
L3	S 74°38' W	1290.4'
L4	N 71°52' W	343.5'

	Lessor
A	Robert D. Nalley, et ux Lease (38.63 Ac.)
B	Victoria Keller, et al Lease (20.54 Ac.)
C	Debra L. Smith Lease
D	R. L. Dieterich Lease (0.40 Ac.)

I, the undersigned, hereby certify that this plat is correct to the best of my knowledge and belief and shows all the information required by law and the regulations issued and prescribed by the Department of Environmental Protection.

Bradley D. Miller, P.S. 2167

Notes:
West Virginia Coordinate System of 1927, North Zone based upon Differential GPS Measurements.
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6	19.1	Hope Natural Gas, Inc. d/b/a/ Dominion Hope	337/454	0.52
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8	0	Robert B. & Audrey L. Christy	348/398	0.38

FILE NO: 214-64-L-13
DRAWING NO: 214-13 Pursley 2HD Rev 5
SCALE: 1" = 1200'
MINIMUM DEGREE OF ACCURACY: Submeter
PROVEN SOURCE OF ELEVATION: WVDOT, Harrisville, WV

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

DATE: July 23 2014
OPERATOR'S WELL NO. Pursley Unit 2HD

API WELL NO
47 - 095 - ____
STATE COUNTY PERMIT

WELL TYPE: ☐ OIL ☒ GAS ☐ LIQUID INJECTION ☐ WASTE DISPOSAL
(IF GAS) PRODUCTION: ☐ STORAGE ☒ DEEP ☐ SHALLOW
LOCATION: ELEVATION: 971' WATERSHED: Pursley Creek of the Ohio River QUADRANGLE: Paden City
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SURFACE OWNER: Robert D. & Virginia D. Nalley; William K. Johnson, et ux
ROYALTY OWNER: Robert D. Nalley, et ux; Victoria Keller, et al; Chris Starkey LEASE NO: _____ ACREAGE: 214; 174; 80
PROPOSED WORK: ☒ DRILL ☐ CONVERT ☐ DRILL DEEPER ☒ FRACTURE OR STIMULATE ☐ PLUG OFF OLD FORMATION
☒ PERFORATE NEW FORMATION ☐ OTHER PHYSICAL CHANGE IN WELL (SPECIFY) _____
☐ PLUG AND ABANDON ☐ CLEAN OUT AND REPLUG TARGET FORMATION: Point Pleasant ESTIMATED DEPTH: 10,600' TVD 17,500' MD

WELL OPERATOR: Antero Resources Corporation DESIGNATED AGENT: Dianna Stamper - CT Corporation System
ADDRESS: 1615 Wynkoop Street ADDRESS: 5400 D Big Tyler Road
Denver, CO 80202 Charleston, WV 25313

Angela Belcher

From: George Patterson <gpatterson@bowlesrice.com>
Sent: Thursday, July 31, 2014 9:35 AM
To: Angela Belcher
Subject: FW: (Pursley Unit) Notice of Motion with Attachments Docket 230, Cause 220

For file

[Bowles Rice] <http://www.bowlesrice.com>

George Patterson
gpatterson@bowlesrice.com<http://www.bowlesrice.com/attorneys/contact.aspx?email=gpatterson@bowlesrice.com>

600 Quarrier Street
Charleston, WV 25301
(304) 347-1118

Bio<http://www.bowlesrice.com/Attorneys/Attorneys/Patterson,-III,-George-A-> | vCard<http://www.bowlesrice.com/BowlesRice/media/Bowle-Rice/personnel/vcard/GeorgePatterson.vcf>

CONFIDENTIAL AND PRIVILEGED: This e-mail is confidential and privileged, and intended only for the review and use of the addressee(s). If you have received this e-mail in error, please notify the sender at (304) 347-1118 or by e-mail at gpatterson@bowlesrice.com<mailto:gpatterson@bowlesrice.com>. Thank you.
From: Al Tuttle [mailto:aetuttle@hughes.net]
Sent: Tuesday, July 29, 2014 8:31 PM
To: George Patterson
Subject: Re: FW: (Pursley Unit) Notice of Motion with Attachments Docket 230, Cause 220

Thank you

I have received the amended application re: plat showing new 400 foot set back per Commission ruling of July 17th, 2014.

Alfred Tuttle

----- Original Message -----
From: George Patterson <gpatterson@bowlesrice.com<mailto:gpatterson@bowlesrice.com>>
To: 'aetuttle@hughes.net' <aetuttle@hughes.net<mailto:aetuttle@hughes.net>>, 'edcon1951@yahoo.com' <edcon1951@yahoo.com<mailto:edcon1951@yahoo.com>>,

'steve.zechmon@gmail.com' <steve.zechmon@gmail.com<mailto:steve.zechmon@gmail.com>>, 'Janie_@yahoo.com' <Janie_@yahoo.com<mailto:Janie_@yahoo.com>>, 'ebelmore@jacksonkelly.com' <ebelmore@jacksonkelly.com<mailto:ebelmore@jacksonkelly.com>>, 'dnr1106@yahoo.com' <dnr1106@yahoo.com<mailto:dnr1106@yahoo.com>>, 'wvdavid@wvdavid.net' <wvdavid@wvdavid.net<mailto:wvdavid@wvdavid.net>>, 'julie@wvsoro.org' <julie@wvsoro.org<mailto:julie@wvsoro.org>>, 'nfout@hotmail.com' <nfout@hotmail.com<mailto:nfout@hotmail.com>>, 'linda_m_jenson@msn.com' <linda_m_jenson@msn.com<mailto:linda_m_jenson@msn.com>>
Sent: Tue, 29 Jul 2014 18:17:33 -0400 (EDT)
Subject: FW: (Pursley Unit) Notice of Motion with Attachments Docket 230, Cause 220 Each of the addresses on this email signed the sign-in sheet at the hearing on Antero's application for a unit and left an email address. During the proceeding, Mr. McMahon asked for notice of any continued hearing in the case. This email is the notice requested by Mr. McMahon with respect to the Motion to Modify Unit in Accordance with Commission Ruling. Please let me know you received the email and the attachment.
Thank you very much.

[Bowles Rice]<http://www.bowlesrice.com>

George Patterson
gpatterson@bowlesrice.com<http://www.bowlesrice.com/attorneys/contact.aspx?email=gpatterson@bowlesrice.com>

600 Quarrier Street
Charleston,
WV25301
(304) 347-1118

Bio<http://www.bowlesrice.com/Attorneys/Attorneys/Patterson,-III,-George-A-> | vCard<http://www.bowlesrice.com/BowlesRice/media/Bowle-Rice/personnel/vcard/GeorgePatterson.vcf>

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Angela Belcher

From: George Patterson
Sent: Thursday, July 31, 2014 9:03 AM
To: Angela Belcher
Subject: FW: (Pursley Unit) Notice of Motion with Attachments Docket 230, Cause 220

Angie - another check for your list

George Patterson
(304) 347-1118

From: Edward Howell [mailto:edcon1951@yahoo.com]
Sent: Thursday, July 31, 2014 9:03 AM
To: George Patterson
Subject: Re: (Pursley Unit) Notice of Motion with Attachments Docket 230, Cause 220

Received the email . thank you

Edward b. Howell

From: George Patterson <gpatterson@bowlesrice.com>
To: '"aetuttle@hughes.net"' <aetuttle@hughes.net>; '"edcon1951@yahoo.com"' <edcon1951@yahoo.com>; '"steve.zechmon@gmail.com"' <steve.zechmon@gmail.com>; '"Janie_@yahoo.com"' <Janie_@yahoo.com>; '"ebelmore@jacksonkelly.com"' <ebelmore@jacksonkelly.com>; '"dnr1106@yahoo.com"' <dnr1106@yahoo.com>; '"wvdavid@wvdavid.net"' <wvdavid@wvdavid.net>; '"julie@wvsoro.org"' <julie@wvsoro.org>; '"nfout@hotmail.com"' <nfout@hotmail.com>; '"linda_m_jenson@msn.com"' <linda_m_jenson@msn.com>
Sent: Tuesday, July 29, 2014 6:17 PM
Subject: FW: (Pursley Unit) Notice of Motion with Attachments Docket 230, Cause 220

Each of the addresses on this email signed the sign-in sheet at the hearing on Antero's application for a unit and left an email address. During the proceeding, Mr. McMahon asked for notice of any continued hearing in the case. This email is the notice requested by Mr. McMahon with respect to the Motion to Modify Unit in Accordance with Commission Ruling. Please let me know you received the email and the attachment. Thank you very much.

Bowles Rice
ATTORNEYS AT LAW
Bio | vCard

George Patterson
gpatterson@bowlesrice.com

600 Quarrier Street
Charleston, WV 25301
(304) 347-1118

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Angela Belcher

From: George Patterson <gpatterson@bowlesrice.com>
Sent: Friday, August 01, 2014 9:15 AM
To: Angela Belcher
Subject: FW: (Pursley Unit) Notice of Motion with Attachments Docket 230, Cause 220

[Bowles Rice] <http://www.bowlesrice.com>

George Patterson
gpatterson@bowlesrice.com<http://www.bowlesrice.com/attorneys/contact.aspx?email=gpatterson@bowlesrice.com>

600 Quarrier Street
Charleston, WV 25301
(304) 347-1118

Bio<http://www.bowlesrice.com/Attorneys/Attorneys/Patterson,-III,-George-A-> | vCard<http://www.bowlesrice.com/BowlesRice/media/Bowle-Rice/personnel/vcard/GeorgePatterson.vcf>

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From: Steve Zechman [mailto:steve.zechman@gmail.com]
Sent: Friday, August 01, 2014 6:28 AM
To: George Patterson
Subject: RE: (Pursley Unit) Notice of Motion with Attachments Docket 230, Cause 220

George,

Yes, I received the notice of motion.

Thanks,

Steve

From: George Patterson [mailto:gpatterson@bowlesrice.com]
Sent: Thursday, July 31, 2014 10:54 AM
To: 'Steve Zechman'

Subject: FW: (Pursley Unit) Notice of Motion with Attachments Docket 230, Cause 220

Steve:

Attached is a Notice for the hearing on August 8, at 1:00 pm, and the Motion to Modify Unit in Accordance with Commission Ruling. At this time, I do not have a copy of all the exhibits filed at the hearing -- several were filed by the Commission, and I do not have a copy of the transcript. You might want to contact the Commission to ask for those. There might be a charge for those, I'm not sure.

Please confirm that you received the attachment. Thank you very much.

[Image removed by sender. Bowles Rice]<http://www.bowlesrice.com>

George Patterson
gpatterson@bowlesrice.com<http://www.bowlesrice.com/attorneys/contact.aspx?email=gpatterson@bowlesrice.com>

600 Quarrier Street
Charleston, WV 25301
(304) 347-1118

Bio<http://www.bowlesrice.com/Attorneys/Attorneys/Patterson,-III,-George-A-> | vCard<http://www.bowlesrice.com/BowlesRice/media/Bowle-Rice/personnel/vcard/GeorgePatterson.vcf>

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From: Angela Belcher
Sent: Wednesday, July 30, 2014 1:51 PM
To: steve.zechman@gmail.com<mailto:steve.zechman@gmail.com>
Cc: George Patterson
Subject: FW: (Pursley Unit) Notice of Motion with Attachments Docket 230, Cause 220

Sorry, I forgot to attach the document.

Angela Belcher
(304) 347-1770

From: Angela Belcher
Sent: Wednesday, July 30, 2014 1:50 PM
To: 'steve.zechman@gmail.com'
Cc: George Patterson
Subject: (Pursley Unit) Notice of Motion with Attachments Docket 230, Cause 220

Mr. Zechman,

I am sending this attachment on behalf of George Patterson.

(original e-mail)
Each of the addresses on this email signed the sign-in sheet at the hearing on Antero's application for a unit and left an email address. During the proceeding, Mr. McMahon asked for notice of any continued hearing in the case. This email is the notice requested by Mr. McMahon with respect to the Motion to Modify Unit in Accordance with Commission Ruling.

Please let me know you received the email and the attachment.

Thank you very much.

Angela Belcher

From: George Patterson <gpatterson@bowlesrice.com>
Sent: Thursday, July 31, 2014 9:36 AM
To: Angela Belcher
Subject: FW: (Pursley Unit) Notice of Motion with Attachments Docket 230, Cause 220

For file

George Patterson
gpatterson@bowlesrice.com

600 Quarrier Street
Charleston, WV 25301
(304) 347-1118

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-----Original Message-----
From: Elmore, Elizabeth [mailto:ebelmore@jacksonkelly.com]
Sent: Tuesday, July 29, 2014 6:22 PM
To: George Patterson
Subject: Re: (Pursley Unit) Notice of Motion with Attachments Docket 230, Cause 220

Thanks George. Beth

Sent from my iPhone

> On Jul 29, 2014, at 6:19 PM, "George Patterson" <gpatterson@bowlesrice.com> wrote:
>
> Each of the addresses on this email signed the sign-in sheet at the hearing on Antero's application for a unit and left an email address. During the proceeding, Mr. McMahon asked for notice of any continued hearing in the case. This email is the notice requested by Mr. McMahon with respect to the Motion to Modify Unit in Accordance with Commission Ruling. Please let me know you received the email and the attachment. Thank you very much.
>
>
>
> [Bowles Rice] <http://www.bowlesrice.com>
>
> George Patterson
>
gpatterson@bowlesrice.com<http://www.bowlesrice.com/attorneys/contact.aspx?email=gpatterson@bowlesrice.com>
>

> 600 Quarrier Street
> Charleston, WV 25301
> (304) 347-1118
>
>
>
> Bio<http://www.bowlesrice.com/Attorneys/Attorneys/Patterson,-III,-George-A-> | vCard<http://www.bowlesrice.com/BowlesRice/media/Bowle-Rice/personnel/vcard/GeorgePatterson.vcf>
>
>
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> <As Filed with attachments Notice of Motion (Pursley Unit).PDF>

Angela Belcher

From: George Patterson <gpatterson@bowlesrice.com>
Sent: Thursday, July 31, 2014 9:34 AM
To: Angela Belcher
Subject: FW: (Pursley Unit) Notice of Motion with Attachments Docket 230, Cause 220

Please file

[Bowles Rice] <http://www.bowlesrice.com>

George Patterson
gpatterson@bowlesrice.com<http://www.bowlesrice.com/attorneys/contact.aspx?email=gpatterson@bowlesrice.com>

600 Quarrier Street
Charleston, WV 25301
(304) 347-1118

Bio<http://www.bowlesrice.com/Attorneys/Attorneys/Patterson,-III,-George-A-> | vCard<http://www.bowlesrice.com/BowlesRice/media/Bowle-Rice/personnel/vcard/GeorgePatterson.vcf>

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From: Dean Harris [mailto:dnr1106@yahoo.com]
Sent: Wednesday, July 30, 2014 7:51 AM
To: George Patterson
Subject: Re: (Pursley Unit) Notice of Motion with Attachments Docket 230, Cause 220

Mr. Patterson,

Email and attachments received.

Thank You,

Dean Harris

On Tuesday, July 29, 2014 6:17 PM, George Patterson <gpatterson@bowlesrice.com<mailto:gpatterson@bowlesrice.com>> wrote:

Each of the addresses on this email signed the sign-in sheet at the hearing on Antero's application for a unit and left an email address. During the proceeding, Mr. McMahon asked for notice of any continued hearing in the case. This email is the notice requested by Mr. McMahon with respect to the Motion to Modify Unit in Accordance with Commission Ruling. Please let me know you received the email and the attachment. Thank you very much.

[Bowles Rice]<http://www.bowlesrice.com/>

George Patterson
gpatterson@bowlesrice.com<http://www.bowlesrice.com/attorneys/contact.aspx?email=gpatterson@bowlesrice.com>

600 Quarrier Street
Charleston, WV 25301
(304) 347-1118

Bio<http://www.bowlesrice.com/Attorneys/Attorneys/Patterson,-III,-George-A-> | vCard<http://www.bowlesrice.com/BowlesRice/media/Bowle-Rice/personnel/vcard/GeorgePatterson.vcf>

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Angela Belcher

From: George Patterson
Sent: Wednesday, July 30, 2014 12:58 PM
To: Angela Belcher
Subject: Fwd: (Pursley Unit) Notice of Motion with Attachments Docket 230, Cause 220

Sent from my iPhone

Begin forwarded message:

> **From:** David McMahon <wvdavid@wvdavid.net>
> **Date:** July 30, 2014 at 9:45:08 AM EDT
> **To:** George Patterson <gpatterson@bowlesrice.com>
> **Subject: Re: FW: (Pursley Unit) Notice of Motion with Attachments Docket 230, Cause 220**
>
> Thank you George. We should talk about this process some time.
>
> On 7/29/2014 6:17 PM, George Patterson wrote:
>
> > Each of the addresses on this email signed the sign-in sheet at the hearing on Antero's application for a unit and left an email address. During the proceeding, Mr. McMahon asked for notice of any continued hearing in the case. This email is the notice requested by Mr. McMahon with respect to the Motion to Modify Unit in Accordance with Commission Ruling. Please let me know you received the email and the attachment. Thank you very much.

Bowles Rice
ATTORNEYS AT LAW
Bio | vCard

George Patterson
gpatterson@bowlesrice.com

600 Quarrier Street
Charleston, WV 25301
(304) 347-1118

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--
David McMahon
e-Mail: wvdavid@wvdavid.net
Land line: 304-415-4288
Fax: 810-958-6143
Physical address: 1018 Kanawha Blvd E. #1200

Charleston, WV 25301
Postal address: 1624 Kenwood Road
Charleston, WV 25314

George Patterson
(304) 347-1118

Angela Belcher

From:	George Patterson <gpatterson@bowlesrice.com>
Sent:	Thursday, July 31, 2014 10:07 AM
To:	Angela Belcher
Subject:	FW: (Pursley Unit) Notice of Motion with Attachments Docket 230, Cause 220 email receipt from Julie Archer

For file -- I am going to need a printed copy of each of the receipts and will file a certificate of service with one copy of each email to, and one copy of each receipt, attached.

[Bowles Rice] <http://www.bowlesrice.com>

George Patterson
gpatterson@bowlesrice.com<http://www.bowlesrice.com/attorneys/contact.aspx?email=gpatterson@bowlesrice.com>

600 Quarrier Street
Charleston, WV 25301
(304) 347-1118

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From: Julie Archer [mailto:julie@wvsoro.org]
Sent: Thursday, July 31, 2014 10:05 AM
To: George Patterson
Subject: Re: FW: (Pursley Unit) Notice of Motion with Attachments Docket 230, Cause 220

Received. Thank you.

Julie

Julie Archer

WV Surface Owners' Rights Organization

1500 Dixie Street

Charleston, WV 25311

(304) 346-5891

(304) 346-8981 FAX

www.wvsoro.org<http://www.wvsoro.org>
On 7/29/2014 6:17 PM, George Patterson wrote:
Each of the addresses on this email signed the sign-in sheet at the hearing on Antero's application for a unit and left an email address. During the proceeding, Mr. McMahon asked for notice of any continued hearing in the case. This email is the notice requested by Mr. McMahon with respect to the Motion to Modify Unit in Accordance with Commission Ruling. Please let me know you received the email and the attachment. Thank you very much.

[Bowles Rice]<http://www.bowlesrice.com>

George Patterson
gpatterson@bowlesrice.com<http://www.bowlesrice.com/attorneys/contact.aspx?email=gpatterson@bowlesrice.com>

600 Quarrier Street
Charleston, WV 25301
(304) 347-1118

Bio<http://www.bowlesrice.com/Attorneys/Attorneys/Patterson,-III,-George-A-> |
vCard<http://www.bowlesrice.com/BowlesRice/media/Bowle-Rice/personnel/vcard/GeorgePatterson.vcf>

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Aug 8 Ex 24

Exhibit 13 - Antero Pursley Unit Engineering Testimony

Pursley Unit (Optimum Development)							
Well Name	Lateral Length (feet)	Acres Developed	Gross Capital ($MM)	Net PV10 ($MM)	IRR%	Gross Wellhead Gas (Bcf)	Bcf/1,000'
Pursley Unit 2HD	6,391	172	$ 14.9	$ 4.7	23%	15.2	2.4

Antero Resources Corp.
Authority for Expenditure
Utica Shale horizontal well

Well Name/No	Pursley Unit 2HD	Est. Completion Total Depth (TVD)	10,800		
Survey/Abstract	Nalley Pad	Estimated Total Depth (MD)	17,690		
County/State	Tyler County, WV	Directional Reach	0		
Location SHL	39° 32' 40.39" N & 80° 57' 17.13" W	Shallow Rig Days	0		
Location BHL	39° 33' 41.32" N & 80° 57' 47.13" W	Big Rig Mob Days	10		
Elevation GL	971'	Big Rig Days	45		
Elevation KB		Lateral Length	6,390		
Prospect	Utica Shale	Frac Stages	37		40
Field	Middlebourne		3.65	Coil Unit Days	0
Date	7/29/2014	Surface Casing Depth (MD)	300	WSU Days	9
API		Intermediate Casing Depth (MD) 1	2,500		
		Intermediate Casing Depth (MD) 2	9,000		
AFE Number	PURSLEY2HD	Production Tbg Set Depth (MD)	10,800		

DRILLING COSTS (BCP)

Account	Category	Description	Intangible	Tangible	Total
830/010	Legal	DO/Title/Legal	24,876	0	24,876
830/020	Surface Damages	Surface Damages	45,000	0	45,000
830/030	Survey & Stake Location	Survey / Staking Location	20,266	0	20,266
830/050	Roads / Gravel / Culvert	Build Road to Location	42,206	0	42,206
830/060	Prep / Planning by Engineer	Prep / Planning by Engineer	0	0	0
830/070	Location Preparation	Build Location	310,000	0	310,000
830/080	Rig Transport	Drilling Rig Mobilization one well	515,810	0	515,810
830/090	Rig Fuel Big rig	Fuel, Oil & Power . Diesel	468,183	0	468,183
830/100	IDC Drilling - Shallow Rig	Shallow Rig Preset	0	0	0
830/100	IDC Drilling - Daywork	Big Rig	1,161,002	0	1,161,002
830/140	Rat Hole & Mouse Hole	Rathole/Mousehole/Cellar/conductor	26,016	0	26,016
830/145	Cement Conductor	Cementing of Conductor Casing	10,954	0	10,954
830/150	Cement Surface Casing	Surface Cement 18-5/8" + 13-3/8"	78,596	0	78,596
830/155	Cement Intermediate Casing	Intermediate Cement 9-5/8"	173,610		173,610
830/160	Surface Casing Crew & Tongs	Casing Crew 18-5/8" + 13-3/8"	20,524	0	20,524
830/165	Intermediate Casing Crew & Tongs\LM	Casing Crew 9-5/8"	31,590		31,590
830/170	Welding	Welding Services	21,253	0	21,253
830/180	Geologic Services/Mudlogging	Mud Logging	35,000	0	35,000
830/190	Water (Drilling & Cementing)	Drilling Water & Fluids (Cementing)	36,359	0	36,359
830/200	Drilling Fluids, Mud & Chemicals	Mud & Chemicals	356,051	0	356,051
830/210	Permits/Fees	Permits, Fees	1,250	0	1,250
830/230	Bonds and Insurance	Bonds and Insurance	2,500	0	2,500
830/250	Contract Drilling Supervision	Supervision	199,700	0	199,700
830/270	Equipment Rental	Rental Tools / Equipment	851,911	0	851,911
830/280	Materials and Supplies	Materials	64,075	0	64,075
830/290	Coring/Core Analysis	Coring/Core Analysis	390,000	0	390,000
830/310	Bits and Reamers	Bits	88,096	0	88,096
830/320	Contract Services/ Roustabouts Drilling	Contract Services / Labor	248,988	0	248,988
830/330	Mud Disposal & Cuttings	Haul Cuttings, Work cutting	341,417	0	341,417
830/340	Trucking/Hauling	Trucking & Hauling	102,508	0	102,508
830/350	Open Hole Logs	Open Hole Logging	150,000	0	150,000
830/370	Drilling Fixed Overhead	Drilling Fixed Overhead	3,210	0	3,210
830/430	Miscellaneous Expense/Supplies	Materials & Supplies	0	0	0
830/440	Plug Back Cement	Plug Back Cement	50,000	0	50,000
830/450	Enviromental & Safety	Enviormental & Safety	64,000	0	64,000
830/480	Directional Drilling Tools	Tools, Supervision, Surveys	366,147	0	366,147
840/060	Production Cement	Production Cement and Jewelry	133,615	0	133,615
840/070	Production Casing Crew & Tongs\LM	Casing Crew	36,487	0	36,487
850/005	Conductor Casing	26" Conductor Pipe	0	0	0
850/010	Surface Casing (New)	J-55 18-5/8" 57.5 lb STC	0	6,459	6,459
850/020	Intermidiate Casing (New)	J-55 13-3/8" 54.5 lb LTC	0	53,825	53,825
850/020	Intermidiate Casing (New)	P-110 9-5/8" 43.5lb LTC	0	428,760	428,760
850/030	Production Casing (New)	P-110 5-1/2" 26lb Premium Thread	0	406,870	406,870
	TOTAL DRILLING COSTS:		6,471,200	895,914	7,367,114

COMPLETION COSTS (ACP)

840/040	Completion Unit-Daywork	WOR/Snubbing Unit	136,025	0	136,025
840/045	Coil unit	Coil unit prep toe and drill out plugs	0	0	0
840/050	Contract Completion Supervision	Completion Supervision	204,480	0	204,480
840/080	Fuel and Power	Fuel and Power	23,623	0	23,623
840/090	Cased-Hole Log/Perforate	Logging & Perforation + Plugs	536,870	0	536,870
840/100	Slick Line work	Pulling Plugs	4,558	0	4,558
840/110	Roads & Location & Pit Restoration	Restore location / Pit Restoration	94,373	0	94,373
840/120	Pulling Trucks & Equipment	Pulling Trucks & Equipment	6,863	0	6,863
840/130	Frac Treatment	Includes frac treatment & chemicals	3,103,714	0	3,103,714
840/135	Frac Testing/Analysis	Frac Testing/Analysis (Tracer Survey)	182,571	0	182,571
840/140	Equipment Rental	Equipment Rental	702,900	0	702,900
840/150	Trucking & Hauling	Trucking & Hauling	125,755	0	125,755
840/160	Frac Water & Hauling	Haul Water for Frac	932,940	0	932,940
840/132	Frac Pit	Frac Pit	0	0	0
840/170	Parts/Supplies/Bits	Parts/Supplies/Bits	92,144	0	92,144
840/180	Contract Services / Labor	Contract Services / Labor	351,450	0	351,450
840/190	OEE Insurance	$0.66/ft	11,675	0	11,675
840/230	Chemicals	Frac Chemicals	29,458	0	29,458
840/240	Heat Frac & Flowback Tank	Heat Frac & Flowback Tank	0	0	0
840/250	Frac Tank Rental	Frac Tank Rental	38,924	0	38,924
840/260	Flowback, Haul and disposal	Flowback, Haul & Disposal, Water Treating	137,673	0	137,673
840/280	Acidizing/Nitrogen	Acidizing/Nitrogen	1,814	0	1,814
840/300	Swabbing	Swabbing	0	0	0
840/310	Environmental Services	Environmental Services	16,253	0	16,253
840/350	Fixed Rate COPAS Overhead	Completion - Administrative Overhead	7,042	0	7,042
840/380	Flowback well testing	Includes light plant, test, hookup & equ.	319,500	0	319,500
840/900	Miscellaneous Expense/Supplies	Miscellaneous	25,000	0	25,000
850/040	Tubing (New)	N-80 4.7lb tubing	0	43,740	43,740
850/050	Flowline/Installation	Flowline/Installation	0	12,168	12,168
850/060	Wellhead Assembly	Braden head, "B" Section and 5K Tree	0	27,736	27,736
850/080	Fittings & Valves, Controls	Fittings, Valves, Controller + Install Automati	0	15,000	15,000
850/110	Hi-Pressure Separator	10" X 28" Separator Vessel + Installation	0	122,596	122,596
850/160	Tank Battery/Header Installation	(4) 400 BBL Steel Tank/Battery/Install	0	56,000	56,000
850/190	Line Heater	Line Heater and install	0	36,415	36,415
850/200	Anchors	Anchors for completion rig	0	600	600
850/220	Gas Metering	EFM + Installation + VRU	0	108,753	108,753
850/300	Downhole Equipment	Profile Nipples, Pump Sub,	0	2,957	2,957
850/370	Fence / Cattleguard / Culvert	Fences / Cattleguard / Culverts + Install	0	2,082	2,082
850/400	Dehydrators	Dehydrators	0	16,763	16,763
	TOTAL COMPLETION COSTS:		7,085,605	444,800	7,530,405
Total Estimated Intangible Cost:			$13,556,805		
Total Estimated Tangible Cost:				$1,340,714	
TOTAL ESTIMATED WELL COST:					$14,897,519

WI Owner Approval:

Signature Name Title Date

Prepared by: Carver Stone Signed

Antero Resources Corporation will carry operators extra expense (OEE) well control insurance for all parties electing to participate in the drilling and/or completion of this well, unless advised otherwise at the time this form is executed. Costs shown on this form are estimates only. Non-operators should not consider these estimates as establishing any limits on the monies which will be required to perform the proposed operation.

Ex. 25

OIL AND GAS LEASE
(PAID-UP)

Lessor: _____
Lessee: _____
Lease Number: _____
Prospect: _____
WV - Revised August 2013– ARC

This Agreement, made and entered into this ____ day of _____, 20__, by and between _____, hereinafter referred to individually and collectively as "Lessor," and **Antero Resources Corporation**, 1625 17th Street, Denver, CO 80202, hereinafter referred to as "Lessee;" WITNESSETH THAT:

1. **Leasing.** Lessor, for and in consideration of the sum of Ten Dollars ($10.00) and other good and valuable consideration, the receipt of which is hereby acknowledged, and the covenants herein contained, hereby grants, demises, leases and lets exclusively unto Lessee the lands hereinafter described for the purposes of exploring by geological and geophysical and other methods, (including, but not limited to, conducting seismic surveys), drilling either vertically or horizontally, operating for, producing oil or gas or both including methane gas present in or associated with any formations, horizons, strata or zones and/or; together with the right and easement to construct, operate, repair, maintain, resize and remove pipelines, telephone, power and electric lines, tanks, ponds, roadways, plants, equipment and structures thereon to produce, save, store and take care of such substances, and the exclusive right to inject air, gas, water, brine or other fluids into the subsurface strata and any and all other rights and privileges necessary, incident to, or convenient for the economical operation of the lands, alone or conjointly with neighboring lands for these purposes, said lands being situated on the waters _____ in the District of _____, County of _____, State of West Virginia, and being bounded now or formerly substantially as follows, to wit:

On the North by lands of _____
On the East by lands of _____
On the South by lands of _____
On the West by lands of _____

Said lands being identified for tax purposes as tract or parcel number _____as of the date of this lease. Notwithstanding said tax map designation, this lease shall be effective as to the tract actually owned by Lessor whether or not the tax map designation correctly identifies the location of the tract. Being also the same interest acquired by the Lessor by _____ Deed dated _____and recorded in the Recorder of Deeds Office in and for _____County, State of West Virginia, filed as _____Book _____, Page _____. It being the purpose and intent of Lessor to lease, and Lessor does hereby lease, all strips or parcels of land now owned by Lessor, or hereafter acquired which adjoin the lands above described, and all interests in the land above described now owned or hereafter acquired by Lessor. For all purposes of this lease, including determining the amount of delay rentals, royalties and shut-in royalties hereunder, said land shall be deemed to contain _____acres whether it actually contains more or less. For all purposes of this lease, references to oil and gas or either or both of them shall mean oil, or gas, or both and all substances which are constituents of or produced with oil or gas, whether similar or dissimilar or produced in a gaseous, liquid, or solid state.

SEE EXHIBIT "A" ATTACHED HERETO AND MADE A PART HEREOF

2. **Term**. Subject to the other provisions hereof, this lease shall remain in force for a term of Five (5) years from this date (herein called "primary term") and as long thereafter as oil and gas, or either of them, is produced from the land or from lands pooled therewith, or drilling operations are continuously prosecuted as hereinafter provided, or this lease is otherwise maintained in effect pursuant to the provisions hereof. As used herein, "drilling operations" include operations for the drilling of a new well, the reworking, deepening or plugging back of a well or hole or other operations conducted in an effort to obtain or reestablish production of oil or gas. Drilling operations shall be considered to be "continuously prosecuted" if not more than 120 days shall elapse between the completion or abandonment of one well or hole and the commencement of drilling operations on another well or hole.

3. **Royalties.** The royalties to be paid by Lessee are: (a) on oil, One-Eighth (12.5%) of that produced and saved and delivered at the wells or into the pipeline to which the wells may be connected. Lessee may from time to time purchase any royalty oil in its possession, paying the market price then prevailing for the field where produced, and Lessee may sell any royalty oil in its possession and pay Lessor the price received by Lessee for such oil computed at the well, less One-Eighth (12.5%) of all Post Production Costs and less the same fractional share of all production, petroleum excise and severance taxes; (b) on gas, including casinghead gas or other gaseous substance, produced from said land and sold or used beyond the well or for the extraction of gasoline or other product, an amount equal to One-Eighth (12.5%) of the net amount realized by Lessee computed at the wellhead from the sale of such substances. On gas sold at the well, the royalty shall be One-Eighth (12.5%) of the amount realized by Lessee from such sale, less One-Eighth (12.5%) of all Post Production Costs and less the same fractional share of all production, petroleum excise and severance taxes.

As used in this provision, "Post Production Costs" shall mean all costs actually incurred by Lessee or its affiliate and all losses of produced volumes whether by use as fuel, line loss, flaring, venting or otherwise from and after the wellhead to the point of sale. Post Production Costs includes, without limitation, all costs of gathering, treating, processing, blending, marketing, compression, dehydration, transportation, removal of liquid or gaseous substances, and/or removal of impurities of or from the affected oil and gas, and costs of any other activities associated with making the oil and gas ready for movement, sale or use. For royalty calculation purposes, Lessee shall never be required to adjust the sales proceeds to account for the purchaser's revenues, receipts, costs or charges, or other activities that occur, beyond and past the point of sale. Lessee or its affiliate shall have the right to construct, maintain and operate any facilities providing some or all of the services identified as Post Production Costs. If Lessee or its affiliate does so, the actual costs of such facilities shall be included in the Post Production Costs as a per barrel or per mcf (or per mmbtu, at Lessee's election) charge, as appropriate, calculated by spreading the construction, maintenance and operating costs for such facilities over the reasonably estimated total production volumes attributable to the well or wells using such facilities.

Ex. 30

In no event will the royalties payable hereunder exceed One-Eighth (12.5%) of any governmentally-imposed sales price ceiling applicable to Lessee's sales or One-Eighth (12.5%) of the net amounts received by Lessee not subject to refund, whichever is the

lesser; provided that any amounts held by Lessee subject to refund will be promptly distributed, without interest, when Lessee's sale price is finally determined by judicial or administrative authority.

4. **Delay Rental.** It is hereby agreed and acknowledged by Lessor and Lessee that this is a Paid-Up Oil and Gas Lease and all delay rentals due and payable under this agreement have been paid in advance and have been included in the consideration paid to Lessor by Lessee for this oil and gas lease.
It is agreed that Lessee may drill or not drill on the leased premises, as it may elect, and that the consideration and rentals paid constitute adequate compensation for such privilege. No implied covenant shall be read into this lease requiring Lessee to drill or to continue drilling on said land, or fixing the measure of diligence necessary on Lessee's part.

5. **Dry Hole Clause and Cessation of Production.** If during the last year of the primary term and prior to the discovery of oil or gas on said land, Lessee should drill a dry hole thereon, or, if after discovery of oil or gas either before or during the last year of the primary term, the production thereof should cease during the last year of said term from any cause, no rental payment or operations are necessary in order to keep this lease in force during the remainder of the primary term. If, at the expiration of the primary term, Lessee has commenced operations for drilling a new well or reworking an old well, this lease shall continue in force as long as such drilling or reworking operations continue, or if after the expiration of the primary term, production on this lease shall cease, this lease shall continue in force if drilling or reworking operations are commenced within 120 consecutive days after such cessation of production; if production is restored or additional production is discovered as a result of any such drilling or reworking operations, conducted without cessation of more than 120 consecutive days, this lease shall continue as long thereafter as oil or gas is produced and as long as additional drilling or reworking operations are continued without cessation for more than 120 consecutive days.

6. **Shut-in Royalty.** After expiration of the primary term hereof, when gas is not being so sold or used and the well or wells are shut in and there is no current production of oil or operations on said leased premises sufficient to keep this lease in force, Lessee shall pay or tender a royalty of Ten Dollars ($10.00) per year per net royalty acre retained hereunder, such payment or tender to be made on or before the anniversary date of this lease next ensuing after the expiration of ninety (90) days from the date such well is shut-in and thereafter on the anniversary date of this lease during the period such well is shut in, to the royalty owners. When such payment or tender is made it will be considered that gas is being produced within the meaning of the entire lease. Notwithstanding any other provision to the contrary, this lease shall not terminate because of a failure to properly or timely make shut-in gas well payments unless Lessor shall have given Lessee written notice of such failure to properly or timely make such shut-in gas well payment and Lessee shall have failed for a period of sixty (60) days after receipt of such notice to tender such late payment or such payment in the proper amount, together with a late or improper payment penalty of $100.00.

7. **Lesser Interest.** The respective amounts of all delay rentals, royalties, and other payments are to be calculated in proportion to Lessor's interest in such rights with respect to which each such payment is made; that is, in case Lessor owns less of an interest in any of such rights than the full and entire interest therein, then the payments in respect to such rights shall be paid to Lessor only in the proportion which Lessor's interest in such rights bears to the full and entire interest in such rights.

8. **Apportionment of Payments.** If the leased premises are now, or shall hereafter be owned in severalty or in separate tracts, the premises nevertheless shall be developed and operated as one lease, and all rentals, royalties and payments provided for shall be treated as an entirety and shall be divided among, and paid to, such separate owners in the proportion that the acreage owned by each such separate owner bears to the entire leased acreage.

9. **Assignment.** The rights of either party hereunder may be assigned, in whole or in part, and the provisions hereof shall extend to the heirs, successors and assigns, of the parties hereto, but no change in division of ownership of the land, rentals, royalties, or other payments hereunder, or interest therein, however accomplished, shall operate to enlarge the obligations or diminish the rights of Lessee. No change in the ownership of the land, or any interest herein, shall be binding on Lessee until thirty (30) days after Lessee shall have been furnished by registered U.S. Mail at Lessee's principal place of business with a certified copy of all recorded instruments, all court proceedings and all other necessary evidence of any transfer, inheritance or sale of said rights. In the event of the assignment of this lease as to a segregated portion of said land, the shut-in royalties and other payments payable hereunder shall be apportioned among the several leasehold owners ratably according to the surface areas attributable to each, and default in shut-in royalties or other payments by one such leasehold owner or Lessee shall not affect the rights of the other leasehold owners or Lessees hereunder. In case Lessee assigns this Lease, in whole or in part, Lessee shall be relieved of all obligations with respect to the assigned portion or portions arising subsequent to the date of assignment.

10. **Surrender.** Lessee may, at any time or from time to time, execute and deliver to Lessor or place of record a surrender covering all or any part of the leased premises and thereupon shall be relieved of all obligations thereafter to accrue with respect to the leased premises so surrendered.

11. **Pooling.** Lessor grants unto Lessee the right to pool into a separate drilling or production unit(s), as to any one or more formations, said land or any part thereof and the leasehold estates in the vicinity of said land, whether contiguous or non-contiguous, held by Lessee or other mineral owners or lessees under other leases, when in Lessee's judgment, it is necessary or advisable to create such pools to develop and operate efficiently such lands. Any such pool shall not substantially exceed 80 acres each in area for oil and 640 acres each in area for gas, plus, in both instances, a tolerance of ten percent (10%); provided however, that larger pools may be created to conform to any well spacing or unit pattern prescribed by any governmental authority. The units formed by pooling as to any one or more formations need not conform in size or area with the unit or units into which the lease is pooled or combined as to any formation or formations, and oil units need not conform to the area within gas units. Lessee, alone or with other mineral owners or lessees under other leases, may form any pool before or after completion of a well thereon by recording in the county wherein the pooled land(s) are located, a declaration of such pooling. Neither the pooling nor the provisions hereof shall operate as a transfer to title of any interest in the leased premises. The commencement of a well, the conduct of other drilling operations, the completion of a well or dry hole, or the operation of a producing well on the pooled area, shall be considered for all purposes (except as to royalties) as if said well were located on, or such drilling operations were conducted upon the lands covered by this lease whether or not such well is located upon, or such drilling operations are conducted upon, said lands. The royalties provided for in Paragraph 3 hereof shall be tendered or paid to Lessor in the proportion that Lessor's acreage in the pooled area(s) bears to the total pooled area. Lessee shall have the right but not the obligation, to reduce, enlarge, or modify such pool(s) at any time. The royalties and such other payments tendered or paid thereafter shall then be based upon the proportionate acreage and interests in the revised pool. At any time the pool is not being operated as aforesaid, the declaration of pooling may be surrendered and cancelled of record. Such cancellation or surrender shall not affect a surrender or cancellation of this lease.

12. **Other Rights – Lessee.** Lessee shall have the right to use, free of cost, oil, gas and water produced on said land for its operations except water from wells of Lessor. Lessee shall have the right at any time to remove all machinery and fixtures placed on said premises, including the right to draw and remove casing. No part of the surface of the leased premises shall, without the written consent of Lessee, be let, granted or licensed by Lessor to any other party for the location, construction or maintenance of

structures, tanks, pits, reservoirs, equipment or machinery to be used for the purpose of exploring, developing or operating adjacent lands for oil or gas. Lessee shall also have the right to use, free of cost, any pipeline(s) laid under the terms of this lease for the transportation of gas produced off of the lands leased hereunder. Upon termination or expiration of this lease, Lessee shall have the option to purchase a pipeline right of way for any existing pipelines laid under the terms of this lease pursuant to paragraph 18 hereof.

13. **Other Rights – Lessor.** Lessee shall bury below plow depth its pipelines on the leased premises when requested by a Lessor owning an interest in the surface. No well shall be drilled within 200 feet of any house or barn now on the leased premises without the written consent of the owner of the surface on which such house or barn is located. Lessee shall pay for actual damages to growing crops, merchantable timber and fences caused by its operations on said lands.

14. **Warranties.** Lessor hereby warrants and agrees to defend the title to the lands and interest described in Paragraph 1, but if the interest of Lessor covered by this lease is expressly stated to be less than the entire fee or mineral estate, Lessor's warranty shall be limited to the interest so stated. Lessor further warrants that the lands hereby leased are not subject to any valid prior oil and gas leases. Lessee may purchase or lease the rights of any party claiming any interest in said land and exercise such rights as may be obtained thereby and Lessee shall not suffer any forfeiture nor incur any liability to Lessor by reason thereof. Lessee shall have the right at any time to pay for Lessor, any mortgage, taxes or other lien on said lands, in the event of default of payment by Lessor, and then be subrogated to the rights of the holder thereof. Any such payments made by Lessee for Lessor may be deducted from any amounts of money which may become due to Lessor under this lease.

15. **Force Majeure.** Should Lessee be prevented from complying with any expressed or implied covenant of this lease, from conducting drilling or reworking operations thereon or from producing oil or gas by reason of scarcity of, or inability to obtain or to use equipment or material, or by operation of force majeure, or because of any federal or state law or any order, rule or regulation of a governmental authority, then while so prevented, Lessee's obligations to comply with such covenant shall be suspended, and Lessee shall not be liable in damages for failure to comply therewith; and this lease shall be extended while and so long as Lessee is prevented by any such cause from conducting drilling or reworking operations on, or from producing oil or gas or other hydrocarbons from the leased premises; and the time while Lessee is so prevented shall not be counted against the Lessee, anything in this lease to the contrary notwithstanding, and, if such cause shall extend within 120 days of the end of the primary term, this lease shall be extended for 120 days after the cessation of such cause and as long thereafter as there are operations on or production from the lease or lands pooled with it.

16. **Adverse Claim.** If Lessee receives written notice of an adverse claim to the leased premises, affecting all or any part of the payments due hereunder, Lessee may, at its sole discretion, withhold payment or delivery of same without obligation to pay interest or penalty until such time as Lessor's ownership is determined by compromise, or by final decree of a court of competent jurisdiction, or Lessee may file a petition for interpleader. Lessee shall in no event be liable for interest or penalty for any such amounts withheld.

17. **Payments.** All payments are to be mailed to: _____

_____

_____

who is (are) hereby appointed agent(s), if designated as "Agent" above, to receive and receipt for the same and to receive notices given by Lessee as provided herein. Lessee shall not be obligated to make payments or give notices to more than the number of payees hereinabove designated. Lessee shall not be obligated to make payments to any individual payee or agent hereunder until payments exceed the sum of Twenty-Five Dollars ($25.00), but in any case, payments shall be made at least once each calendar year. Lessee shall not be obligated to see to the application of any monies paid by Lessee to Lessor or to the agent(s) designated herein. Until such agent(s) or payee(s) is appointed or designated as above required, Lessee may withhold payment due hereunder without liability for interest or penalty. The depositing of such payments hereunder in any post office addressed as above set forth shall be deemed payment or tender as herein provided. Notwithstanding the death of Lessor, payment or tender to the deceased Lessor shall be binding on the heirs, devisees, executors, administrators and personal representatives of Lessor and his successors in interest.

18. **Pipeline Option.** For and in consideration of Ten Dollars ($10.00) and other good and valuable consideration, the receipt of which is hereby acknowledged, at the expiration or termination of this lease, Lessee shall be given the option to purchase pipeline right(s) of way for any existing pipelines laid under the terms of this lease for the price of One Dollar ($1.00) per linear foot. Lessee shall have one (1) year to exercise this option from the later of the expiration or termination of this lease or after receiving written notification from the Lessor stating that this lease has expired or been terminated and demanding that Lessee exercise such option or abandon its pipelines in place.

19. **Successors and Assigns.** This lease and all provisions thereof shall be applicable to and binding upon the parties and their respective heirs, devisees, personal representatives, successors and assigns. Reference herein to Lessor and Lessee shall include reference to their respective heirs, devisees, personal representatives, successors and assigns. Should any one or more of the parties named above as Lessors not execute this lease, it shall nevertheless be binding upon the party or parties executing same.

20. **Pre-Existing Wells.** It is mutually agreed between Lessee and Lessor that any and all existing oil and/or gas wells located on the premises are specifically excepted and excluded from the operations of this lease.

21. **Affidavit of Non-Production.** Lessor hereby warrants that (i) the property is not encumbered by any enforceable oil or gas use of record or otherwise executed by the Lessor and that (ii) Lessor is not currently receiving any bonus, rental, production royalty or payment, or shut-in royalty as the result of any prior oil and gas lease covering any or all of the subject property, and that there have been no wells drilled upon the subject property or upon any lands with which the property has been combined in a drilling or production unit, with the exception of the well privately owned by Lessor.

22. **Compliance with Statutes.** It is agreed between the parties hereto that in the event any provision or portion of this oil and gas lease is determined by a court of competent jurisdiction, regulatory agency, regulatory body, or legislative body to be in violation of local, state or federal statute, rule or regulation, the relevant portion of the subject provision or portion of this oil and gas lease which is not in compliance with such statute, rule or regulation shall be severed from this agreement to the extent necessary to comply with such statute, rule or regulation, and this oil and gas lease shall continue in full force and effect as amended.

23. **Right of First Refusal.** If at any time within the primary term of this lease or any continuation or extension thereof, Lessor receives any bona fide offer, acceptable to Lessor, to grant an additional lease ("Top Lease") covering all or part of the above described land, Lessee shall have the continuing option by meeting any such offer to acquire a Top Lease on equivalent terms and conditions. Any offer must be in writing and must set forth the proposed lessee's name, bonus consideration and royalty consideration to be paid for such Top Lease, and include a copy of the lease form to be utilized reflecting all pertinent and

relevant terms and conditions of the Top Lease. Lessee shall have fifteen (15) days (exclusive of Saturdays, Sundays and Federal holidays) after receipt from Lessor of a complete copy of any such offer to advise Lessor in writing of its election to enter into an oil and gas lease with Lessor on equivalent terms and conditions, as to all or any part of the above described land. If Lessee fails to notify Lessor within the aforesaid fifteen (15) day period of its election to meet any such bona fide offer, Lessor shall have the right to accept said offer. Any Top Lease granted by Lessor in violation of this provision shall be null and void.

IN WITNESS WHEREOF, the parties hereto have hereunto set their hands, signed and acknowledged in the presence of:

LESSOR

_____

ACKNOWLEDGEMENT

STATE OF _____)
)
COUNTY OF _____)

The foregoing instrument was acknowledged before me this ____ day of _____, 20___,

by _____.

My Commission Expires:_____ _____
Notary Public

This instrument prepared by the following; when recorded, please return to:

Antero Resources Corporation
P.O. Box 410
Bridgeport, WV 26330

EXHIBIT "A"

Attached to and made a part of that certain oil and gas lease dated the _____ day of _____, 20__ by and between _____, as Lessors and Antero Resources Corporation, as Lessee, to-wit:

The following provisions shall supplement the printed provisions of the Lease; and, in the event of any conflict between the following supplemental provisions and the provisions of the printed Lease, this Addendum shall prevail and control:

1. All references herein made to One-Eighth (12.5%) royalty are hereby amended to read _____ (____%) percent royalty.

Signed for Identification:

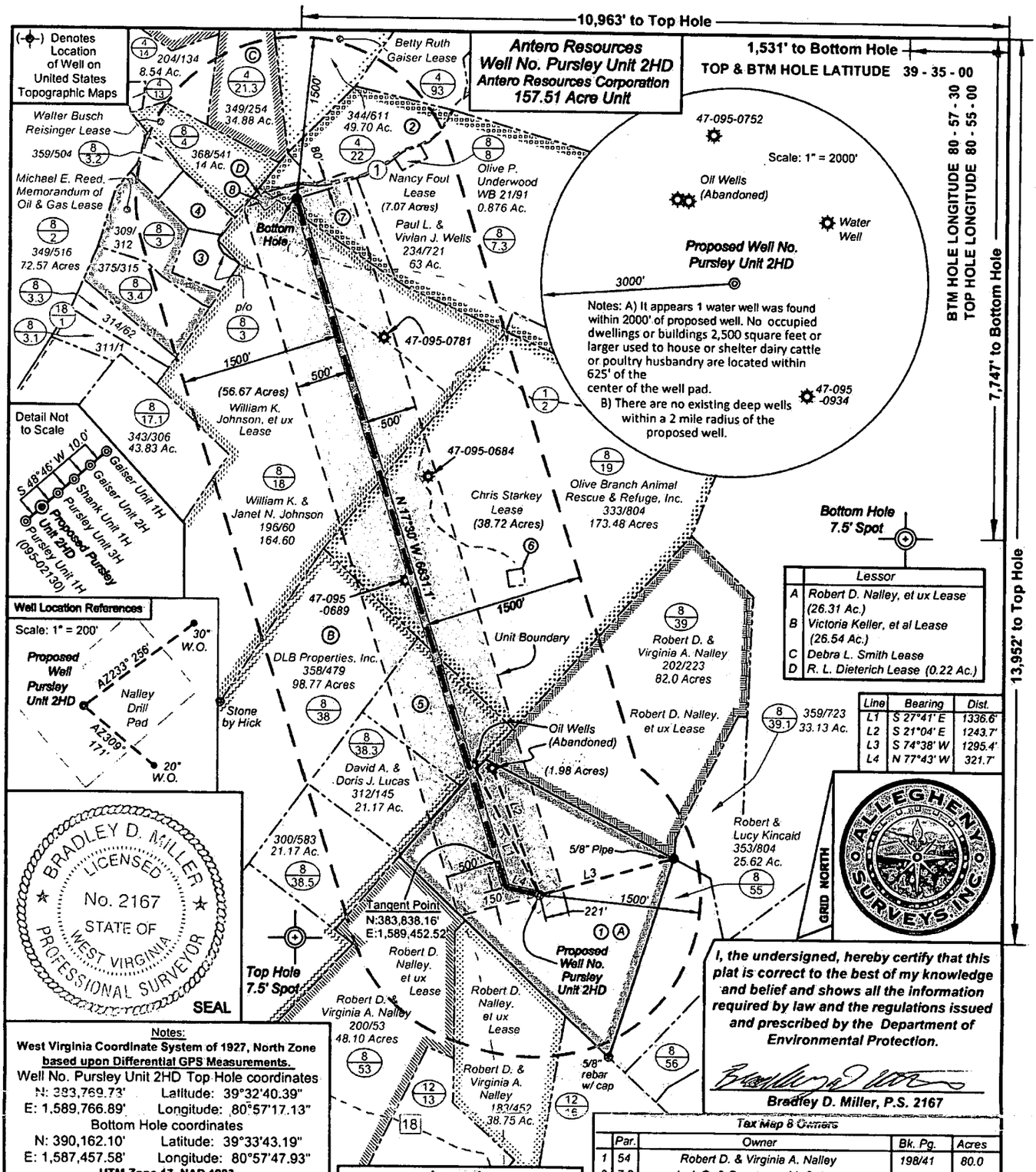
LESSOR

_____

_____

This instrument prepared by the following; when recorded, please return to:

Antero Resources Corporation
P.O. Box 410
Bridgeport, WV 26330



FILE NO: 214-54-L-13
DRAWING NO: 214-13 Pursley 2HD Rev 3
SCALE: 1" = 1200'
MINIMUM DEGREE OF ACCURACY: Submeter
PROVEN SOURCE OF ELEVATION: WVDOT, Harrisville, WV

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

DATE: May 20 2014
OPERATOR'S WELL NO. Pursley Unit 2HD

API WELL NO
47 - 095 - ____
STATE COUNTY PERMIT

WELL TYPE: ☐ OIL ☒ GAS ☐ LIQUID INJECTION ☐ WASTE DISPOSAL
(IF GAS) PRODUCTION: ☐ STORAGE ☒ DEEP ☐ SHALLOW
LOCATION: ELEVATION: 971' WATERSHED: Pursley Creek of the Ohio River QUADRANGLE: Paden City
DISTRICT: Lincoln COUNTY: Tyler
SURFACE OWNER: Robert D. & Virginia D. Nalley; Nancy Fout; William K. Johnson, et ux ACREAGE: 80 164; 109
ROYALTY OWNER: Robert D. Nalley, et ux; Victoria Keller, et al; Chris Starkey LEASE NO: _____ ACREAGE: 214; 174; 80
PROPOSED WORK: ☒ DRILL ☐ CONVERT ☐ DRILL DEEPER ☒ FRACTURE OR STIMULATE ☐ PLUG OFF OLD FORMATION
☒ PERFORATE NEW FORMATION ☐ OTHER PHYSICAL CHANGE IN WELL (SPECIFY) _____
☐ PLUG AND ABANDON ☐ CLEAN OUT AND REPLUG TARGET FORMATION: Point Pleasant ESTIMATED DEPTH: 10,800' TVD 18,000' MD

WELL OPERATOR: Antero Resources Corporation
ADDRESS: 1615 Wynkoop Street, Denver, CO 80202
DESIGNATED AGENT: Dianna Stamper - CT Corporation System
ADDRESS: 5400 D Big Tyler Road, Charleston, WV 25313

BEFORE THE OIL AND GAS CONSERVATION COMMISSION
OF THE STATE OF WEST VIRGINIA

IN THE MATTER OF THE APPLICATION BY
ANTERO RESOURCES CORPORATION, A
DELAWARE CORPORATION, FOR POOLING
AND UNIT OPERATION OF A 157.51 ACRE DEEP
WELL UNIT FOR THE PRODUCTION OF OIL AND
GAS IN LINCOLN DISTRICT, TYLER COUNTY,
WEST VIRGINIA

DOCKET NO. _____
CASE NO. _____

AMENDED APPLICATION
For Pooling and Location Exceptions

NOW COMES ANTERO RESOURCES CORPORATION, A Delaware corporation, formerly known as ANTERO RESOURCES APPALACHIAN CORPORATION, ("Applicant") pursuant to *W. Va. Code §22C-9-7(b)* and this Commission's regulations, and gives notice of the intention to direct the bottom of the Pursley Unit 2HD well, away from vertical, and requests an order requiring the pooling of oil and gas interests in certain lands for the development and operation of a drilling unit in connection with a 157.51 Acre Unit for the Pursley Unit 2HD well, and waiving rules and regulations regarding distances from lease or unit boundaries, and for its amended application, states as follows:

1. Applicant is a Delaware corporation, engaged in the production of oil and gas within the State of West Virginia and is an operator within the meaning of *W. Va. Code §22C-9-2(a)(4)*. The Applicant is a qualified and experienced operator of oil and gas wells, including horizontal wells, in West Virginia. The Applicant's address is:

Antero Resources Corporation
1615 Wynkoop St.
Denver, Colorado 80202

2. Applicant desires to pool interests and form a 157.51 acre unit (the "Unit Area"), drill a deep well in the Point Pleasant Formation, and operate the well and unit for the production of oil and gas in Lincoln District, Tyler County, West Virginia, to be known as the Pursley Unit 2HD well and unit as more particularly described and depicted on the plats identified as ***Exhibit A*** attached hereto.

Exhibit A includes a plat drawn to a scale of 1 inch equal to 2,000 feet showing the area involved, prepared by a licensed land surveyor or registered engineer and:

a. shows the boundaries of the drilling unit;

b. shows the distances from the proposed deep well location to the nearest outside boundary of the proposed unit;

c. shows the acreage of each tract within the drilling unit;

d. shows the actual proposed or actual location of the Pursley Unit 2HD well determined by survey, the courses and distances of such location from two (2) permanent points or landmarks on said tracts and the number to be given the deep well;

e. no completed deep oil and gas wells are located within 1 mile of the proposed Pursley Unit 2HD well and therefore no deep wells are identified on the plat attached;

h. shows all wells, including shallow wells and dry and abandoned wells located in the Unit Area, all of which are properly designated by name and known permit numbers.

The well will be within 400 feet of the boundary of the unit. The well location at the surface will be within 400 feet from the unit boundary. Approval of an exception to, or waiver of, the Commission's rules is requested in that regard.

3. A topographical map showing the surface topography of the surface location of the Pursley Unit 2HD well and adjoining areas is attached hereto as ***Exhibit B.***

4. The applicant has made a diligent effort to determine those who will be directly and immediately affected by the proposed pooling of interests, being oil and gas owners and lessees of record with an interest in the Unit Area, and their names and last known addresses are shown on ***Exhibit C,*** entitled Affected Owners, attached.

5. ***Exhibit D,*** entitled Adjoining Operators, shows the names and addresses of unleased mineral owners and lessees of tracts adjacent to the proposed unit.

6. Applicant requests that notice of this application be given to the persons listed on ***Exhibit C*** and ***Exhibit D***, and that notice be published and otherwise given as provided by law.

7. Applicant leased the oil and gas underlying 80.0 acres, more or less, the tract on which the vertical portion of the Pursley Unit 2HD well will be drilled, by lease from Robert D. Nalley and Virginia A. Nalley, to Antero Resources Appalachian Corporation, dated July 10, 2012, recorded in the office of the Clerk of the County Commission of Tyler County, West Virginia in Lease Book 403, page 711 (the "Well Location Lease"). The Pursley Unit 2HD well will be drilled from the surface of the Well Location Lease, and Applicant has the right to drill vertically and horizontally on the Well Location Lease.

8. The Pursley Unit 2HD well will be drilled vertically from the surface location shown on ***Exhibit A***, curve approximately 90 degrees, and continue approximately 6631.1 feet horizontally. The Pursley Unit 2HD well will be completed in the Point Pleasant Formation, which lies immediately below the Utica Shale. A unit is requested with respect to those depths and formations lying from 100 above the top of the Utica formation to 100 feet below the top of the Trenton Limestone.

9. In addition to, and separate and apart from its lease rights, Applicant has entered into a written consent and easement with the owners of the surface property overlying the Well Location Lease for the drilling of the Pursley Unit 2HD well within the meaning of West Virginia Code Section 22C-9-7(b)(4) by virtue of its Surface Use and Compensation Agreement with Robert D. Nalley and Virginia A. Nalley, dated August 28, 2013, a Memorandum of which was recorded in the Office of the Clerk of the County Commission of Tyler County, West Virginia, on December 23, 2013, as instrument No 81594, in Book 433, page 604, and a copy of which is attached hereto as ***Exhibit E*** ("Statutory Consent and Easement")

10. The Unit Area is comprised of an area encompassing 7 surface tracts, totaling 157.51 surface acres. The proportional relationship between the surface acreage of the individual tracts, or portions thereof, included within the Unit Area, and the total Unit Area surface acres is as identified on ***Exhibit F***, entitled Tract Participation, attached hereto.

11. Of the 157.51 acres in the proposed Pursley Unit 2HD, 19.58 net acres are unleased and owned by those identified on ***Exhibit G,*** entitled Unleased Owners. The persons listed on ***Exhibit G*** have not agreed to participate in the Pursley Unit 2HD well.

12. The production of oil and gas from the unit area can be allocated in such a manner as to ensure the recovery by Applicant and the oil and

gas royalty owners and operators of properties in the proposed unit of their just and equitable share of such production.

13. An order requiring the unit operation of the Unit Area for the production of oil and gas is reasonably necessary for the protection of correlative rights, prevention of waste and the drilling of unnecessary wells.

14. A verification of this application is attached and incorporated herein.

WHEREFORE, Applicant does hereby respectfully request that:

a. This Commission conduct such hearings as are required by law regarding the formation of the unit requested; and

b. The Commission enter an order requiring the unitization of lands as requested herein for the operation of a deep oil and gas well; and

c The Commission enter an order approving all necessary exceptions to the Commission's rules regarding the well location; and

d. The Commission receive the elections provided by *W. Va. Code §22C-9-7(b)*, and enter one or more orders as contemplated by law in connection with this application; and

e. For such further or other relief as this Commission may find just and proper.

ANTERO RESOURCES CORPORATION
By Counsel

George A Patterson III (WVSB # 2831)
Corey Palumbo (WVSB # 7765)
BOWLES RICE, LLP
600 Quarrier Street
Post Office Box 1386
Charleston, West Virginia 25325-1386
(304) 347-1118

VERIFICATION

STATE OF CO,

COUNTY OF Denver, to wit:

This day personally appeared before me, the undersigned, Houston Eagleston, who being by me first duly sworn, deposes and says that he is the Senior Landman of Antero Resources Corporation, Applicant in the foregoing Amended Application; that he has read the foregoing Amended Application and knows the contents thereof pertaining to its claims and allegations; that the facts set forth therein are true, except as to such matters as are therein stated to be upon information and belief, and that insofar as matters are therein stated to be upon information and belief, he believes them to be true.

Taken, subscribed and sworn to before me, the undersigned authority, in my said county, this 21 day of May, 2014.

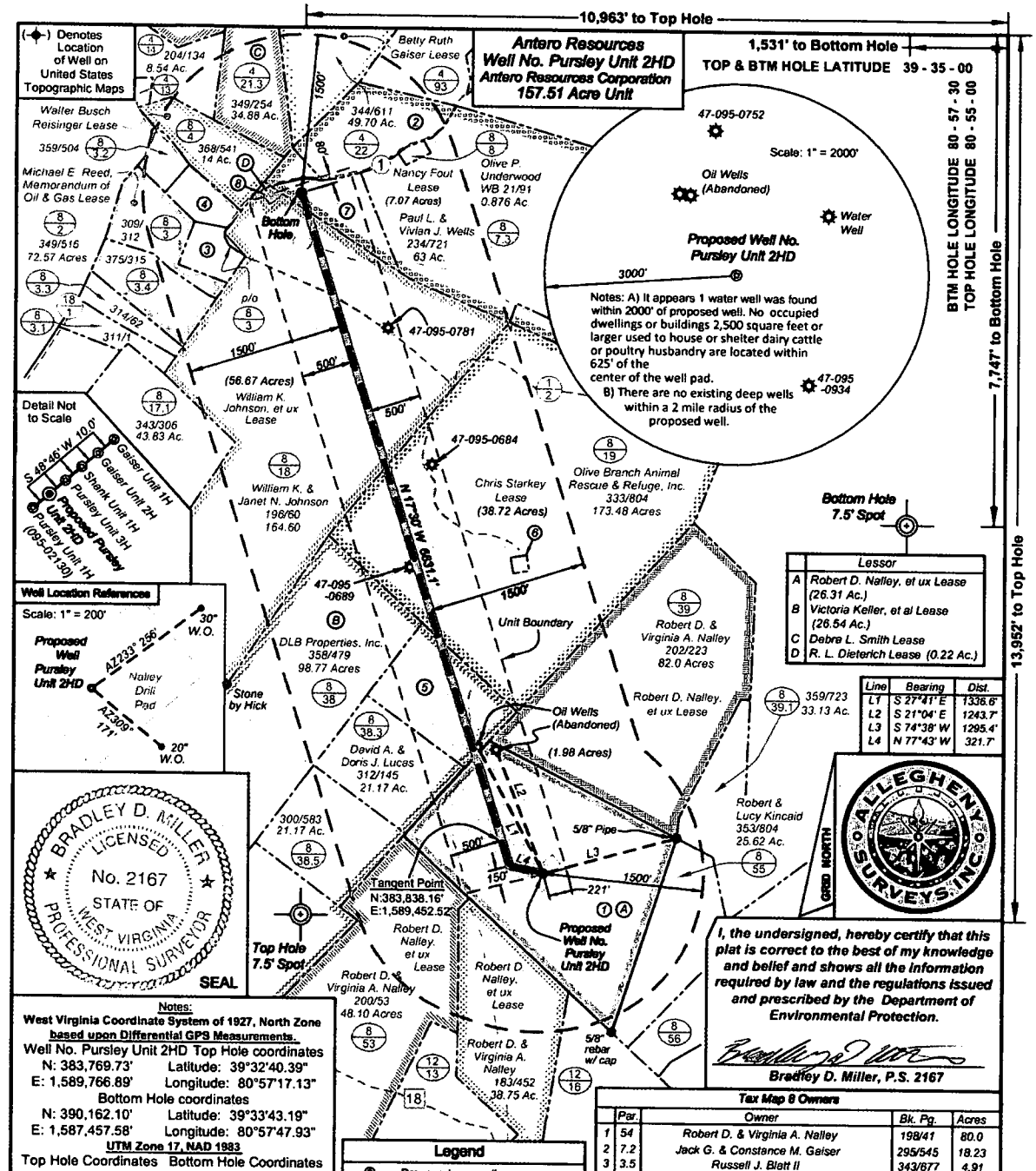
My commission expires 4/15/16.

Notary Public

[SEAL]

BLYTHE HOWELL
Notary Public
State of Colorado

6059767.1



FILE NO: 214-54-L-13
DRAWING NO: 214-13 Pursley 2HD Rev 3
SCALE: 1" = 1200'
MINIMUM DEGREE OF ACCURACY: Submeter
PROVEN SOURCE OF ELEVATION: WVDOT, Harrisville, WV

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

DATE: May 20 2014
OPERATOR'S WELL NO. Pursley Unit 2HD

API WELL NO
47 - 095 - ____
STATE COUNTY PERMIT

WELL TYPE: ☐ OIL ☒ GAS ☐ LIQUID INJECTION ☐ WASTE DISPOSAL
(IF GAS) PRODUCTION : ☐ STORAGE ☒ DEEP ☐ SHALLOW
LOCATION: ELEVATION: 971' WATERSHED: Pursley Creek of the Ohio River QUADRANGLE: Paden City
DISTRICT: Lincoln COUNTY: Tyler
SURFACE OWNER: Robert D. & Virginia D. Nalley; Nancy Fout; William K. Johnson, et ux ACREAGE: 80 164; 109
ROYALTY OWNER: Robert D. Nalley, et ux; Victoria Keller, et al; Chris Starkey LEASE NO: ____ ACREAGE: 214; 174; 80
PROPOSED WORK: ☒ DRILL ☐ CONVERT ☐ DRILL DEEPER ☒ FRACTURE OR STIMULATE ☐ PLUG OFF OLD FORMATION
☒ PERFORATE NEW FORMATION ☐ OTHER PHYSICAL CHANGE IN WELL (SPECIFY) ____
☐ PLUG AND ABANDON ☐ CLEAN OUT AND REPLUG TARGET FORMATION: Point Pleasant ESTIMATED DEPTH: 10,800' TVD 18,000' MD

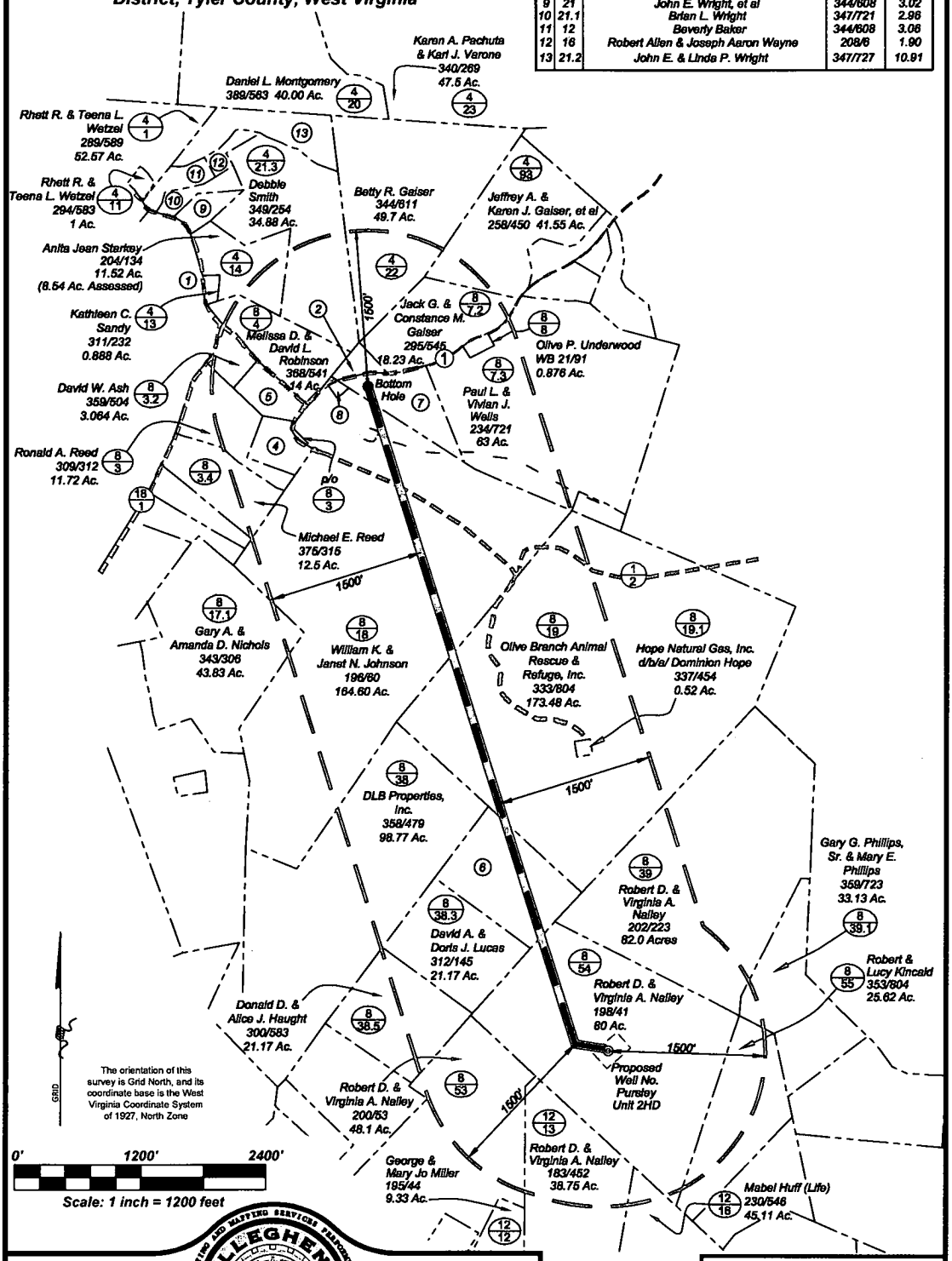
WELL OPERATOR: Antero Resources Corporation DESIGNATED AGENT: Dianna Stamper - CT Corporation System
ADDRESS: 1615 Wynkoop Street ADDRESS: 5400 D Big Tyler Road
Denver, CO 80202 Charleston, WV 25313

Exhibit A
Amended App

Exhibit Map
for
Antero Resources Corporation
of
Well No. Pursley 2HD Surface Owners

Situate on the waters of Pursley Creek of the Ohio River and along County Routes 1 and 1/2 in Lincoln District, Tyler County, West Virginia

Tax Map 8 Owners				
	Par.	Owner	Bk. Pg.	Acres
1	2	David W. & Lori J. Ash	349/516	72.57
2	5	Steven E. Smith	320/488	2.12
3	7.2	Jack G. & Constance M. Gaiser	295/545	18.23
4	3.5	Russell J. Blatt II	343/677	4.91
5	3.6	Ronald L. Jr. & Crystal K. Perine	348/722	5.48
6	38.4	Carl W. & Jacqueline M. Woolwine	313/677	21.32
7	7	Gerald E. & Sarah J. Moore	234/689	9.78
8	6	Robert E. & Audrey L. Christy	348/395	0.38
Tax Map 4 Owners				
	Par.	Owner	Bk. Pg.	Acres
9	21	John E. Wright, et al	344/608	3.02
10	21.1	Brian L. Wright	347/721	2.98
11	12	Beverly Baker	344/608	3.06
12	16	Robert Allen & Joseph Aaron Wayne	208/6	1.90
13	21.2	John E. & Linda P. Wright	347/727	10.91



Bridgeport Office
Phone: (304) 848-5035
Fax: (304) 848-5037

172 Thompson Drive
Bridgeport, WV 26330

PARTY CHIEF:	RESEARCH:
DRAWN BY: C. Rennneman	PROJECT NO: 214-54-L-13
PREPARED: May 20, 2014	SURVEYED:
FIELD CREW:	DRAWING NO: 214-13 Pursley 2HD Exhibit

LEGEND

- Adjoiner Line
- Existing Road
- Tax Map / Parcel
- County Route

Exhibit C

Affected Owners

Owner(s)	Gross Ac.	Net Acres in Unit	Legal - T/M/P	Address	City	State	Zip
Robert D. Nalley and Virginia A. Nalley, as JTWROS	80.00ac	13.15500	4-8-54	645 Tyler Highway	Sistersville	WV	26175
Norma T. Long Trust dated November 8, 2013	80.00ac	6.57750	4-8-54	522 SE 20th Street	Cape Coral	FL	33990
Oxy USA Inc.	80.00ac	4.04516	4-8-54	5 Greenway Plaza, Suite 110	Houston	TX	77046
BP Mineral Holdings II LLC	80.00ac	2.17058	4-8-54	200 Crescent Ct., Suite 200	Dallas	TX	75201
Somerset Minerals, LP	80.00ac	0.36176	4-8-54	14860 Montfort Dr., Suite 209	Dallas	TX	75254
Tonya Rochelle Keller Wable	213.40ac	13.27000	4-8-38, 38.1, 38.2, 38.3, 38.4, 38.5, 38.6, 47	507 Linden Avenue	Sistersville	WV	26175
Victoria L. Keller	213.40ac	13.27000	4-8-38, 38.1, 38.2, 38.3, 38.4, 38.5, 38.6, 47	422 Greenwood Road	Sistersville	WV	26175
Robert D. Nalley et ux, Virginia A. Nalley	82.00ac	1.98000	4-8-39	645 Tyler Highway	Sistersville	WV	26175
Beverly Kay Weltz, as JTWROS	174.00ac	6.45346	4-8-19, 19.1	942 Maple Lane	Sistersville	WV	26175
George Allen Starkey, as JTWROS	174.00ac	6.45346	4-8-19, 19.1	547 Danser Lane	Friendly	WV	26146
Joseph Clair Starkey, as JTWROS	174.00ac	6.45308	4-8-19, 19.1	30 Badger Road	Sistersville	WV	26175
Hester A. Porter heirs or assigns	174.00ac	6.05000	4-8-19, 19.1	102 Windy Ghoul	Beaver	PA	15009
Jennie Porter heirs or assigns	174.00ac	4.84000	4-8-19, 19.1	102 Windy Ghoul	Beaver	PA	15009
Mary F. Porter heirs or assigns	174.00ac	4.84000	4-8-19, 19.1	102 Windy Ghoul	Beaver	PA	15009
Edgar W. Porter heirs or assigns	174.00ac	1.21000	4-8-19, 19.1	102 Windy Ghoul	Beaver	PA	15009
Mary K. Porter heirs or assigns	174.00ac	1.21000	4-8-19, 19.1	102 Windy Ghoul	Beaver	PA	15009
Charles N. Porter heirs or assigns	174.00ac	1.21000	4-8-19, 19.1	102 Windy Ghoul	Beaver	PA	15009
William K. Johnson et ux, Janet N. Johnson, as JTWROS	164.00ac	51.94712	4-8-18	46 Porter Hill Road	Sistersville	WV	26175
William K. Johnson	164.00ac	2.36144	4-8-18	46 Porter Hill Road	Sistersville	WV	26175
Janet N. Johnson	164.00ac	2.36144	4-8-18	46 Porter Hill Road	Sistersville	WV	26175
Ronald Lee Dieterich	0.38ac	0.22000	4-8-6	814 Oil Ridge Road	Sistersville	WV	26175
Nancy Fout	109.00ac	3.53500	4-8-5, 7, 7.1, 7.2, 7.3, 8	1370 Brushy Fork Road	Bridgeport	WV	26330
Waco Oil & Gas Company, Inc.	109.00ac	3.53500	4-8-5, 7, 7.1, 7.2, 7.3, 8	P.O. Box 397	Glenville	WV	26351

Exhibit C

Affected Owners

Chesapeake Appalachia, LLC				P.O. Box 6070	Charleston	WV	25362
StatoilHydro USA Onshore Properties, Inc				2103 CityWest Blvd. Suite 800	Houston	TX	77042

Exhibit D
Adjoining Operators

Status	Surface Tax Map and Parcel	Name	Lessee	Address	City	State	Zip
Not Leased	4-8-3, 4-8-3.4	Eloise McCormick, Heirs		Address Unknown (Circa 1900)	Sistersville	WV	
Not Leased	4-8-3, 4-8-3.4	Nellie Morrison Heade, Heirs		Address Unknown (Circa 1919)	Marietta	OH	
Not Leased	4-8-3, 4-8-3.4	Annie Stanberry, Heirs		Address Unknown (Circa 1919)	Sistersville	WV	
Not Leased	4-8-5, 7, 7.1, 7.2, 7.3, 8	Nancy Fout		1370 Brushy Fork Road	Bridgeport	WV	26330
Not Leased	4-8-4	Richard Parry, believed to be deceased		*(See below)*			
	4-8-4	- Catherine Elizabeth Parry Morrison, heir of		502 S 4th Street, #105	Newport	PA	17074
	4-8-4	- Alvin Baker Parry, heir of Richard Parry		35 Grand Avenue	Cumberland	MD	21502
	4-8-4	- Barbara Jean Parry Coleman, heir of Richard Parry		93 S. Charlevoix Place	Romney	WV	26757
	4-8-4	- Shirley Maxine Parry Lee, heir of Richard Parry		1640 HC 63	Romney	WV	26757
	4-8-4	- Feato L. Bazzell, c/o Deana Fishel, heir of Richard		HC 86, Box # 10A	Green Spring	WV	26722
Not Leased	4-8-4	George Collins		Address Unknown (Circa 1970)			
Not Leased	4-8-4	Josephine Collins		Address Unknown (Circa 1970)			
Not Leased	4-8-4	Kaye Davies		10476 E. Stanford Circle G-2	Aurora	CO	80015
			Possible last known address	915 W Hendrickson Road	Sequim	WA	98382
Not Leased	4-8-4	Mary Ann Enochs		4680 Sebald Drive	Franklin	OH	45005
Not Leased	4-8-4	Ward Allen		Address Unknown (Circa 1970)			
			Possible last known address	2204 Packard Way	Parkersburg	WV	26104
Not Leased	4-8-4	Sistersville General Hospital, City of Sistersville, WV		314 S. Wells Street	Sistersville	WV	26175
Not Leased	4-8-4	Sistersville Public Library, City of Sistersville, WV		Wells Street	Sistersville	WV	26175
Not Leased	4-8-4	Mary Lou Boston		335 N. Wells Street	Sistersville	WV	26175
Not Leased	4-8-4	Heirs or assigns of Joseph Clark Theiss, believed to have died intestate without issue		*(See below)*			
		- Jane Ann Kronsberg, heir of Joseph Clark Theiss		8 Wedgepark Road	Charleston	SC	29407
		- Elizabeth Chandler Jenrette, heir of Joseph Clark Theiss		667 Maple Avenue	New Martinsville	WV	26155
		- George Y. Chandler, heir of Joseph Clark Theiss		2406 Elm Street	Parkersburg	WV	26101
Not Leased	4-8-4	The Trustees of The First Presbyterian Church of		801 Chelsea Street	Sistersville	WV	26175
Not Leased	4-8-4	The Trustees of The First Baptist Church of		506 Wells Street	Sistersville	WV	26175
Not Leased	4-8-4	Robert E. McEldowney, believed to be deceased		286 Baker Lane	Charleston	WV	25302

Exhibit D

Adjoining Operators

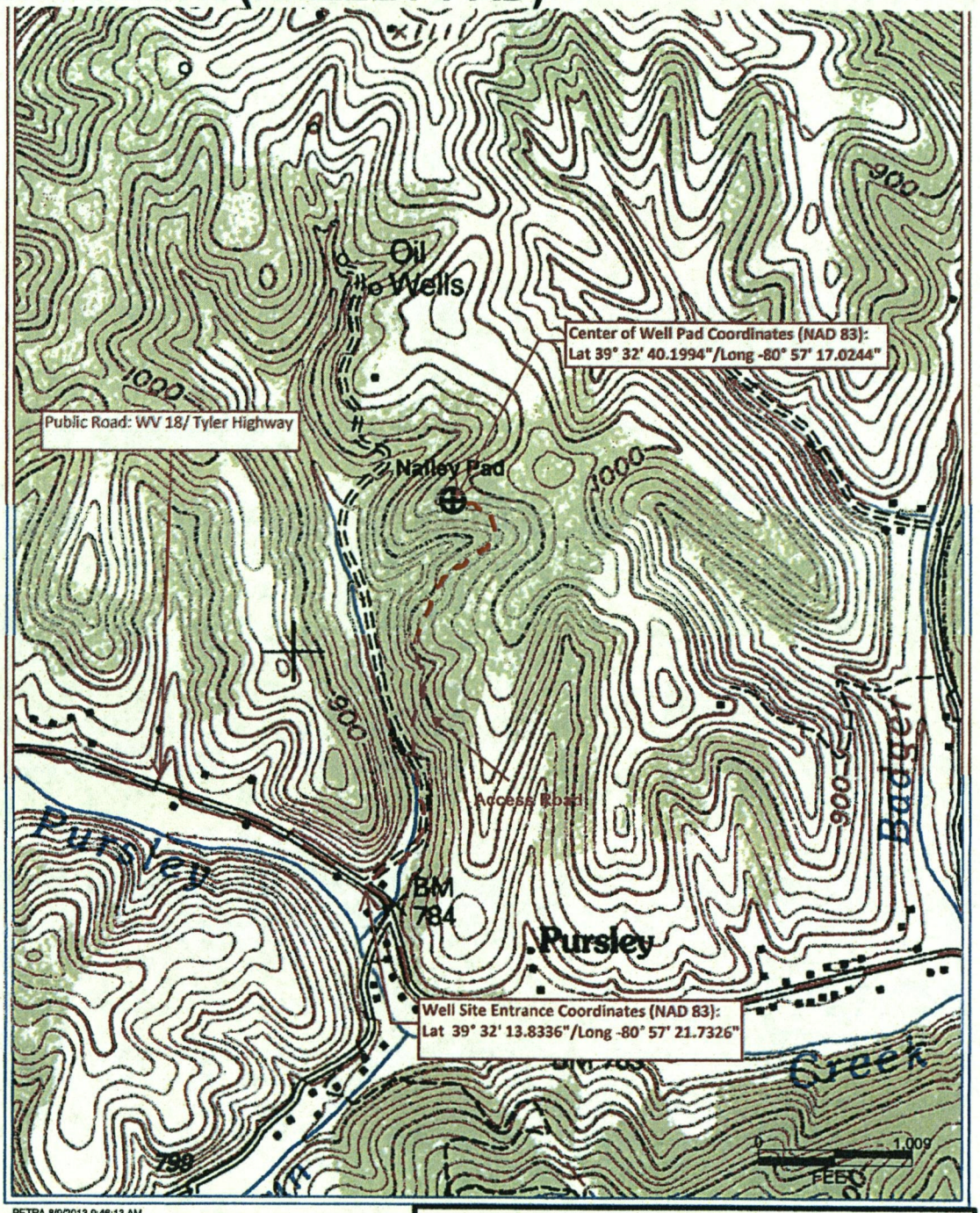
	4-8-4	- Robert E. McEldowney III, heir of Robert E. McEldowney		1560 Hampton Road	Charleston	WV	25314
Not Leased	4-8-4	Samuel C. McEldowney		2406 Elm Street	Parkersburg	WV	26101
Not Leased	4-8-4	John C. McEldowney, believed to be deceased		RR 3, Box 148C	Bridgeport	WV	26330
		- John McEldowney, heir of John C. McEldowney		6920 Heritage	Charleston	WV	25312
Not Leased	4-8-4	Jane Ann Kronsberg		8 Wedgepark Road	Charleston	SC	29407
Not Leased	4-8-4	Elizabeth Chandler Jenrette		667 Maple Avenue	New Martinsville	WV	26155
Not Leased	4-8-4	George Y. Chandler		2406 Elm Street	Parkersburg	WV	26101
Not Leased	4-8-4	Unknown heirs of Walter R. Reitz		4825 Woodvale Drive NW	Atlanta	GA	30327
Not Leased	4-8-4	Thomas Erwin Schneider, Jr.		4825 Woodvale Drive NW	Atlanta	GA	30327
Not Leased	4-8-4	Edward B. Reisinger Trust		600 Grant Street, Suite 4900, U.S. Trust, Bank of America, c/o Paul Mason	Pittsburgh	PA	15219
Not Leased	4-12-16	Harry Huff II. & Rebecca Huff		1033 Tyler Hwy.	Sisterville	WV	26175
Not Leased	4-8-19, 4-8-19.1	Jennie Porter, Heirs		102 Windy Ghoul	Beaver	PA	15009
Not Leased	4-8-19, 4-8-19.1	Mary F. Porter, Heirs		102 Windy Ghoul	Beaver	PA	15009
Not Leased	4-8-19, 4-8-19.1	Hester A. Porter, Heirs		102 Windy Ghoul	Beaver	PA	15009
Not Leased	4-8-19, 4-8-19.1	Edgar W. Porter, Heirs		102 Windy Ghoul	Beaver	PA	15009
Not Leased	4-8-19, 4-8-19.1	Mary K. Porter, Heirs		102 Windy Ghoul	Beaver	PA	15009
Not Leased	4-8-19, 4-8-19.1	Charles N. Porter Heirs		102 Windy Ghoul	Beaver	PA	15009
Not Leased	4-8-6	Ronald Lee Dietrich		814 Oil Ridge Road	Sistersville	WV	26175
Not Leased	4-4-p/o 21.3 (B)	Unknown heirs of Patrick Lowery		Address Unknown (Circa 1904)			
Not Leased	4-4-p/o 21.3 (B)	Unknown heirs of Ellen Riggs		Address Unknown (Circa 1904)			
Not Leased	4-4-p/o 21.3 (B)	Thomas A. Wright		5838 Valleyway Court	Cincinnati	OH	44124
Not Leased	4-4-p/o 21.3 (B)	Joanna W. Rini		1437 Genesee Avenue	Mayfield Heights	OH	44124
Not Leased	4-4-p/o 21.3 (B)	Jeanette W. Lee		460 West Virginia Avenue	Morgantown	WV	26505
Not Leased	4-4-p/o 21.3 (C)	Unknown heirs of Anna Mikeal a/k/a Mikes		Address Unknown (Circa 1932)			
Not Leased	4-4-p/o 21.3 (C)	Unknown heirs of Patrick Lowery		Address Unknown (Circa 1904)			

Exhibit D

Adjoining Operators

Not Leased	4-4-p/o 21.3 (C)	Unknown heirs of Ellen Riggs		Address Unknown (Circa 1904)			
Not Leased	4-4-p/o 21.3 (C)	Thomas A. Wright		5838 Valleyway Court	Cincinnati	OH	44124
Not Leased	4-4-p/o 21.3 (C)	Joanna W. Rini		1437 Genesee Avenue	Mayfield Heights	OH	44124
Not Leased	4-4-p/o 21.3 (C)	Jeanette W. Lee		460 West Virginia Avenue	Morgantown	WV	26505
Not Leased	p/o 4-4-22 (B)	Unknown heirs of Patrick Lowery		Address Unknown (Circa 1904)			
Not Leased	p/o 4-4-22 (B)	Unknown heirs of Ellen Riggs		Address Unknown (Circa 1904)			
Not Leased	p/o 4-4-22 (A)	Unknown heirs of Patrick Lowery		Address Unknown (Circa 1904)			
Not Leased	p/o 4-4-22 (A)	Unknown heirs of Ellen Riggs		Address Unknown (Circa 1904)			
Not Leased	p/o 4-4-22 (A)	Unknown heirs of Anna Mikeal a/k/a Mikes		Address Unknown (Circa 1932)			
Leased	4-8-53		Triad Hunter, LLC	777 Post Oak Blvd. Ste. 910	Houston	TX	77056
Leased	4-8-54		Chesapeake Appalachia, LLC	P.O. Box 6070	Charleston	WV	25362
Leased	4-8-54		Statoilhydro USA Onshore	2103 CityWest Blvd. Suite 800	Houston	TX	77042
Leased	4-8-55		Larry R. Henthorn	101 Hills Run Rd.	Sistersville	WV	26175
Leased	4-8-56		Larry R. Henthorn	101 Hills Run Rd.	Sistersville	WV	26175
Leased	4-4-93		Triad Hunter, LLC	777 Post Oak Blvd. Ste. 910	Houston	TX	77056
Leased	4-8-39.1		Chesapeake Appalachia, LLC	P.O. Box 6070	Charleston	WV	25362
Leased	4-8-39.1		Statoilhydro USA Onshore	2103 CityWest Blvd. Suite 800	Houston	TX	77042
	4-8-3.2	David W. & Lori J. Ash		702 Oil Ridge Rd	Sistersville	WV	26175
	4-8-3.5	Russell James Blatt, II		104 Diamond St.	Sistersville	WV	26175
	4-8-3.6	Ronald L. Perine, Jr. & Crystal K. Perine		Route 18/1	Sistersville	WV	26175

EXHIBIT 2, PAGE 1
TOPOGRAPHICAL MAP OF WELL SITE LOCATION (NALLEY PAD)



PETRA 8/9/2013 9:48:13 AM

Antero Resources Corporation
Appalachian Basin
Nalley Pad
Tyler County
Quadrangle: Paden City
Watershed: Pursley Creek
District: Lincoln
Date: 8-9-2013

Exhibit B
Topographical Map

Terasea R Hamilton
TYLER County 09:58:53 AM
Instrument No 81594
Date Recorded 12/23/2013
Document Type AGR
Pages Recorded 2
Book-Page 433-604
Recording Fee $5.00
Additional $6.00

ANTERO RESOURCES APPALACHIAN CORP. ATTN: LESLEY HRVZNAN
535 WHITE OAKS BLVD
BRIDGEPORT, WV 26330-0410

MEMORANDUM OF SURFACE USE AND COMPENSATION AGREEMENT
Nalley Pad (Nalley)

This Memorandum of Surface Use and Compensation Agreement ("Memorandum") is entered into this 11th day of **September, 2013** by and between, **Robert D. Nalley** and **Virginia A. Nalley,** husband and wife, having an address **2549 Tyler Highway, Sistersville, WV 26175** (the "Grantor", whether one or more), and **Antero Resources Corporation,** a Delaware corporation, having an address of **1625 17th Street, Denver, CO 80202** (the "Grantee"), (collectively, the "Parties").

NOW THEREFORE, in consideration of the foregoing, and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the Parties agree as follows:

1. Grantors and Grantee have entered into that certain Surface Use and Compensation Agreement dated as of even date herewith ("Surface Use Agreement").

2. The Surface Use Agreement sets forth the rights and responsibilities of the Parties with respect to compensation for, and use of, the surface for oil and gas drilling operations of that certain tract(s) or parcel(s) of land located in in **Lincoln District, Tyler County, West Virginia**, identified on **Tax Map 8** as **Parcel No. 54** and **Tax Map 12** as **Parcel Nos: 13, 14** and **14.1,** comprised of a total of **126.95 acres**, more or less, and being the same tract(s) or parcel(s) of land conveyed to the Grantor herein by instrument recorded in the Office of the Clerk of the County Commission of **Tyler** in **Deed Book 198** at **Page 41, Deed Book 183** at **Page 452, Deed Book 345** at **Page 832** and **Deed Book 424** at **Page 382** , (the "Premises").

3. The Surface Use Agreement shall remain in full force and effect for a term of five (5) years and as long thereafter as oil or gas, or either of them, is produced from the land, or as long as the Premises are used for drilling operations.

4. The covenants, provisions, conditions and recitals of this Memorandum shall be the same covenants, provisions, conditions and recitals set forth in the Surface Use Agreement, which are hereby incorporated by reference as if fully set forth herein.

5. In the event the Surface Use Agreement is amended, supplemented, assigned or terminated by written agreement executed by the Parties, this Memorandum shall be amended, supplemented, assigned or terminated.

6. This Memorandum is executed for the convenience of the Parties and for the purpose of recording the same. This Memorandum does not modify, supplement, or abridge the rights and obligations set forth in said Surface Use Agreement.

7. This Memorandum serves as notice of the existence of the Surface Use Agreement and shall be binding upon the parties, their heirs, successors, and assigns as if said Surface Use Agreement was filed of record.

8. This Memorandum may be executed in counterparts.

IN WITNESS WHEREOF, the Parties sign:

GRANTOR:

Robert D. Nalley

Virginia A. Nalley

Exhibit E

Purslev 2HD Memo/Agr

GRANTEE:
Antero Resources Corporation

By_____
Brian A. Kuhn
Vice President of Land
Antero Resources Corporation

STATE OF West Virginia §
§SS.
COUNTY OF Tyler §

(INDIVIDUAL ACKNOWLEDGEMENT)

The foregoing instrument is acknowledged before me, a notary public, this 2nd day of October, **2013**, by **Robert D. Nalley** and **Virginia A. Nalley**, husband and wife.

Witness my hand and official seal.

My Commission Expires: November 2, 2022
(seal)

Anita C. Thomas
Notary Public

OFFICIAL SEAL
NOTARY PUBLIC
STATE OF WEST VIRGINIA
ANITA C THOMAS
PO BOX 128
MIDDLEBOURNE, WV 26149
My commission expires November 2, 2022

STATE OF CO §
§SS.
COUNTY OF Denver §

(CORPORATE ACKNOWLEDGEMENT)

BEFORE ME, the undersigned, A Notary Public, in and for said County and State on this 14th day of October, **2013** personally appeared **Brian A. Kuhn** of **Antero Resources Corporation** to me known to be the identical person described in and who executed the within and foregoing document as its **Vice President, Land** and acknowledged to me that he executed the same as his free and voluntary act and deed and as the free and voluntary act and deed of said corporation, for the uses and purposes therein set forth.

IN WITNESS WHEREOF, I have hereunto set my hand and affixed my notary seal the day and year last above written.

My Commission Expires: 4/15/16
(seal)

Notary Public

BLYTHE HOWELL
Notary Public
State of Colorado

This instrument prepared by: Antero Resources Corporation, 1625 17th Street, Denver, CO 80202

SURFACE USE AND COMPENSATION AGREEMENT
Nalley Pad (Nalley)

This SURFACE USE AND COMPENSATION AGREEMENT ("Agreement"), is made and entered into this **28th** day of **August, 2013**, by and between **Robert D. Nalley** and **Virginia A. Nalley**, husband and wife, having an address **2549 Tyler Highway, Sistersville, WV 26175** (the "Grantor", whether one or more), and **Antero Resources Corporation**, a Delaware corporation, having an address of **1625 17th Street, Denver, CO 80202** (the "Grantee"), (collectively, the "Parties").

BACKGROUND

Grantor is the owner of the surface of that certain tract(s) or parcel(s) of land located in **Lincoln District, Tyler County, West Virginia**, identified on **Tax Map 8** as **Parcel No. 54** and **Tax Map 12** as **Parcel Nos. 13, 14** and **14.1** comprised of a total of **126.95 acres**, more or less, and being the same tract(s) or parcel(s) of land conveyed to the Grantor herein by instrument recorded in the Office of the Clerk of the County Commission of **Tyler**, in **Deed Book 198** at **Page 41, Deed Book 183** at **Page 452, Deed Book 345** at **Page 832** and **Deed Book 424** at **Page 382**, (the "Premises").

The Parties desire to enter into this Agreement to memorialize the terms upon which the Grantor will be compensated for Grantee's use of the Premises.

NOW, THEREFORE, that in and for the consideration as set forth herein below, and other good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, the Parties agree:

1. **Conflicting Provisions.** In the event there is a conflict between this Agreement and the surface use provisions contained in that certain oil and gas lease dated **July 10th, 2012** and between **Robert D. Nalley and Virginia A. Nalley**, as lessor and **Antero Resources Corporation**, as **Lessee**, then this Agreement will prevail in all instances. All other provisions of said oil and gas lease will remain in full force and effect.

2. **Term.** This Agreement shall remain in force for a term of **five (5) years** from the date of this Agreement, and as long thereafter as oil and gas, or either of them, is produced from the land, or as long as the Premises is utilized for drilling operations, as defined in Paragraph 3, associated with deep or shallow wells located upon the Premises, or upon lands unitized with the Premises or as shown on the "Site Plans" as set forth in Paragraph 4.

3. **Drilling Operations.** "Drilling operations" shall include the actual drilling or re-drilling of vertical or horizontal wells; the reworking, deepening, or plugging back of a well or hole; or any other operations conducted in an effort to search for, obtain, operate or reestablish production of oil or gas; along with all related drilling site preparation, including, but not limited to, surveying, building, maintaining, laying, constructing, inspecting, repairing, altering, placing, replacing, or relocating access road(s), pad-site(s), frac-pit(s), spoil-pile/waste area(s), associated production pad(s), impoundment(s) and/or water containment/tank pad(s), water line(s), water pump(s), metering facility(s), PIG launcher/receiver(s), installing sound barrier(s) and oil and gas transmission line(s) upon the subject Premises; as well as the right to install temporary above ground water line(s) for the transportation of water to and from frac-pit(s), impoundment(s) and/or water containment/tank pad(s) located upon the subject Premises, or located on third party properties for use in connection with drilling operations conducted on or off the Premises. Drilling operations shall not include hunting, fishing, or related activities.

4. **Site Plans.** The Proposed Site Plan, which is attached as "Exhibit A," is fully incorporated into this Agreement, and sets forth the Parties' understanding with regard to the approximate location of drilling operations. Prior to commencing drilling operations, Grantee shall survey the Premises and prepare a Final Site Plan setting forth the actual location of drilling operations. The Final Site Plan shall be attached to and fully incorporated into this Agreement as "Exhibit B." Grantor acknowledges that the Proposed Site Plan may change as a result of construction or engineering concerns raised by the survey, or as a result of state and/or federal regulatory requirements.

5. **Payment.** Grantee shall pay Grantor an Initial Payment of **$10,000.00** upon receipt of an executed copy of this Agreement, a Memorandum of Surface Use and Compensation Agreement, and IRS Form W-9. Upon commencing well-site construction pursuant to a Final Site Plan, Grantee shall pay Grantor **$172,000.00** ("balance of payment") as full and Final Payment and as final settlement of all damage claims resulting from the Grantee's use of the Premises, whether or not contemplated by the Parties, including, but not limited to, the market value of crops and timber damaged, destroyed, or prevented from reaching market; damage to water supplies that were in use prior to the commencement of drilling operations; cost of repairing or replacing personal property damaged or destroyed by drilling operations; and diminution in value of the Premises resulting from drilling operations; and in full satisfaction of the $2,500.00 property tax reimbursement payment due the Grantor pursuant to W.Va. Code §22-6A-17. Grantor understands that the balance of payment shall only be paid upon the commencement of well-site construction.

RDN VAN

6. **Water Testing.** Grantee shall test all existing water well(s), including water well(s) specifically located on the Premises that are located within 1500 feet of the center of the pad-site prior to commencing drilling operations. In the event drilling operations damage any previously tested water well, Grantee shall replace the Grantor's water supply with a comparable water supply.

7. **Dispute Resolution.** In the event a dispute, claim, question, or disagreement arises pursuant to the terms of this Agreement, the Parties shall attempt to settle said dispute, claim, question, or disagreement, through utilization of a duly qualified mediator selected and approved by the Parties. In the event mediation fails to settle the Parties' dispute, the Parties may pursue any and all remedies at law or in equity.

8 **Confidentiality**. The Parties shall keep the terms, conditions, and payments made pursuant to this Agreement strictly confidential, and shall execute a Memorandum of Surface Use and Compensation Agreement that shall be filed in the county property records. Under no circumstances shall this Agreement be placed of record in the county property records by either the Grantor or Grantee. In the event Grantee fails to utilize the Premises for drilling operations within the term of this Agreement, Grantee shall record a "Release of Memorandum of Surface Use and Compensation Agreement" in the county property records indicating its relinquishment of rights to the Premises.

9. ~~**Option Agreement.** During the term of this Agreement, Grantor grants Grantee the option to purchase Pipeline Rights of Way and Easement Agreement(s) necessary for the transportation of gas, including third party gas produced from other lands, over, across, and through the Premises. This Option Agreement shall cover pipeline(s) not to exceed an aggregate diameter of 16 inches, to be buried at a minimum depth of thirty-six inches (36"), at a price of $1.00 per diameter inch, per linear foot of pipeline(s) installed upon the Premises.~~

10. **Site Restoration**. Grantee shall fertilize and reseed areas disturbed by Grantee's construction operations on the Premises and, when reasonable, shall reseed with grass seed requested by Grantor. Grantee shall also, at Grantor's request, remove trees, stumps, and brush disturbed by Grantee's construction operations.

11. **Notices and Further Assurances.** The Grantor and Grantee agree that they will comply with the notice provisions required by the West Virginia Department of Environmental Protection and/or by West Virginia Code Section 22-6A as necessary.

12. **Additional Responsibilities.** The Parties incorporate the rights and responsibilities set forth in the attached Addendum to Surface Use and Compensation Agreement as if fully set forth in this Agreement.

13. **Binding**. This Agreement may be signed in counterparts with each part being effective and binding as to the interest owned by the Grantor herein and shall be binding upon the Grantor and Grantee, their heirs, successors, and assigns.

GRANTOR:

Robert D. Nalley

Virginia A. Nalley

GRANTEE:
Antero Resources Corporation

By_____
Brian A. Kuhn
Vice President of Land
Antero Resources Corporation

ADDENDUM TO SURFACE USE AND COMPENSATION AGREEMENT
Nalley Pad (Nalley)

This Addendum is attached to and made a part of the Surface Use and Compensation Agreement **11th** day of **September, 2013**, by and between, **Robert D. Nalley** and **Virginia A. Nalley**, husband and wife, having an address **2549 Tyler Highway, Sistersville, WV 26175** (the "Grantor", whether one or more), and **Antero Resources Corporation**, a Delaware corporation, having an address of **1625 17th Street, Denver, CO 80202** (the "Grantee"), (collectively, the "Parties").

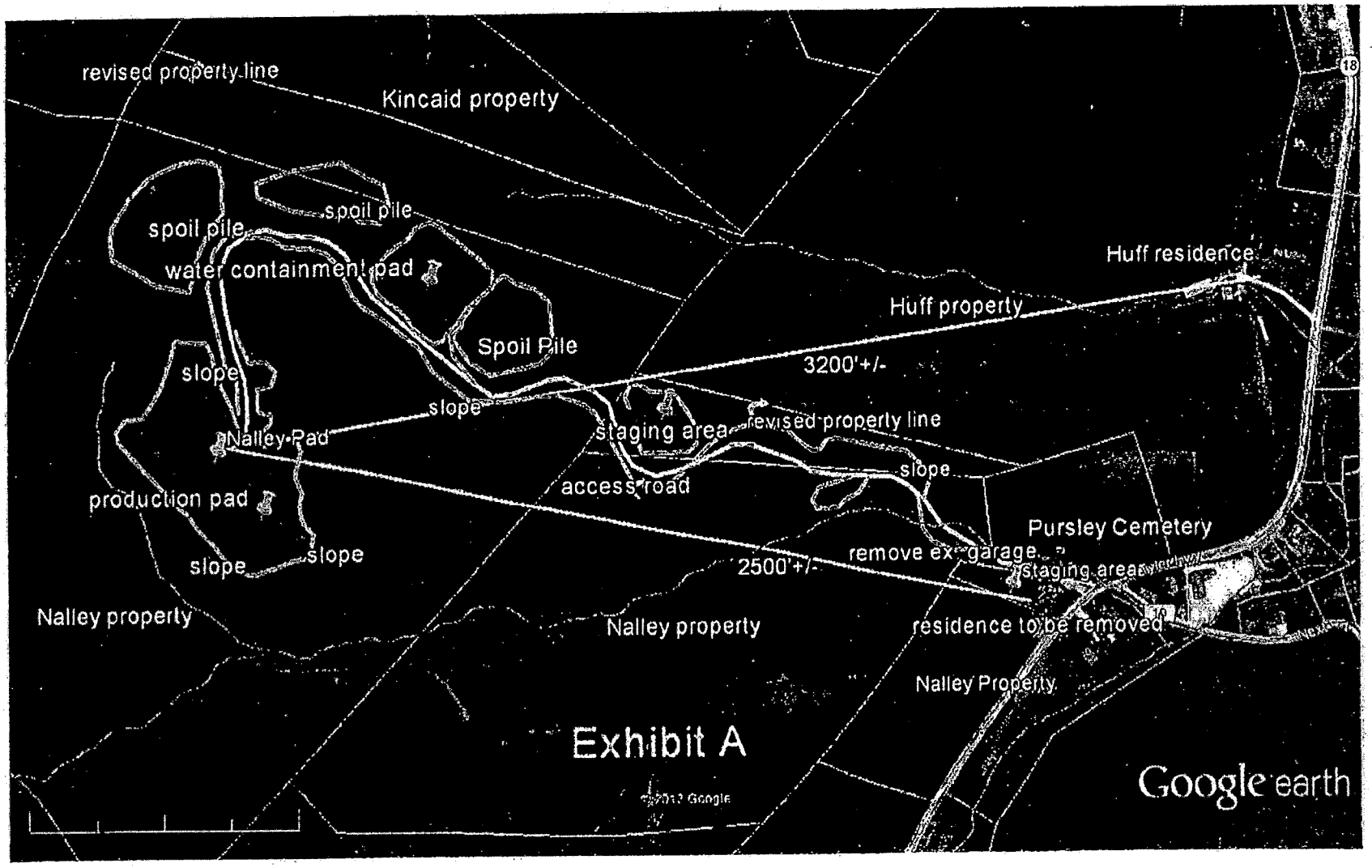
Grantor and Grantee agree to the following:

1. Upon completion of all drilling activities, the Tank Pad area will be reclaimed and not used for further purposes.
2. The Production Pad area shall be locate adjacent to the Well Pad as shown on Exhibit A.
3. No frac water will be stored on the Premises other than water to be used for operations conducted from the Well Pad location, located on the premises.
4. The permanent and temporary access roads shall remain in a condition passable by a 4x4 vehicles.
5. A guard will be located at the entrance of either the permanent or temporary access road during drilling operations.
6. In the event electrical lines are needed for any portion of the Grantee's operations said lines will be installed along the access road (permanent or temporary), 14' to 16' above the road height, or buried. Grantor will be notified in advance of the installation.
7. Grantee will seed with deer clover, meadow mix, and/or a grass seed (no Fescue) requested by Grantor, lime and fertilize per guidelines established by the WVU Extension Services all areas disturbed by Grantee's operations. Said reclamation to be maintained until seed has been established. This provision has a time limit of 5 years from date hereof.
8. Grantee shall remove, burn or chip all debris (trash, stumps, limbs), from access road way, well pad sites, production pad, and staging area disturbed by Grantee.
9. Will make reasonable and practical effort to suppress dust on access road(s).
10. Grantor agrees to remove the existing "double wide" from the premises by October 12th, 2013
11. In the event it is determined needed and necessary by Grantee, and at Grantee's sole expense, Grantor agrees to the demolition and removal of the "existing garage" as shown on Exhibit A hereto.
12. Grantor agrees and acknowledges that payments provided for in Paragraph 5 "Payment" of this Agreement includes compensation for demolition and removal of said "existing garage" and the removal of the existing double wide to a location off the premises and for the total use of Parcel 14.1, (0.85 acres), as a staging area or other use to be determined by Grantee.
13. "Grantor agrees that the payment specified herein shall be in lieu of the $4,000.00/acre specified in paragraph 15 of Exhibit A to Grantor's Oil and Gas Lease with Antero Resources Appalachian Corporation dated July 10, 2012, signed July 17, 2012 as to the areas of disturbance shown on Exhibit A attached hereto and incorporated herein by reference. However, such payment shall not preclude Grantor from receiving other compensation authorized by West Virginia Code 22-6B-3, un-contemplated by this agreement."
14. "Except as modified herein, the terms of Grantor's Oil and Gas Lease with Antero Resources Appalachian Corporation dated July 10, 2012, signed July 17,2012, shall remain in full force and effect."
15. "Grantor waives the (30) day notice provision and Grantor's right to remove timber specified in paragraph 18 of Exhibit A to Grantor's Oil and Gas Lease with Antero Resources Appalachian Corporation dated July 10, 2012, signed July 17, 2012."
16. "Grantor acknowledges location approval of the well pad, production pad, spoil piles water containment pad, access roads and staging areas shown on Exhibit A attached hereto and incorporated herein by reference, in accordance with requirements of paragraph 14of Exhibit A to Grantor's Oil and Gas lease with Antero Resources Appalachian Corporation dated July 10, 2012, signed July 17, 2012."

GRANTOR:

Robert D. Nalley

Virginia A Nalley


revised property line
Kincaid property
spoil pile
spoil pile
water containment pad
Spoil Pile
slope
slope
Nalley Pad
production pad
slope
slope
Nalley property
staging area
revised property line
access road
slope
Huff property
Huff residence
3200'+/-
2500'+/-
remove ex. garage
Pursley Cemetery
staging area
residence to be removed
Nalley property
Nalley Property
Exhibit A
Google earth
Google earth
feet
meters
2000
800

RDN VAN

Exhibit F

Tract Participation

Farm Name	Gross Ac.	Ac. in Unit	% of Unit	Legal - T/M/P	District	County
Robert D. Nalley and Virginia A. Nalley, as JTWROS	80.0000	26.3100	16.70370%	4-8-54	Lincoln	Tyler
Victoria Keller Farm	213.4000	26.5400	16.84972%	4-8-38, 38.1, 38.2, 38.3, 38.4, 38.5, 38.6, 47	Lincoln	Tyler
Robert D. Nalley et ux, Virginia A. Nalley	82.0000	1.9800	1.25706%	4-8-39	Lincoln	Tyler
Clair Starkey Farm	174.0000	38.7200	24.58257%	4-8-19, 19.1	Lincoln	Tyler
William Johnson Farm	164.0000	56.6700	35.97867%	4-8-18	Lincoln	Tyler
Ronald Lee Dieterich	0.3800	0.2200	0.13967%	4-8-6	Lincoln	Tyler
Paul Leon Wells et al	109.0000	7.0700	4.48860%	4-8-5, 7, 7.1, 7.2, 7.3, 8	Lincoln	Tyler
	TOTAL	157.51000	100.00%			

Exhibit G

Unleased Owners

District	Legal - T/M/P	Gross Ac.	Ac. in Unit	Owner(s)	Ownership %	Net Acres in Unit
Lincoln	4-8-19, 19.1	174.00ac	38.72	Hester A. Porter heirs or assigns	15.6250%	6.05000
Lincoln	4-8-19, 19.1	174.00ac	38.72	Jennie Porter heirs or assigns	12.5000%	4.84000
Lincoln	4-8-19, 19.1	174.00ac	38.72	Mary F. Porter heirs or assigns	12.5000%	4.84000
Lincoln	4-8-19, 19.1	174.00ac	38.72	Edgar W. Porter heirs or assigns	3.1250%	1.21000
Lincoln	4-8-19, 19.1	174.00ac	38.72	Mary K. Porter heirs or assigns	3.1250%	1.21000
Lincoln	4-8-19, 19.1	174.00ac	38.72	Charles N. Porter heirs or assigns	3.1250%	1.21000
Lincoln	4-8-6	0.38ac	0.22	Ronald Lee Dieterich	100.0000%	0.22000
						19.58000

101 South Queen Street
Martinsburg, West Virginia 25401

7000 Hampton Center
Morgantown, West Virginia 26505

511 7th Street
Moundsville, West Virginia 26041

501 Avery Street
Parkersburg, West Virginia 26101

Bowles Rice LLP
ATTORNEYS AT LAW

600 Quarrier Street
Charleston, West Virginia 25301

Post Office Box 1386
Charleston, West Virginia 25325-1386
(304) 347-1100

www.bowlesrice.com

6000 Town Center Boulevard, Suite 210
Canonsburg, Pennsylvania 15317

333 West Vine Street, Suite 1700
Lexington, Kentucky 40507

480 West Jubal Early Drive, Suite 130
Winchester, Virginia 22601

May 30, 2014

George A. Patterson III
Telephone — (304) 347-1118
Facsimile — (304) 343-2867

E-Mail Address:
gpatterson@bowlesrice.com

Oil & Gas Conservation Commission
Department of Environmental Protection
Attention: Cindy Raines
601 57th Street
Charleston, West Virginia 25304

Re: Antero Resources Corporation
Amended Application
157.51 Acre Pursley Unit 2HD Well Unit

Dear Cindy:

Antero Resources Corporation learned that it was possible that Charles P. Copeland might be one of the Porter heirs, and therefore he might have an interest regarding the noted Amended Application. Would you please provide notice of the Amended Application to Charles P. Copeland. His address is:

Charles P. Copeland
102 Windy Ghoul Drive
Beaver, PA 15009

Thank you very much for your assistance in this matter.

Very truly yours,

George A. Patterson III

GAP/adb

6134355.1

Ex. 7

101 South Queen Street
Martinsburg, West Virginia 25401

7000 Hampton Center
Morgantown, West Virginia 26505

511 7th Street
Moundsville, West Virginia 26041

501 Avery Street
Parkersburg, West Virginia 26101

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Lexington, Kentucky 40507

480 West Jubal Early Drive, Suite 130
Winchester, Virginia 22601

George A. Patterson, III
Telephone — (304) 347-1118
Facsimile — (304) 343-2867

E-Mail Address:
gpatterson@bowlesrice.com

July 11, 2014

Albert A. Torrence, Attorney at Law
Fourth Street Professional Building
640 Fourth Street
Beaver, Pennsylvania 15009-2107

VIA EMAIL, FACSIMILE AND US MAIL

Re: Pooling Hearing for Pursley 157.51 Acre Unit

Dear Mr. Torrence:

Mr. Palumbo of our firm shared with me your July 1, 2014, letter regarding your client Charles P. Copeland, II's claims with respect to 174 acres on Pursley Creek, Lincoln District, Tyler County, West Virginia (the "Subject Tract"). Transmitted with this letter is a copy of a NOTICE OF HEARING at 10:00 am on July 17, 2014, regarding the formation of 157.51 acre unit which would include a portion of the property in which your client claims an interest. We also attach a copy of the amended application we filed at the West Virginia Oil and Gas Conservation Commission to form the unit, including plats and ownership information regarding the unit. We ask you to please inform your client of the hearing.

Should you have any questions regarding this matter, please call.

Very truly yours,

George A. Patterson, III

Attachments:
Notice of Hearing on July 17, 2014, Docket No. 229, Cause No. 220
Amended Application to form 157.51 acre unit

EX. 10

George Patterson

From: Al <torrencelaw@comcast.net>
Sent: Wednesday, July 16, 2014 10:53 AM
To: George Patterson; copeland@beaverpa.us
Subject: Pooling Hearing for Pursley 157.51

Dear Mr. Patterson:

Thank you for taking the time to discuss the position of my client, Charles Copeland III, with respect to the Pooling Hearing scheduled for the the Pursley 157.51 acre tract in Lincoln District, Tyler County. As I indicated in our telephone conversation, Mr. Copeland continues to take the position that he owns a one-half mineral interest in the tract. While this position has not yet been accepted by Antero Resources Appalachian Corporation, we will continue to provide information on this issue in the hopes of resolving it favorably to Mr. Copeland. In the meantime this email will confirm my client's consent to the Application for the pooling of unleased properties for the Pursely Unit 2HD well. My understanding is that if Mr. Copeland is successful in asserting his one-half interest, then he would receive his share of any royalties paid as a result of the inclusion of his interests in the drilling unit.

Please feel free to contact me if there is a need to discuss this issue further.

Sincerely,

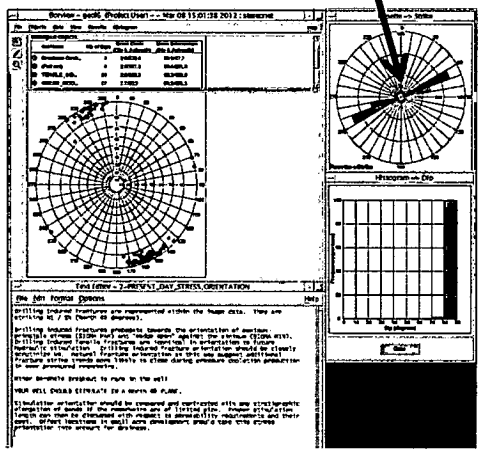
Al Torrence

Ex. 11

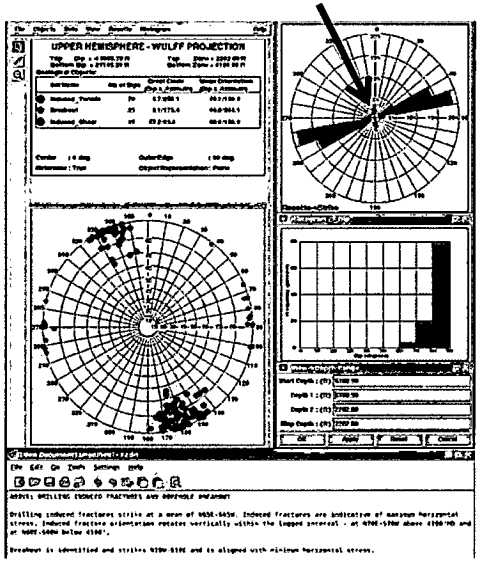
Maximum Present Day Stress Direction Data

FMI = Formation Micro Imaging Tool (Schlumberger)

Antero Resources: **Annie 1 (Marcellus)**
maximum principle stress direction: N69°E
(from drilling induced fracture analysis)

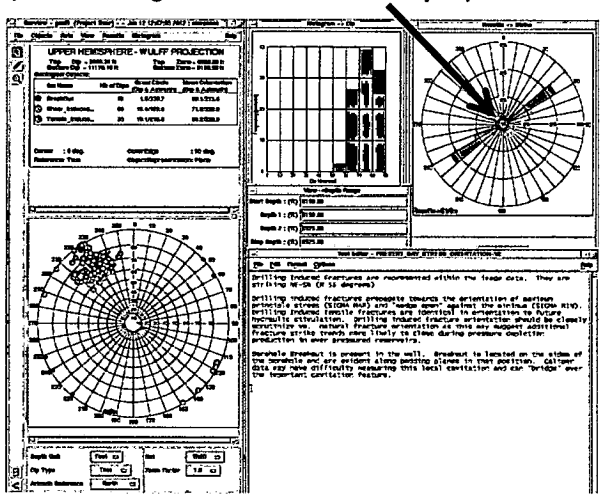


Antero Resources: **Miley Unit 2H**
maximum principle stress direction: N60°E
(from drilling induced fracture analysis)

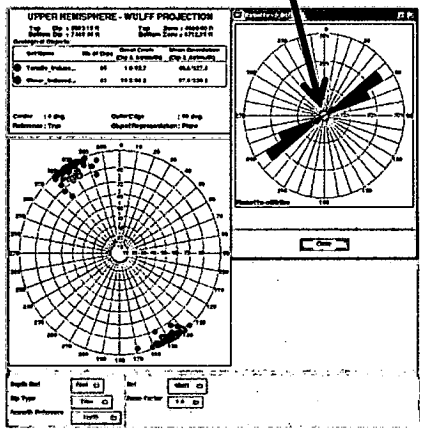


****Hydraulic fracture orientation is equivalent to drilling induced fracture orientation**

Antero Resources: **ET Rubel Unit 1H**
maximum principle stress direction: N55°E
(from drilling induced fracture analysis)



Antero Resources: **Dollison Unit 2H**
maximum principle stress direction: N58°E
(from drilling induced fracture analysis)

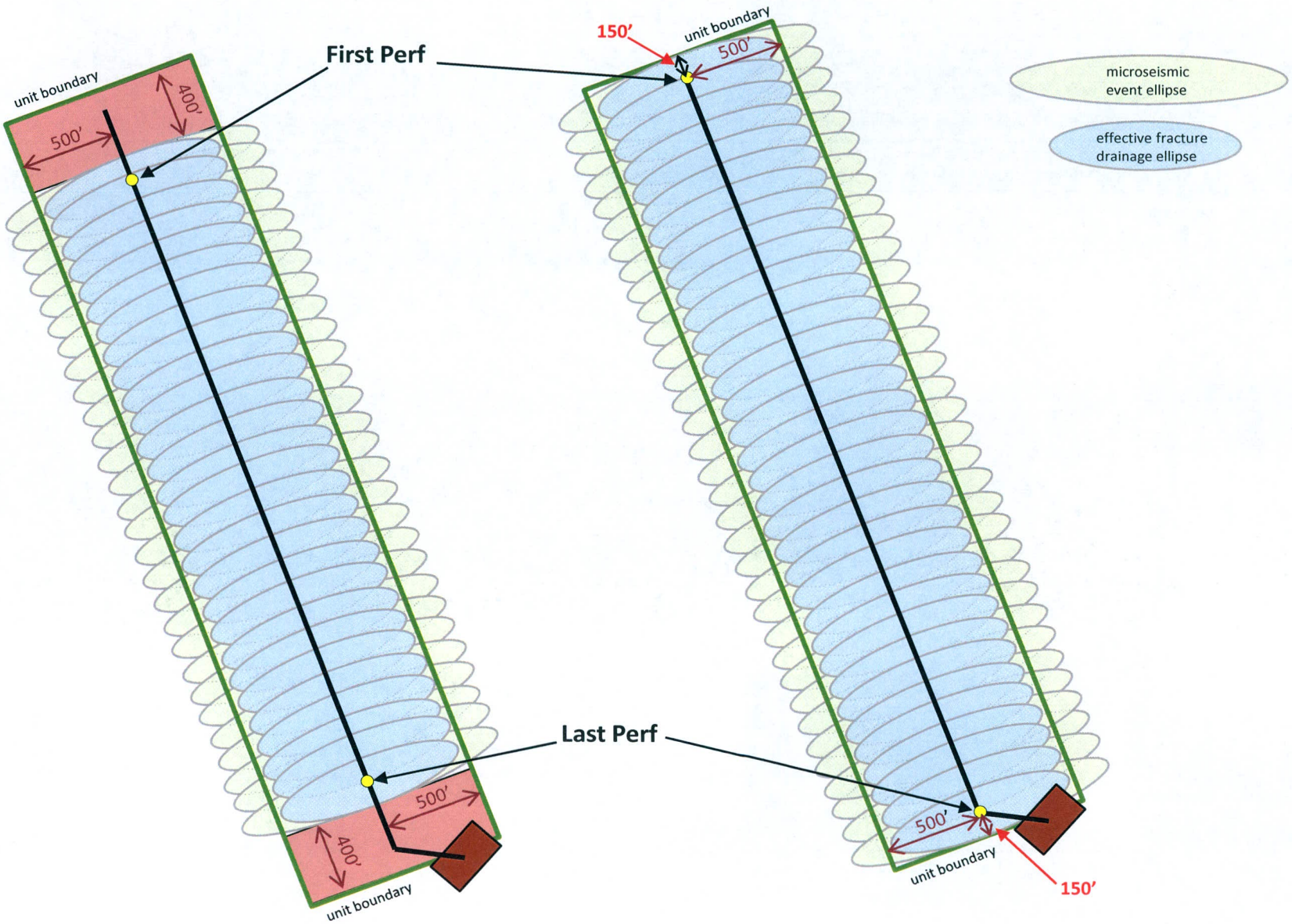


Ex. 12

Bypassed Resources

Under Current Unit Setbacks

Under Proposed Unit Setbacks



*not to scale

Exhibit 1-A - Antero Pursley Unit Engineering Testimony

Pursley Unit (Optimum Development)							
Well Name	Lateral Length (feet)	Acres Developed	Gross Capital ($MM)	Net PV10 ($MM)	IRR%	Gross Wellhead Gas (Bcf)	Bcf/1,000'
Pursley Unit 2HD	6,630	158	$ 14.8	$ 5.6	25%	15.8	2.4

EX. 13

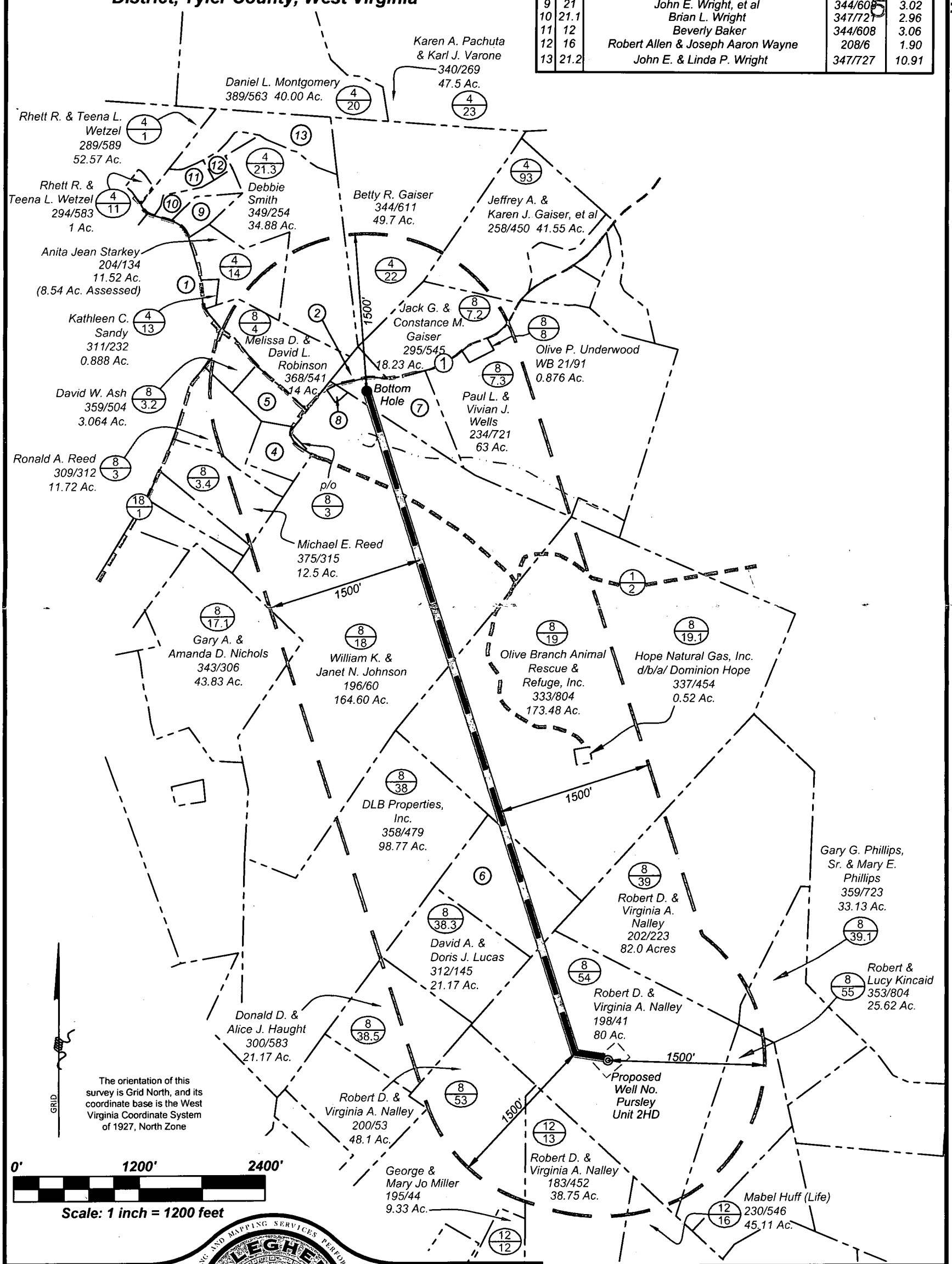
EX. 6

Exhibit Map for Antero Resources Corporation of Well No. Pursley 2HD Surface Owners

Situate on the waters of Pursley Creek of the Ohio River and along County Routes 1 and 1/2 in Lincoln District, Tyler County, West Virginia

	Tax Map 8 Owners			
	Par.	Owner	Bk. Pg.	Acres
1	2	David W. & Lori J. Ash	349/516	72.57
2	5	Steven E. Smith	320/488	2.12
3	7.2	Jack G. & Constance M. Gaiser	295/545	18.23
4	3.5	Russell J. Blatt II	343/677	4.94
5	3.6	Ronald L, Jr. & Crystal K. Perine	348/422	5.48
6	38.4	Carl W. & Jacqueline M. Woolwine	313/677	21.82
7	7	Gerald E. & Sarah J. Moore	234/689	9.76
8	6	Robert E. & Audrey L. Christy	346/395	0.38
		Tax Map 4 Owners		
	Par.	Owner	Bk. Pg.	Acres
9	21	John E. Wright, et al	344/608	3.02
10	21.1	Brian L. Wright	347/721	2.96
11	12	Beverly Baker	344/608	3.06
12	16	Robert Allen & Joseph Aaron Wayne	208/6	1.90
13	21.2	John E. & Linda P. Wright	347/727	10.91

Office of Oil and Gas
MAY 2014
WV Department of Environmental Protection



Bridgeport Office
Phone: (304) 848-5035
Fax: (304) 848-5037

172 Thompson Drive
Bridgeport, WV 26330

ALLEGHENY SURVEYS, INC. — Surveying and Mapping Services Performed by: Surveying the Allegheny Region Since 1988

PARTY CHIEF:	RESEARCH:
DRAWN BY: C. Rennneman	PROJECT NO: 214-54-L-13
PREPARED: May 20, 2014	SURVEYED:
FIELD CREW:	DRAWING NO: 214-13 Pursley 2HD Exhibit

LEGEND

- Adjoiner Line
- Existing Road
- Tax Map / Parcel
- County Route

west virginia department of environmental protection

Oil and Gas Conservation Commission
601 57th Street, SE Charleston, WV 25304
(304)926-0499, Ext 1656

Earl Ray Tomblin, Governor
Barry K. Lay, Chairman
dep.wv.gov

March 25, 2014

Charles Lowery
612 East
Parkersburg, WV 26101

Dear Ms. Lowery:

Please be advised that Antero Resources Corporation has applied to the Oil and Gas Conservation Commission for approval to intentionally deviate a new deep well. The Code of State Regulations Title 39 Section 1.4.10 requires that the Commission notify the offset operators of the applicants' intent to deviate the proposed well. You are receiving this notice because you are listed as an offset operator (unleased mineral owner is also an "offset operator") to the proposed well. A copy of the location plat is enclosed for your review.

An offset operator has **ten days** from the date of this letter to file written objection to the Commissions' granting approval to the proposed deviation. If you file a written objection; you should be prepared to present the objection at the hearing scheduled on:

DATE: **Tuesday, April 22, 2014**

TIME: **10:00 a.m.**

PLACE: **WVDEP - Oil and Gas Conservation Commission**
601 57th Street, SE
Charleston, WV 25304
304-926-0499 Ext 1656

If you have any questions you may contact me at (304) 926-0499, extension 1656.

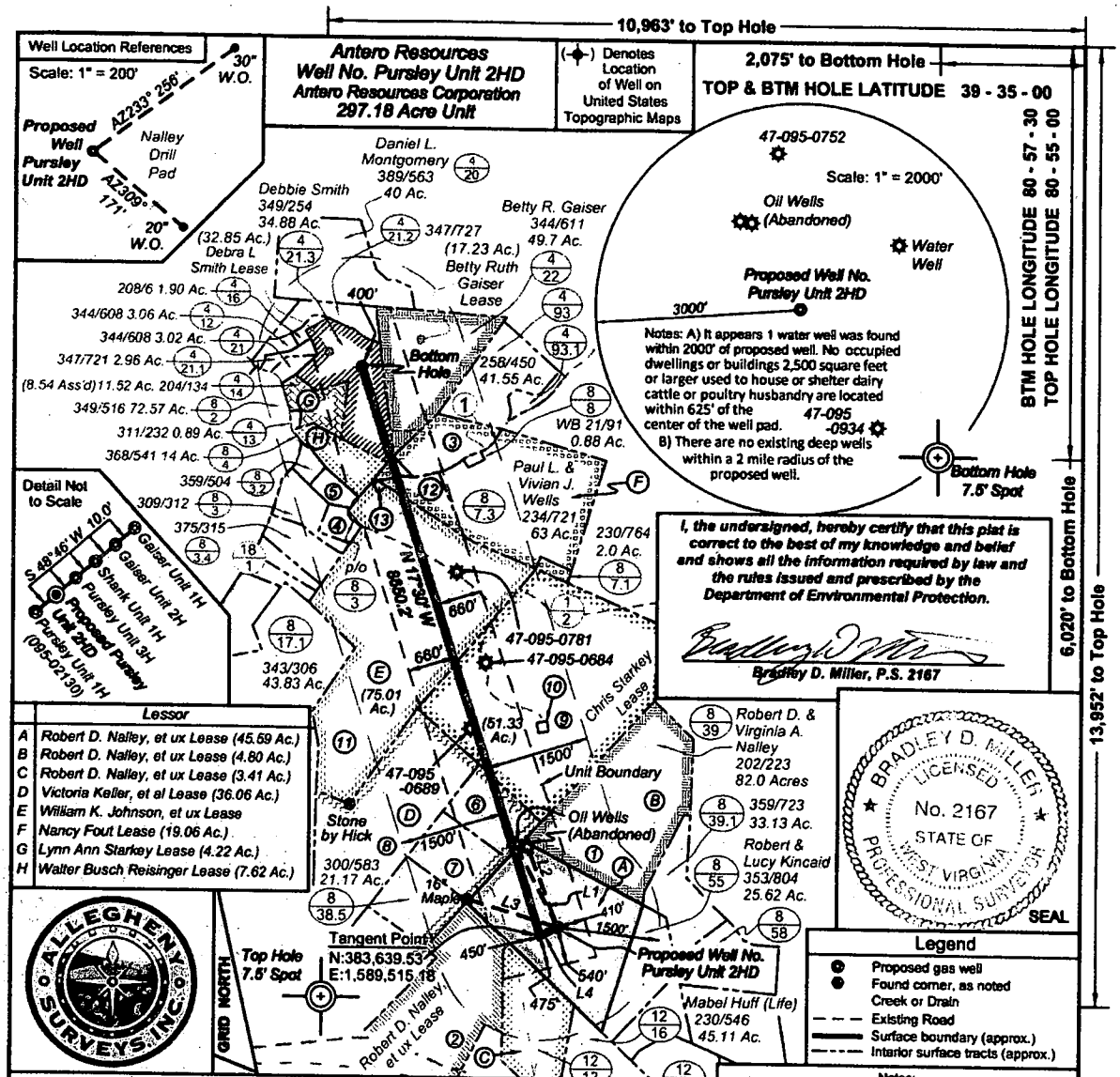
Sincerely,

Cindy Raines

Cindy Raines
Executive Assistant

encl: as stated

Promoting a healthy environment.



I, the undersigned, hereby certify that this plat is correct to the best of my knowledge and belief and shows all the information required by law and the rules issued and prescribed by the Department of Environmental Protection.

Bradley D. Miller, P.S. 2167

	Lessor
A	Robert D. Nalley, et ux Lease (45.69 Ac.)
B	Robert D. Nalley, et ux Lease (4.80 Ac.)
C	Robert D. Nalley, et ux Lease (3.41 Ac.)
D	Victoria Keller, et al Lease (36.06 Ac.)
E	William K. Johnson, et ux Lease
F	Nancy Fout Lease (19.06 Ac.)
G	Lynn Ann Starkey Lease (4.22 Ac.)
H	Walter Busch Reisinger Lease (7.62 Ac.)

Legend

- Proposed gas well
- Found corner, as noted
- Creek or Drain
- Existing Road
- Surface boundary (approx.)
- Interior surface tracts (approx.)

Tax Map 8 Owners

	Par.	Owner	Bk. Pg.	Acres
1	54	Robert D. & Virginia A. Nalley	198/41	80.0
2	53	Robert D. & Virginia A. Nalley	200/53	48.1
3	7.2	Jack G. & Constance M. Gaiser	295/545	18.23
4	3.5	Russell J. Blatt II	343/677	4.91
5	3.6	Ronald L. Jr. & Crystal K. Perine	348/722	5.48
6	38.4	Carl W. & Jacqueline M. Woolwine	313/677	21.32
7	38.3	David A. & Doris J. Lucas	312/145	21.17
8	38	DLB Properties, Inc.	358/479	98.77
9	19	Olive Branch Animal Rescue & Refuge, Inc.	333/804	173.48
10	19.1	Hope Natural Gas, Inc. d/b/a/ Dominion Hope	337/454	0.52
11	18	William K. & Janet N. Johnson	196/60	164.60
12	7	Gerald E. & Sarah J. Moore	234/689	9.78
13	6	Robert E. & Audrey L. Christy	346/395	0.38

Line	Bearing	Dist.
L1	S 27°41' E	1336.6'
L2	S 21°04' E	1243.7'
L3	S 73°18' E	1359.7'
L4	S 62°39' W	283.4'

Notes:

West Virginia Coordinates System of 1927, North Zone based upon Differential GPS Measurements.

Well No. Pursley Unit 2HD Top Hole coordinates
N: 383,769.73' Latitude: 39°32'40.39"
E: 1,589,766.89' Longitude: 80°57'17.13"

Bottom Hole coordinates
N: 391,888.98' Latitude: 39°34'00.17"
E: 1,586,912.82' Longitude: 80°57'55.25"

UTM Zone 17, NAD 1983

Top Hole Coordinates	Bottom Hole Coordinates
N: 4,377,218.483m	N: 4,379,677.528m
E: 503,902.065m	E: 502,991.321m

Plat orientation and corner and well references are based upon the grid north meridian. Well location references are based upon the magnetic meridian.

FILE NO: 214-54-L-13
DRAWING NO: 214-13 Pursley Unit 2HD
SCALE: 1" = 2000'
MINIMUM DEGREE OF ACCURACY: Submeter
PROVEN SOURCE OF ELEVATION: WVDOT, Harrisville, WV

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

DATE: March 6 2014
OPERATOR'S WELL NO. Pursley Unit 2HD

API WELL NO
47 - 095 - ____
STATE COUNTY PERMIT

WELL TYPE: ☐ OIL ☒ GAS ☐ LIQUID INJECTION ☐ WASTE DISPOSAL
(IF GAS) PRODUCTION: ☐ STORAGE ☒ DEEP ☐ SHALLOW
LOCATION: ELEVATION: 971' WATERSHED: Pursley Creek of the Ohio River QUADRANGLE: Paden City
DISTRICT: Lincoln COUNTY: Tyler
SURFACE OWNER: Robert D. & Virginia D. Nalley
ROYALTY OWNER: Robert D. Nalley, et ux; Victoria Keller, et al; Chris Starkey; Nancy Fout; Debra L. Smith; William K. Johnson, et ux
ACREAGE: 80 34.88 164; 109
LEASE NO: ____ ACREAGE: 214; 174; 80
PROPOSED WORK: ☒ DRILL ☐ CONVERT ☐ DRILL DEEPER ☒ FRACTURE OR STIMULATE ☐ PLUG OFF OLD FORMATION
☒ PERFORATE NEW FORMATION ☐ OTHER PHYSICAL CHANGE IN WELL (SPECIFY) ____
☐ PLUG AND ABANDON ☐ CLEAN OUT AND REPLUG TARGET FORMATION: Point Pleasant ESTIMATED DEPTH: 10,800' TVD 19,900' MD

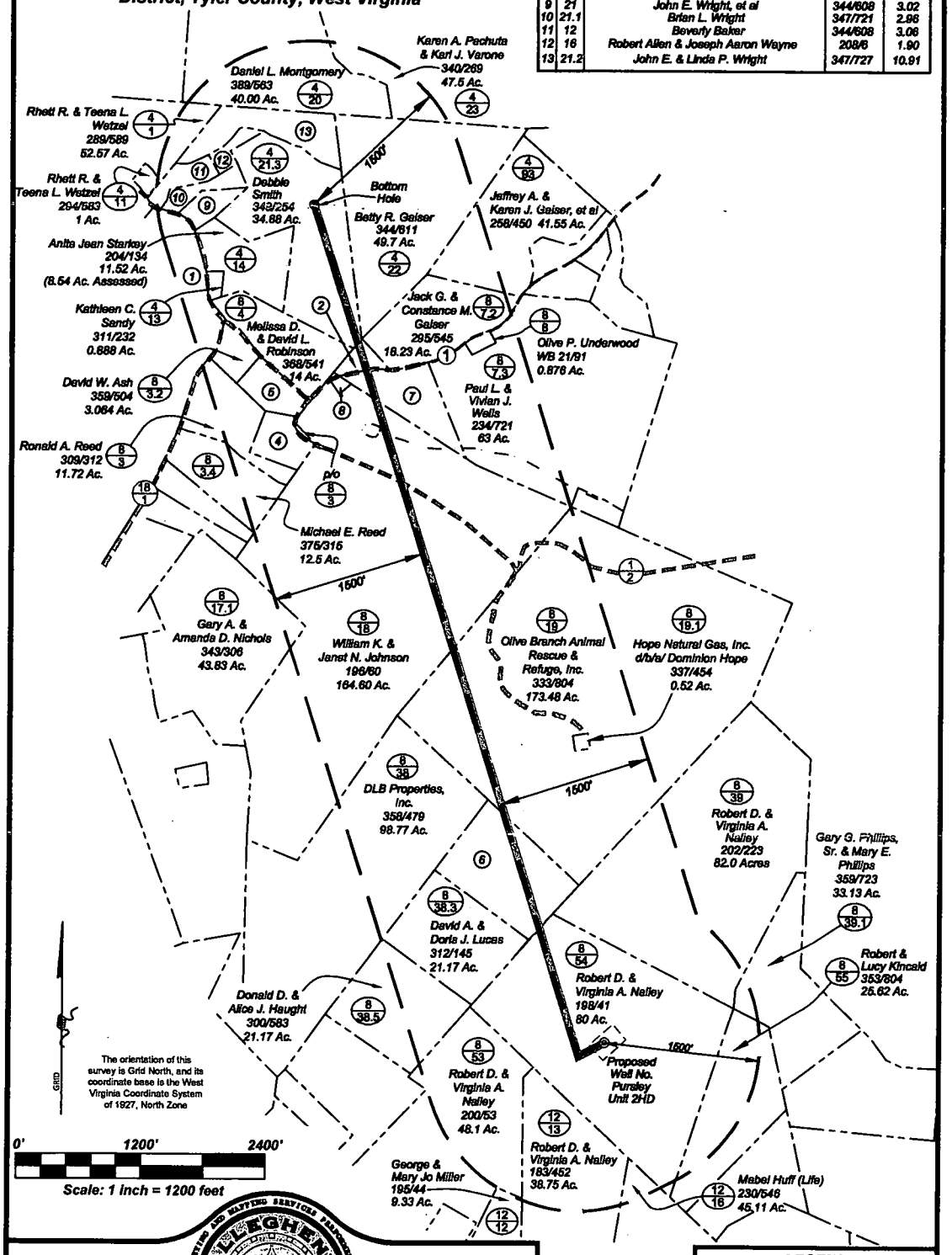
WELL OPERATOR: Antero Resources Corporation
ADDRESS: 1625 17th Street, Denver, CO 80202
DESIGNATED AGENT: Dianne Stamper - CT Corporation System
ADDRESS: 5400 D Big Tyler Road, Charleston, WV 25313

Exhibit A-1

Exhibit Map
for
Antero Resources Corporation
of
Well No. Pursley 2HD Surface Owners

Situate on the waters of Pursley Creek of the Ohio River and along County Routes 1 and 1/2 in Lincoln District, Tyler County, West Virginia

	Tax Map 8 Owners			
	Per.	Owner	Bk. Pg.	Acres
1	2	David W. & Lori J. Ash	349/516	72.57
2	5	Steven E. Smith	320/488	2.12
3	7.2	Jack G. & Constance M. Gaiser	295/545	18.23
4	3.5	Russell J. Blatt II	343/677	4.91
5	3.6	Ronald L. Jr. & Crystal K. Perine	348/722	5.48
6	38.4	Carl W. & Jacqueline M. Woolwine	313/677	21.32
7	7	Gerald E. & Sarah J. Moore	234/689	9.78
8	6	Robert E. & Audrey L. Christy	346/395	0.38
		Tax Map 4 Owners		
	Per.	Owner	Bk. Pg.	Acres
9	21	John E. Wright, et al	344/608	3.02
10	21.1	Brian L. Wright	347/721	2.96
11	12	Beverly Baker	344/608	3.06
12	16	Robert Allen & Joseph Aaron Wayne	208/6	1.90
13	21.2	John E. & Linda P. Wright	347/727	10.91



Bridgeport Office
Phone: (304) 848-5035
Fax: (304) 848-5037

172 Thompson Drive
Bridgeport, WV 26330

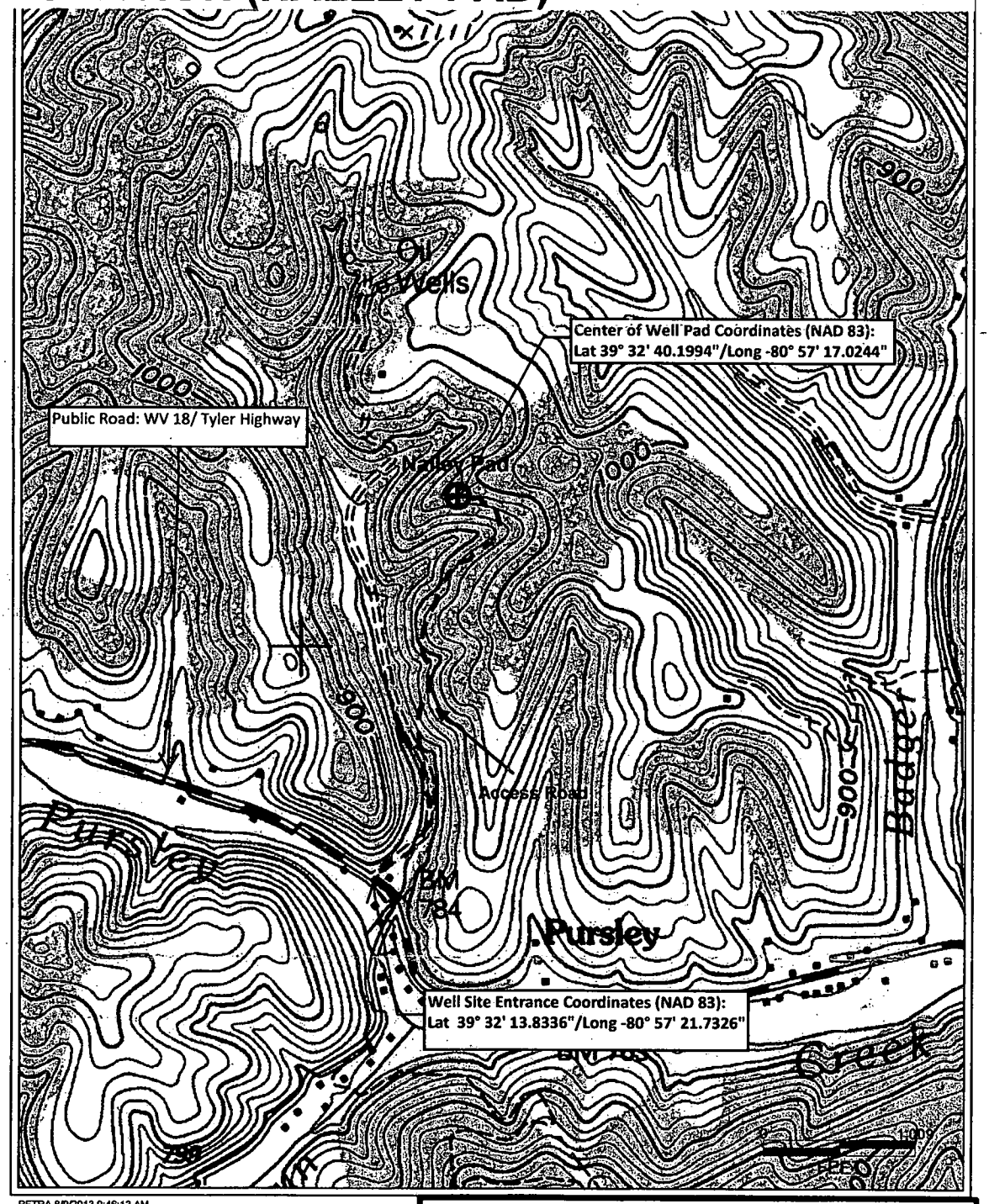
PARTY CHIEF:	RESEARCH:
DRAWN BY: C. Rennneman	PROJECT NO: 214-54-L-13
PREPARED: February 21, 2014	SURVEYED:
FIELD CREW:	DRAWING NO: 214-13 Pursley 2HD Exhibit

LEGEND

- Adjoiner Line
- Existing Road
- (12/16) Tax Map / Parcel
- (1) (18/1) County Route

Exhibit A-1
Pursley 2HD Unit Ap

EXHIBIT 2, PAGE 1
TOPOGRAPHICAL MAP OF WELL SITE LOCATION (NALLEY PAD)



PETRA 8/9/2013 9:48:13 AM

Antero Resources Corporation
Appalachian Basin
Nalley Pad
Tyler County
Quadrangle: Paden City
Watershed: Pursley Creek
District: Lincoln
Date: 8-9-2013

Exhibit B

Topographical Map

west virginia department of environmental protection

Oil and Gas Conservation Commission
601 57th Street, SE Charleston, WV 25304
(304)926-0499, Ext 1656

Earl Ray Tomblin, Governor
Barry K. Lay, Chairman
www.wvdep.org

BEFORE THE OIL AND GAS CONSERVATION COMMISSION OF THE STATE OF WEST VIRGINIA

IN THE MATTER OF THE APPLICATION BY ANTERO RESOURCES CORPORATION FOR AN ORDER FROM THE COMMISSION ESTABLISHING A 297.18 ACRE DRILLING UNIT AND POOLING OF UNLEASED TRACTS AND INTERESTS OF OIL AND GAS OWNERS AND OPERATORS WHO HAVE NOT ENTERED INTO VOLUNTARY AGREEMENTS ALLOWING FOR THE DEVELOPMENT AND OPERATION OF THE UNIT, LINCOLN DISTRICT, TYLER COUNTY, WEST VIRGINIA.

DOCKET NO. 228
CAUSE NO. 220

NOTICE OF HEARING

Antero Resources Corporation ("Antero") has requested the Commission review and approve a 297.18 acre drilling unit and pooling of unleased tracts and interests of operators for the development and operation of the unit in Tyler County, West Virginia, pursuant to Chapter 22C-9-7(b).

The matter has been scheduled as stated below:

DATE: April 22, 2014

TIME: 10:00 a.m.

PLACE: Department of Environmental Protection
Oil and Gas Conservation Commission
601 57th Street, SE
Charleston, WV 25304

IN THE NAME OF THE STATE OF WEST VIRGINIA

OIL AND GAS CONSERVATION COMMISSION
OF THE STATE OF WEST VIRGINIA

By: Barry K. Lay
Barry K. Lay, Chairman

Dated this 25th day of March, 2014, at Charleston, West Virginia.

Promoting a healthy environment.

CERTIFIED MAIL

dep

West Virginia department of environmental protection

91 7108 2133 3938 5385 0841

031305

UNITED STATES POSTAGE
PITNEY BOWES
02 1P $ 05.13⁰
0002009608 MAR 25 2014
MAILED FROM ZIP CODE 25311

Hey Cindy,

This was in with Gastar Simms well, but seems to be for something else.

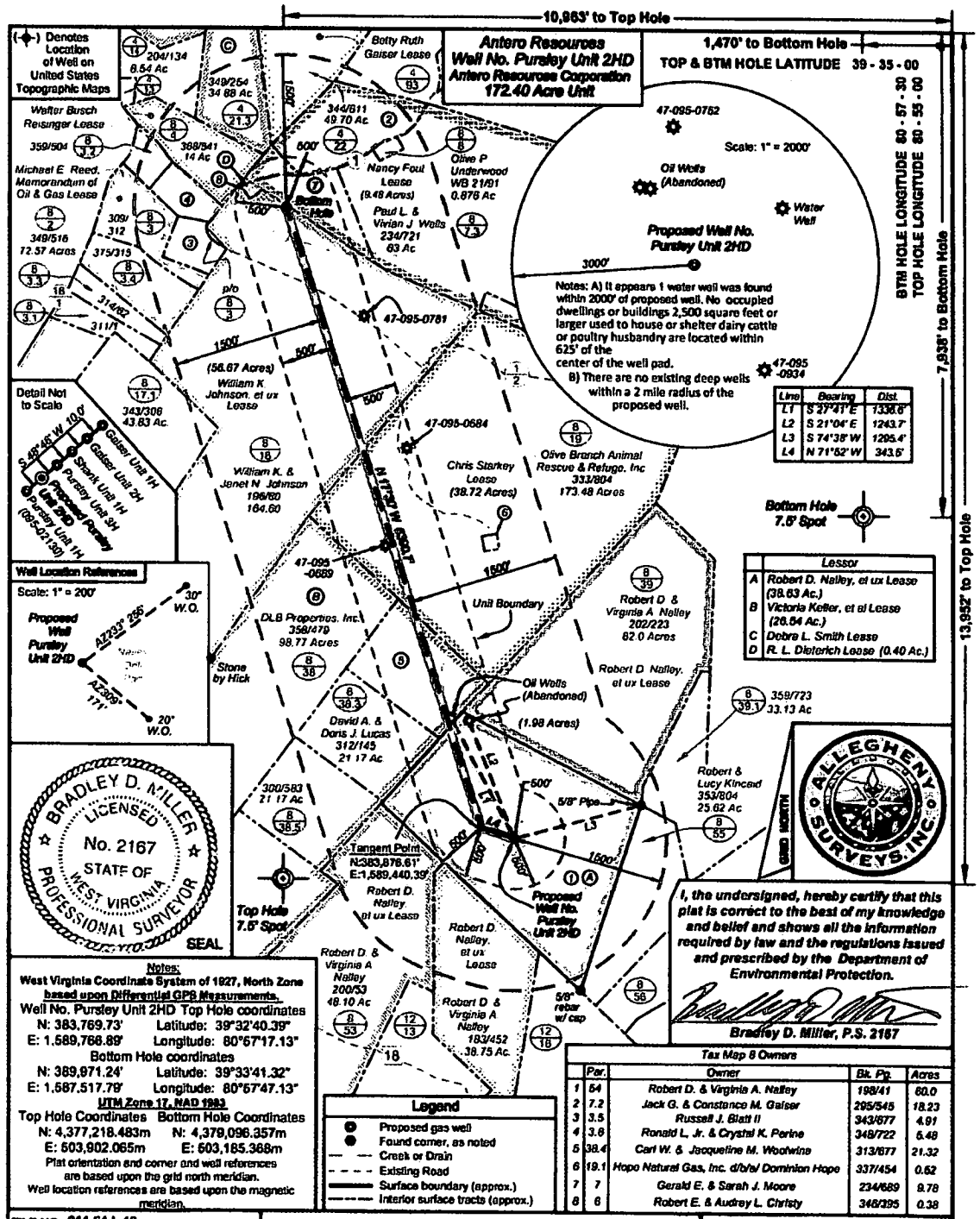
~Laura

Charles Lowery
612 East
Parkersburg,

NIXIE 250 CE 1009 7004/16/14

RETURN TO SENDER
UNCLAIMED
UNABLE TO FORWARD

2610184921 *1771-02894-25-33



Line	Bearing	Dist.
L1	S 27°41' E	1336.6'
L2	S 21°04' E	1243.7'
L3	S 74°38' W	1295.4'
L4	N 71°52' W	343.6'

	Lessor
A	Robert D. Nalley, et ux Lease (38.63 Ac.)
B	Victoria Keller, et al Lease (26.54 Ac.)
C	Debra L. Smith Lease
D	R. L. Dieterich Lease (0.40 Ac.)

Notes:
West Virginia Coordinate System of 1927, North Zone based upon Differential GPS Measurements.
Well No. Pursley Unit 2HD Top Hole coordinates
N: 383,769.73' Latitude: 39°32'40.39"
E: 1,589,766.89' Longitude: 80°57'17.13"
Bottom Hole coordinates
N: 389,971.24' Latitude: 39°33'41.32"
E: 1,587,517.79' Longitude: 80°57'47.13"
UTM Zone 17, NAD 1983
Top Hole Coordinates: N: 4,377,218.483m E: 503,902.065m
Bottom Hole Coordinates: N: 4,379,096.357m E: 503,185.368m
Plat orientation and corner and well references are based upon the grid north meridian.
Well location references are based upon the magnetic meridian.

Legend
- Proposed gas well
- Found corner, as noted
- Creek or Drain
- Existing Road
- Surface boundary (approx.)
- Interior surface tracts (approx.)

Tax Map 8 Owners

	Par.	Owner	Bk. Pg.	Acres
1	54	Robert D. & Virginia A. Nalley	198/41	60.0
2	7.2	Jack G. & Constance M. Gaiser	295/545	18.23
3	3.5	Russell J. Blatt II	343/677	4.91
4	3.6	Ronald L. Jr. & Crystal K. Perine	348/722	6.48
5	38.4	Carl W. & Jacqueline M. Wootwine	313/677	21.32
6	19.1	Hope Natural Gas, Inc. d/b/a/ Dominion Hope	337/454	0.62
7	7	Gerald E. & Sarah J. Moore	234/689	9.78
8	6	Robert E. & Audrey L. Christy	348/395	0.38

FILE NO: 214-64-L-13
DRAWING NO: 214-13 Pursley 2HD Rev 5
SCALE: 1" = 1200'
MINIMUM DEGREE OF ACCURACY: Submeter
PROVEN SOURCE OF ELEVATION: WVDOT, Harrisville, WV

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

DATE: July 23 2014
OPERATOR'S WELL NO. Pursley Unit 2HD

API WELL NO
47 - 095 - ____
STATE COUNTY PERMIT

WELL TYPE: ☐ OIL ☒ GAS ☐ LIQUID INJECTION ☐ WASTE DISPOSAL
(IF GAS) PRODUCTION: ☐ STORAGE ☒ DEEP ☐ SHALLOW
LOCATION: ELEVATION: 971' WATERSHED: Pursley Creek of the Ohio River QUADRANGLE: Paden City
DISTRICT: Lincoln COUNTY: Tyler
SURFACE OWNER: Robert D. & Virginia D. Nalley; William K. Johnson, et ux ACREAGE: 80; 164;
ROYALTY OWNER: Robert D. Nalley, et ux; Victoria Keller, et al; Chris Starkey LEASE NO: ____ ACREAGE: 214; 174; 80
PROPOSED WORK: ☒ DRILL ☐ CONVERT ☐ DRILL DEEPER ☒ FRACTURE OR STIMULATE ☐ PLUG OFF OLD FORMATION
☒ PERFORATE NEW FORMATION ☐ OTHER PHYSICAL CHANGE IN WELL (SPECIFY) ____
☐ PLUG AND ABANDON ☐ CLEAN OUT AND REPLUG TARGET FORMATION: Point Pleasant ESTIMATED DEPTH: 10,800' TVD 17,500' MD

WELL OPERATOR: Antero Resources Corporation
ADDRESS: 1615 Wynkoop Street, Denver, CO 80202
DESIGNATED AGENT: Dianna Stamper - CT Corporation System
ADDRESS: 5400 D Big Tyler Road, Charleston, WV 25313

Ex. 21

Leased Owners

District	T/M/P	Gross Ac.	Ac. in Unit	Owner(s)	Ownership %	Net Acres in Unit
Lincoln	4-8-54	80.00ac	38.63	Robert D. Nalley and Virginia A. Nalley, as JTWROS	50.0000%	19.31500
Lincoln	4-8-54	80.00ac	38.63	Norma T. Long Trust dated November 8, 2013	25.0000%	9.65750
Lincoln	4-8-54	80.00ac	38.63	Oxy USA Inc.	15.3750%	5.93936
Lincoln	4-8-54	80.00ac	38.63	BP Mineral Holdings II LLC	8.2500%	3.18698
Lincoln	4-8-54	80.00ac	38.63	Somerset Minerals, LP	1.3750%	0.53116
Lincoln	4-8-38, 38.1, 38.2, 38.3, 38.4, 38.5, 38.6, 47	213.40ac	26.54	Tonya Rochelle Keller Wable	50.0000%	13.27000
Lincoln	4-8-38, 38.1, 38.2, 38.3, 38.4, 38.5, 38.6, 47	213.40ac	26.54	Victoria L. Keller	50.0000%	13.27000
Lincoln	4-8-39	82.00ac	1.98	Robert D. Nalley et ux, Virginia A. Nalley	100.0000%	1.98000
Lincoln	4-8-19, 19.1	174.00ac	38.72	Beverly Kay Weltz, as JTWROS	16.6670%	6.45346
Lincoln	4-8-19, 19.1	174.00ac	38.72	George Allen Starkey, as JTWROS	16.6670%	6.45346
Lincoln	4-8-19, 19.1	174.00ac	38.72	Joseph Clair Starkey, as JTWROS	16.6660%	6.45308
Lincoln	4-8-18	164.00ac	56.67	William K. Johnson et ux, Janet N. Johnson, as JTWROS	91.6660%	51.94712
Lincoln	4-8-18	164.00ac	56.67	William K. Johnson	4.1670%	2.36144
Lincoln	4-8-18	164.00ac	56.67	Janet N. Johnson	4.1670%	2.36144
Lincoln	4-8-6	0.4ac	0.4	Ronald Lee Dieterich	100.0000%	0.40000
Lincoln	4-8-5, 7, 7.1, 7.2, 7.3, 8	109.00ac	9.46	Waco Oil & Gas Company, Inc.	50.0000%	4.73000
Lincoln	4-8-5, 7, 7.1, 7.2, 7.3, 8	109.00ac	9.46	Nancy Fout	50.0000%	4.73000
						153.04000

Ex 26

Unleased Owners

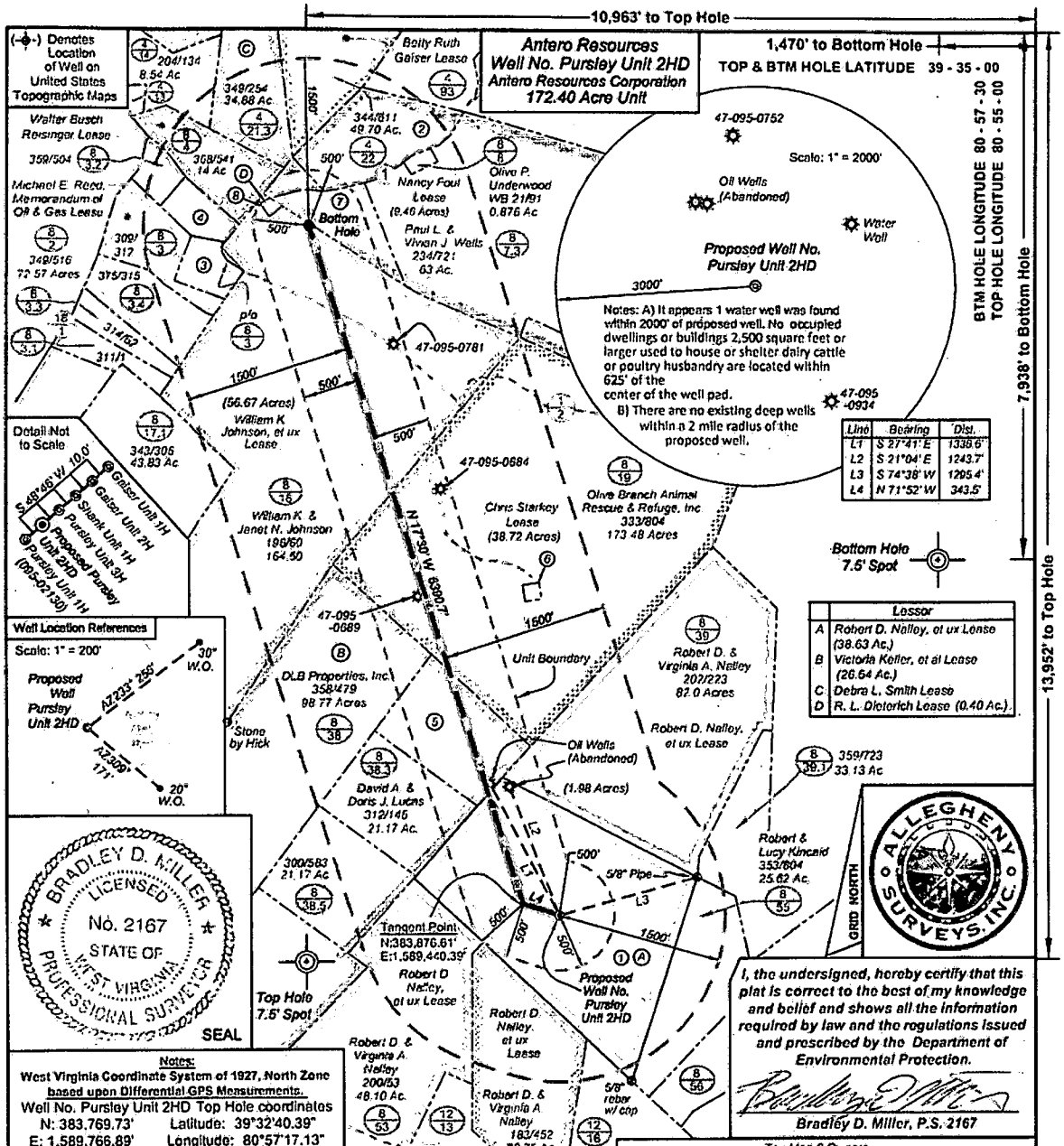
District	T/M/P	Gross Ac.	Ac. in Unit	Owner(s)	Ownership %	Net Acres in Unit
Lincoln	4-8-19, 19.1	174.00ac	38.72	Hester A. Porter heirs or assigns	15.6250%	6.05000
Lincoln	4-8-19, 19.1	174.00ac	38.72	Jennie Porter heirs or assigns	12.5000%	4.84000
Lincoln	4-8-19, 19.1	174.00ac	38.72	Mary F. Porter heirs or assigns	12.5000%	4.84000
Lincoln	4-8-19, 19.1	174.00ac	38.72	Edgar W. Porter heirs or assigns	3.1250%	1.21000
Lincoln	4-8-19, 19.1	174.00ac	38.72	Mary K. Porter heirs or assigns	3.1250%	1.21000
Lincoln	4-8-19, 19.1	174.00ac	38.72	Charles N. Porter heirs or assigns	3.1250%	1.21000
						19.36000

Ex. 27

Tract Participation

Farm Name	Gross Ac.	Ac. in Unit	% of Unit	Legal - T/M/P	District	County
Robert D. Nalley and Virginia A. Nalley, as JTWROS	80.0000	38.6300	22.40719%	4-8-54	Lincoln	Tyler
Victoria Keller Farm	213.4000	26.5400	15.39443%	4-8-38, 38.1, 38.2, 38.3, 38.4, 38.5, 38.6, 47	Lincoln	Tyler
Robert D. Nalley et ux, Virginia A. Nalley	82.0000	1.9800	1.14849%	4-8-39	Lincoln	Tyler
Clair Starkey Farm	174.0000	38.7200	22.45940%	4-8-19, 19.1	Lincoln	Tyler
William Johnson Farm	164.0000	56.6700	32.87123%	4-8-18	Lincoln	Tyler
Ronald Lee Dieterich	0.4000	0.4000	0.23202%	4-8-6	Lincoln	Tyler
Paul Leon Wells et al	109.0000	9.4600	5.48724%	4-8-5, 7, 7.1, 7.2, 7.3, 8	Lincoln	Tyler
	TOTAL	172.40000	100.00%			

Ex. 28



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

DATE: July 23 2014
OPERATOR'S WELL NO. Pursley Unit 2HD
API WELL NO DEEP
47 - 095 - 02175 HG A
STATE COUNTY PERMIT

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(IF GAS) PRODUCTION: ☐ STORAGE ☒ DEEP ☐ SHALLOW
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