



JUN 7 2013

west virginia department of environmental protection

Environmental Enforcement
601 57th Street SE
Charleston, WV 25304
Telephone: (304) 926-0470 Fax: (304) 926-0488

Earl Ray Tomblin, Governor
Randy C. Huffman, Cabinet Secretary
www.dep.wv.gov

June 4, 2013

Antero Resources
ATTN: Eli Wagoner
1625 17th Street
Denver, CO 80202

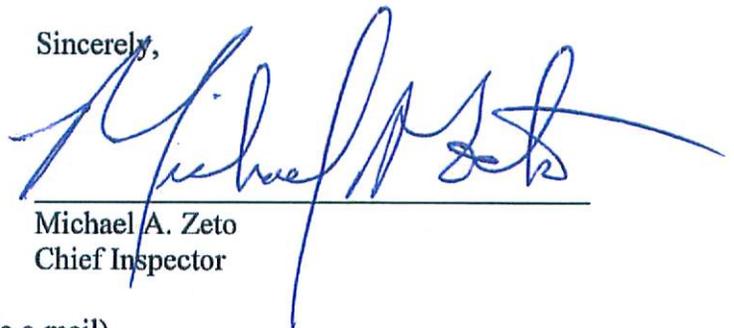
CERTIFIED RETURN RECEIPT REQUESTED
91 7199 9991 7032 6258 8674
RE: Violation of Chapter 22, Article 11
of the WV State Code

Dear Mr. Wagoner:

Enclosed is revised CONSENT ORDER NUMBER 7761 dated June 4, 2013. This action is based upon the investigation and recommendation of the West Virginia Department of Environmental Protection's (WVDEP) Environmental Enforcement unit in response to Antero Resources violating Chapter 22, Article 11 of the WV State Code at its facility located in New Milton, Doddridge County, West Virginia. This revision is based upon your recent correspondence with David C. Simmons, Enforcement Hearing Officer, and it reflects additional violations which occurred during March and April, 2013. This administrative settlement is being offered on behalf of the director of the Division of Water and Waste Management.

Please review, sign and return the original copy of the revised ORDER to me within five (5) working days of receipt. Subsequently, WVDEP will initiate the public notice process.

Sincerely,



Michael A. Zeto
Chief Inspector

Enclosure

cc: Scott G. Mandirola, Director, DWWM (via e-mail)
Yogesh Patel, Asst. Director, DWWM/Permits (via e-mail)
Joseph M. Hickman, Assistant Chief Inspector, EE/WW (via e-mail)
Jeremy Bandy, Assistant Chief Inspector, EE (via e-mail)
David C. Simmons, Enforcement Hearing Officer, EE (via e-mail)
Laura McGee, Environmental Resources Specialist, EE (via e-mail)
Brad Swiger, Environmental Inspector Supervisor, EE/WW (via e-mail)
Melisa Powers, Environmental Inspector, EE/WW (via e-mail)
Shyrel Moellendick, MSSS, EE (via e-mail)

revised October 2012

Promoting a healthy environment.



west virginia department of environmental protection

Division of Water and Waste Management
601 57th Street SE
Charleston, WV 25304
Phone: (304) 926-0495
Fax: (304) 926-0463

Earl Ray Tomblin, Governor
Randy C. Huffman, Cabinet Secretary
www.dep.wv.gov

**CONSENT ORDER
ISSUED UNDER THE
WATER POLLUTION CONTROL ACT
WEST VIRGINIA CODE, CHAPTER 22, ARTICLE 11**

TO: Antero Resources
1625 17th Street
Denver, CO 80202

DATE: June 4, 2013

ORDER NO.: 7761

INTRODUCTION

This Consent Order is issued by the Director of the Division of Water and Waste Management (hereinafter "Director"), under the authority of West Virginia Code, Chapter 22, Article 11, Section 1 et seq. to Antero Resources (hereinafter "Antero").

FINDINGS OF FACT

In support of this Order, the Director hereby finds the following:

1. Antero operates a marcellus shale gas well pad located near New Milton, Doddridge County, West Virginia. Antero is an independent exploration and production (E&P) company engaged in the acquisition, development, and production of unconventional natural gas resources in the United States.
2. On April 8, 2011, West Virginia Department of Environmental Protection (WVDEP) personnel conducted an investigation of an Antero gas pipeline installation. During the investigation, a violation of the following section of WV Legislative Rules was observed and documented:
 - a. 47CSR2 Section 3.2.b-Antero caused conditions not allowable in State waters. Specifically, pipeline construction activities by Antero and/or a contractor under its guidance created a distinctly visible brown sludge bank on the bottom of Limestone Run at or near coordinate 39°18.217 N; 80°25.439 W in Harrison County, West Virginia.

Promoting a healthy environment.

As a result of the aforementioned violation, Notice of Violation (NOV) No. NW-BCS-0407001-001 was issued to Antero.

3. On July 12, 2011, WVDEP personnel conducted an investigation of an Antero gas pipeline installation. During the investigation, a violation of the following section of WV Legislative Rules was observed and documented:
 - a. 47CSR2 Section 3.2.b-Antero caused conditions not allowable in State waters. Specifically, pipeline construction activities by Antero and/or a contractor under its guidance created distinctly visible sludge deposits in an unnamed tributary of Limestone Run at or near coordinates 39°29.7115 N; 80°42.4342 W in Harrison County, West Virginia.

As a result of the aforementioned violation, NOV No. NW-JME-071211-001 was issued to Antero.

4. On December 7, 2011, WVDEP personnel conducted a site visit of an Antero gas pipeline installation. During the visit, a violation of the following section of WV Legislative Rules was observed and documented:
 - a. 47CSR2 Section 3.2.b-Antero caused conditions not allowable in State waters. Specifically, Antero and/or a contractor under its guidance created sediment deposits in an unnamed tributary of Limestone Run of West Fork River in Harrison County, West Virginia.

As a result of the aforementioned violation, NOV No. NW-JME-120711-001 was issued to Antero.

5. On August 20, 2012, WVDEP personnel conducted an inspection of an Antero gas pipeline installation. During the inspection, a violation of the following section of WV Legislative Rules was observed and documented:
 - a. 47CSR2 Section 3.2.a-Antero caused conditions not allowable in State waters. Specifically, Antero and/or a contractor under its guidance created distinctly visible settleable solids in an unnamed tributary of Little Flint Run at or near coordinates 39°23.2216 N; 80°44.6425 W in Tyler County, West Virginia.

As a result of the aforementioned violation, NOV No. W-NW-JGT-082012-001 was issued to Antero.

6. On August 24, 2012, WVDEP personnel conducted an inspection of an Antero gas pipeline installation. During the inspection, a violation of the following section of WV Legislative Rules was observed and documented:
 - a. 47CSR2 Section 3.2.a-Antero caused conditions not allowable in State waters. Specifically, Antero and/or a contractor under its guidance created distinctly visible settleable solids in Poverty Run at or near coordinates 39°21.1496 N; 80°42.6457 W in Doddridge County, West Virginia.

As a result of the aforementioned violation, NOV No. W-NW-JGT-082412-001 was issued to Antero.

7. On August 31, 2012, WVDEP personnel conducted a complaint investigation at the intersection of Meathouse Fork and Brushy Fork Roads at or near coordinate 39°12.30 N; 80°40.28 W in Doddridge County, West Virginia. During the investigation, WVDEP personnel observed and documented the following:
 - a. Brushy Fork Road was covered with a dark liquid, which was pooling and had discharged into an unknown tributary of Brushy Fork.
 - b. Antero hired Simply Trucking of Charleston, West Virginia to apply Z-110 dust suppressant to Brushy Fork Road to help abate dust generated from truck traffic.
 - c. Violations of the following sections of WV Legislative Rules were observed and documented:
 - i. 47CSR2 Section 3.2.a-Antero and/or a contractor under its guidance caused conditions not allowable in State waters. Specifically, excess Z-110 flowed into an unnamed tributary of Brushy Fork, causing a visible plume.
 - ii. 47CSR2 Section 3.2.e-Antero and/or a contractor under its guidance applied materials in concentrations which were harmful, hazardous, or toxic to man, animal or aquatic life. Specifically, the Z-110 applied to Brushy Fork Road flowed into an unnamed tributary of Brushy Fork, causing a fish kill. A fish count was conducted by WV Division of Natural Resources personnel (WVDNR).
 - iii. 47CSR11 Section 2.2.a-Antero failed to give immediate notification to the Office of Water Resources of the Z-110 discharge into State waters. Specifically, Antero called in the spill approximately six (6) hours after WVDEP notified Antero of the fish kill.

As a result of the aforementioned violations, NOV Nos. NW-MAP-083112-001, NW-MAP-083112-002, and NW-MAP-083112-003 were issued to Antero.

8. On March 26, 2013, WVDEP personnel conducted a site visit of an Antero gas pipeline installation. During the visit, a violation of the following section of WV Legislative Rules was observed and documented:
 - a. 47CSR2 Section 3.2.a-Antero caused conditions not allowable in State waters. Specifically, Antero and/or a contractor under its guidance created a visible brown plume of muddy water in an unnamed tributary of Toms Fork at or near coordinates 39° 09' 40.92" N; 80° 41' 42.89" W in Doddridge County, West Virginia.

As a result of the aforementioned violation, NOV No. NW-BCS-03262013-001 was issued to Antero.

9. On March 26, 2013, WVDEP personnel conducted an inspection of an Antero gas pipeline installation. During the inspection, a violation of the following section of WV Legislative Rules was observed and documented:

- a. 47CSR2 Section 3.2.b-Antero caused conditions not allowable in State waters. Specifically, Antero and/or a contractor under its guidance created sediment deposits in an unnamed tributary of Little White Oak Creek at or near GPS coordinates 39° 11' 35.8" N; 80° 53' 18.8" W in Ritchie County, West Virginia.

As a result of the aforementioned violation, NOV No. W-NW-TJK-032613-001 was issued to Antero.

10. On April 2, 2013, WVDEP personnel conducted an inspection of an Antero gas pipeline installation. During the inspection, a violation of the following section of WV Legislative Rules was observed and documented:

- a. 47CSR2 Section 3.2.a-Antero caused conditions not allowable in State waters. Specifically, Antero and/or a contractor under its guidance created a distinctly visible plume of muddy water in Little White Oak Creek at or near coordinates 39° 11' 44.1" N; 80° 53' 39.2" W in Ritchie County, West Virginia.

As a result of the aforementioned violation, NOV No. W-NW-TJK-040213-001 was issued to Antero.

11. On April 24, 2013, WVDEP personnel conducted a site visit of an Antero gas pipeline access road. During the visit, a violation of the following section of WV Legislative Rules was observed and documented:

- a. 47CSR2 Section 3.2.a-Antero caused conditions not allowable in State waters. Specifically, Antero and/or a contractor under its guidance created a visible brown plume of muddy water, emanating from an access road, in White Oak Creek at or near coordinates 39° 11' 31.5" N; 80° 53' 52.2" W in Ritchie County, West Virginia.

As a result of the aforementioned violation, NOV No. W-NW-TJK-042413-002 was issued to Antero.

ORDER FOR COMPLIANCE

Now, therefore, in accordance with Chapter 22, Article 11, Section 1 et seq. of the West Virginia Code, it is hereby agreed between the parties, and ORDERED by the Director:

1. Antero shall immediately take all measures to initiate compliance with all pertinent laws and rules.

2. Within twenty (20) days of the effective date of this Order, Antero shall provide proof of its current dust control measures and a list of any dust suppressant products being used. The documents shall be submitted to:

**WVDEP Environmental Inspector Supervisor
NW Regional Environmental Enforcement Office
2031 Pleasant Valley Road
Fairmont, WV 26554**

3. Within thirty (30) days of the effective date of this Order, Antero shall provide proof of the development and implementation of a training program for all employees working at sites in West Virginia which are required to draft and maintain a Spill Prevention Control and Countermeasure (SPCC) plan regarding spill identification, reporting and response. The proof shall be submitted to:

**WVDEP Environmental Inspector Supervisor
NW Regional Environmental Enforcement Office
2031 Pleasant Valley Road
Fairmont, WV 26554**

4. Within thirty (30) days of the effective date of this Order, Antero shall submit for approval a proposed plan of corrective action and schedule, outlining action items and completion dates for how and when Antero will achieve compliance with all pertinent laws and rules. The plan of corrective action shall be submitted to:

**WVDEP Environmental Inspector Supervisor
NW Regional Environmental Enforcement Office
2031 Pleasant Valley Road
Fairmont, WV 26554**

A copy of this plan shall be submitted to:

**Chief Inspector
Environmental Enforcement - Mail Code #031328
WVDEP
601 57th Street SE
Charleston, WV 25304**

Upon approval, the plan of corrective action and schedule shall be incorporated into and become part of this Order, as if fully set forth herein. Failure to submit an approvable plan of corrective action and schedule or failure to adhere to the approved schedule is a violation of this Order.

5. Because of Antero's Legislative Rule violations, Antero shall be assessed a civil administrative penalty of twenty-three thousand nine hundred thirty dollars (\$23,930) to be paid to the West Virginia Department of Environmental Protection for deposit in the Water Quality Management Fund within thirty (30) days of the effective date of this

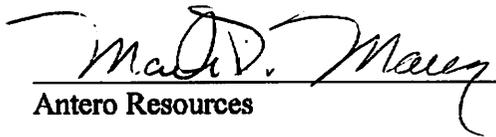
Order. Payments made pursuant to this paragraph are not tax-deductible for purposes of State or federal law. **Payment shall be mailed to:**

**Chief Inspector
Environmental Enforcement - Mail Code #031328
WV-DEP
601 57th Street SE
Charleston, WV 25304**

OTHER PROVISIONS

1. Antero hereby waives its right to appeal this Order under the provisions of Chapter 22, Article 11, Section 21 of the Code of West Virginia. Under this Order, Antero agrees to take all actions required by the terms and conditions of this Order and consents to and will not contest the Director's jurisdiction regarding this Order. However, Antero does not admit to any factual and legal determinations made by the Director and reserves all rights and defenses available regarding liability or responsibility in any proceedings regarding Antero other than proceedings, administrative or civil, to enforce this Order.
2. The Director reserves the right to take further action if compliance with the terms and conditions of this Order does not adequately address the violations noted herein and reserves all rights and defenses which he may have pursuant to any legal authority, as well as the right to raise, as a basis for supporting such legal authority or defenses, facts other than those contained in the Findings of Fact.
3. If any event occurs which causes delay in the achievement of the requirements of this Order, Antero shall have the burden of proving that the delay was caused by circumstances beyond its reasonable control which could not have been overcome by due diligence (i.e., force majeure). Force majeure shall not include delays caused or contributed to by the lack of sufficient funding. Within three (3) working days after Antero becomes aware of such a delay, notification shall be provided to the Director/Chief Inspector and shall, within ten (10) working days of initial notification, submit a detailed written explanation of the anticipated length and cause of the delay, the measures taken and/or to be taken to prevent or minimize the delay, and a timetable by which Antero intends to implement these measures. If the Director agrees that the delay has been or will be caused by circumstances beyond the reasonable control of Antero (i.e., force majeure), the time for performance hereunder shall be extended for a period of time equal to the delay resulting from such circumstances. A force majeure amendment granted by the Director shall be considered a binding extension of this Order and of the requirements herein. The determination of the Director shall be final and not subject to appeal.
4. Compliance with the terms and conditions of this Order shall not in any way be construed as relieving Antero of the obligation to comply with any applicable law, permit, other order, or any other requirement otherwise applicable. Violations of the terms and conditions of this Order may subject Antero to additional penalties and injunctive relief in accordance with the applicable law.

5. The provisions of this Order are severable and should a court or board of competent jurisdiction declare any provisions to be invalid or unenforceable, all other provisions shall remain in full force and effect.
6. This Order is binding on Antero, its successors and assigns.
7. This Order shall terminate upon Antero's notification of full compliance with the "Order for Compliance" and verification of this notification by WVDEP.


Antero Resources

6/12/2013
Date

Public Notice begin:

Date

Public Notice end:

Date

Scott G. Mandirola, Director
Division of Water and Waste Management

Date

RECEIVED

JUN 21 2013

ENVIRONMENTAL
ENFORCEMENT

Base Penalty Calculation

(pursuant to 47CSR1-6.1)

Responsible Party:

Antero Resources

Receiving Stream:

Limestone Run, UT of Brushy Fork, UT of Limestone Run, UT of Little Flint Run, Poverty Run

Treatment System Design Maximum Flow: MGD

Treatment System Actual Average Flow: MGD (if known)

Enter FOF# and rate each finding as to Potential and Extent.

1)	Potential for Harm Factor	Factor Range	FOF#												
			2a	3a	4a	5a	6a	7ci	7cii	7ciii	8a	9a	10a	11a	
a)	Amount of Pollutant Released	1 to 3	1	1	1	1	1	1	1	1	1	1	1	1	1
b)	Toxicity of Pollutant	0 to 3	1	1	1	1	1	3	3	0	1	1	1	1	1
c)	Sensitivity of the Environment	0 to 3	1	1	1	1	1	1	1	0	1	1	1	1	1
d)	Length of Time	1 to 3	1	1	1	1	1	1	1	2	1	1	1	1	1
e)	Actual Exposure and Effects thereon	0 to 3	1	1	1	1	1	3	3	0	1	1	1	1	1
Average Potential for Harm Factor			1	1	1	1	1	1.8	1.8	0.6	1	1	1	1	No
2)	Extent of Deviation Factor	Factor Range													
	Degree of Non-Compliance	1 to 3	2	2	2	2	2	2	3	3	2	2	2	2	2

Potential for Harm Factors:

- 1)c - Sensitivity of the Environment Potentially Affected (0 for "dead" stream)
- 1)d - Length of Time of Violation
- 1)e - Actual Human/Environmental Exposure and Resulting Effects thereon

Examples/Guidance:

Note: Rate as 1 for Minor, 2 for Moderate and 3 for Major. Rate as 0 if it does not apply.

Minor = exceedance of permit limit by <=40% for Avg. Monthly or <=100% for Daily Max., exceed numeric WQ standard by <= 100%, or report doesn't contain some minor information.

Moderate = exceedance of permit limit by >= 41% and <= 300% for Avg. Monthly, >= 101% and <= 600% for Daily Max., exceed numeric WQ standard by >= 101% and <= of 600% or report doesn't fully address intended subject matter.

Major = exceedance of permit limit by >= 301% for Avg. Monthly, >= 601% for Daily Max., exceed numeric WQ standard by >= 601%, failure to submit a report, failure to obtain a permit, failure to report a spill, etc. Note that a facility in SNC should be rated as major for length of time and degree of non-compliance.

Narrative WQ standard violations - case-by-case.

Penalty Adjustment Factors

(pursuant to 47CSR1-6.2)

Penalty Adjustment Factor

6.2.b.1 - Degree of or absence of willfulness and/or negligence - 0% to 30% increase

6.2.b.4 - Previous compliance/noncompliance history - 0% to 100% increase - based upon review of last three (3) years - Warning = maximum of 5% each, N.O.V. = maximum of 10% each, previous Order = maximum of 25% each - Consistent DMR violations for <1 year = 10% maximum, for >1 year but <2 years = 20% maximum, for >2 years but <3 years = 30% maximum, for >3 years = 40 % maximum

6.2.b.6 - Economic benefits derived by the responsible party (increase to be determined)

6.2.b.7 - Public Interest (increase to be determined)

6.2.b.8 - Loss of enjoyment of the environment (increase to be determined)

6.2.b.9 - Staff investigative costs (increase to be determined)

6.2.b.10 - Other factors

Size of Violator: 0 - 50% decrease

NOTE: This factor is not available to discharges that are causing a water quality violation. This factor does not apply to a commercial or industrial facility that employees or is part of a corporation that employees more than 100 individuals.

Avg. Daily WW Discharge Flow (gpd)	% Reduction Factor
< 5,000	50
5,000 to 9,999	40
10,000 to 19,999	30
20,000 to 29,999	20
30,000 to 39,999	10
40,000 to 99,999	5
> 100,000	0

Additional Other factors to be determined for increases or decreases on a case-by-case basis.

Public Notice Costs (cost for newspaper advertisement)

6.2.b.2 - Good Faith - 10% decrease to 10% increase

6.2.b.3 - Cooperation with the Secretary - 0% to 10% decrease

6.2.b.5 - Ability to pay a civil penalty - 0% to 100% decrease

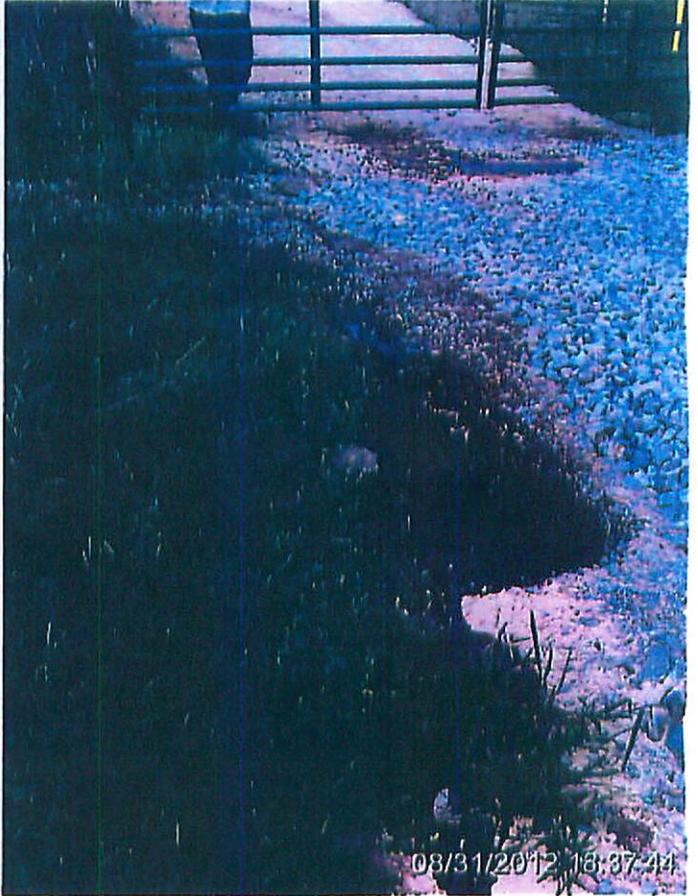
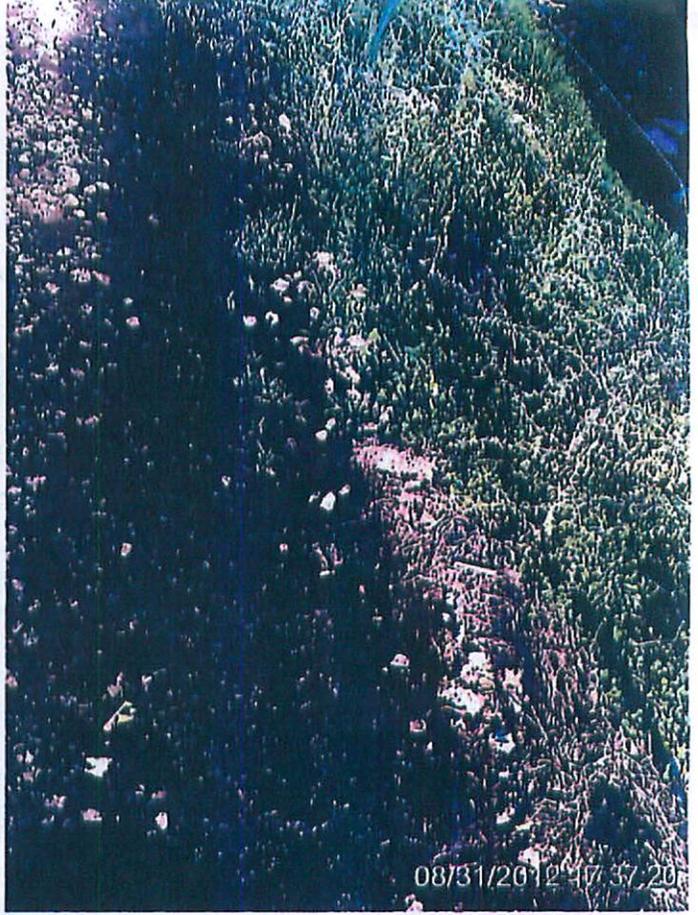
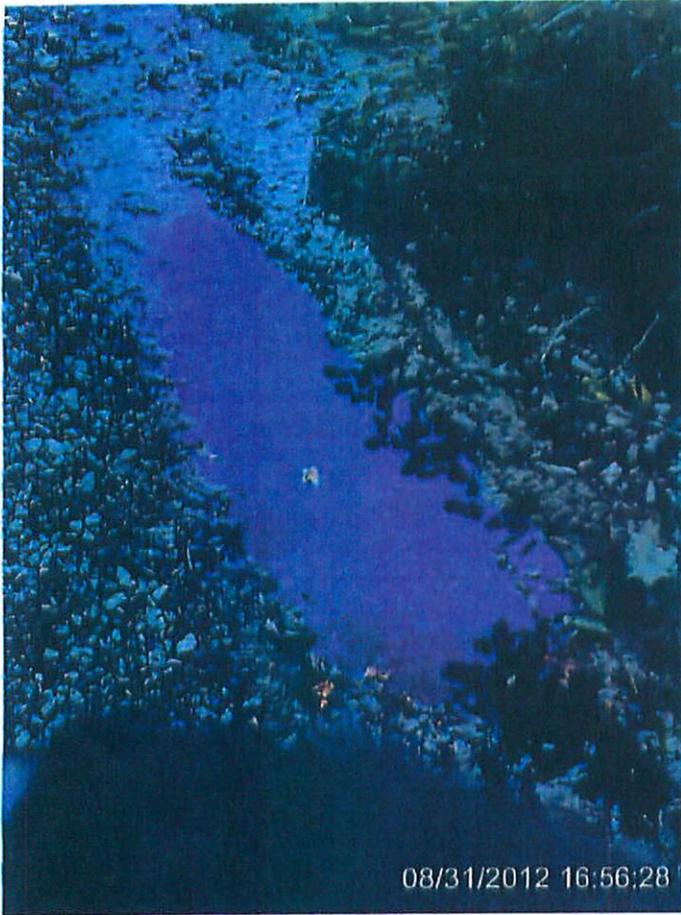
Base Penalty Adjustments

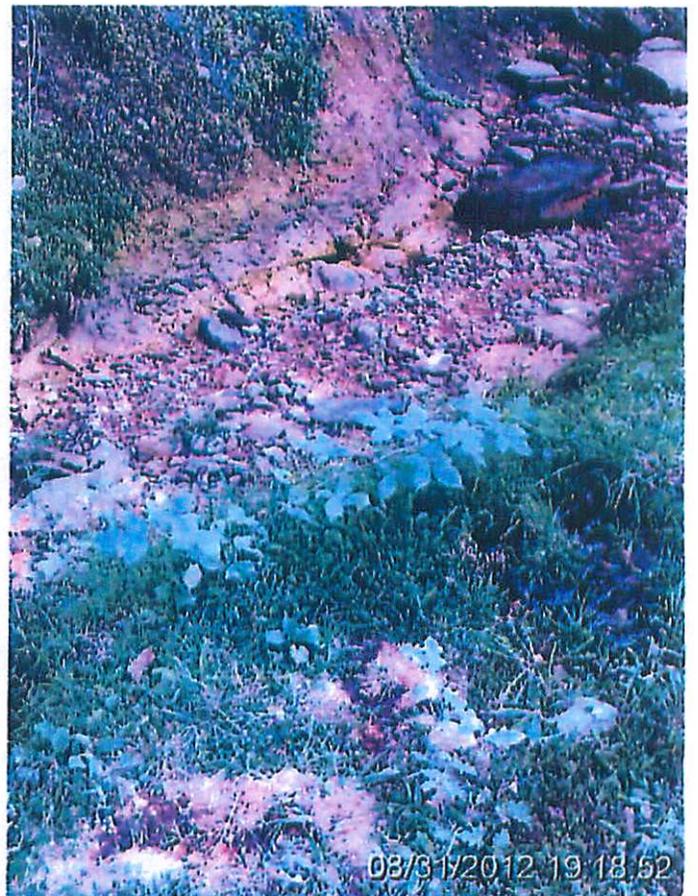
(pursuant to 47CSR1-6.2)

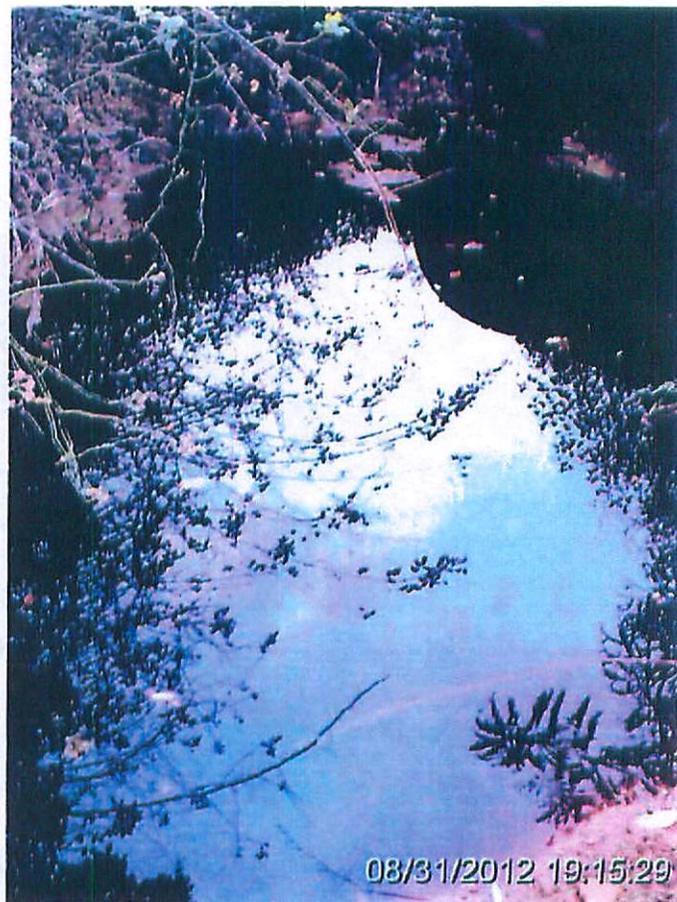
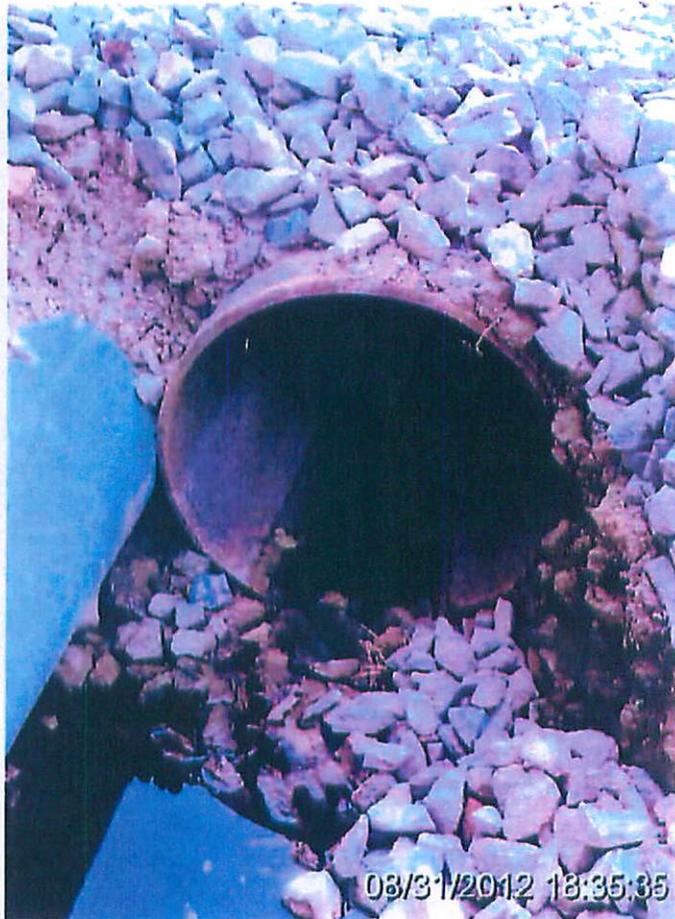
Penalty Adjustment Factor	% Increase	% Decrease	Base Penalty Adjustments
6.2.b.1 - Willfulness and/or negligence -	10		\$2,390
6.2.b.4 - Compliance/noncompliance history			\$0
6.2.b.6 - Economic benefits - (flat monetary increase)			\$0
6.2.b.7 - Public Interest - (flat monetary increase)			\$0
6.2.b.8 - Loss of enjoyment - (flat monetary increase)			\$0
6.2.b.9 - Investigative costs - (flat monetary increase)			\$0
6.2.b.10 - Other factors (size of violator)			\$0
6.2.b.10 - Additional Other Factors - Increase (flat monetary increase)			\$0
6.2.b.10 - Additional Other Factors - Decrease (flat monetary decrease)			\$0
Public Notice Costs (flat monetary increase)	\$30		\$30
6.2.b.2 - Good Faith - Increase			\$0
6.2.b.2 - Good Faith - Decrease			\$0
6.2.b.3 - Cooperation with the Secretary		10	(\$2,390)
6.2.b.5 - Ability to Pay			\$0
Penalty Adjustments			\$30
Penalty =			\$23,930

\$ 23,930.⁰⁰

Estimated Economic Benefit Item	Estimated Benefit (\$)
Monitoring & Reporting	
Installation & Maintenance of Pollution Control Equipment	
O&M expenses and cost of equipment/materials needed for compliance	
Permit Application or Modification	
Competitive Advantage	
Estimated Economic Benefit	\$0
Comments:	









Sediment-laden water causing a distinctly visible plume in White Oak Creek



Distinctly visible plume entering White Oak Creek



Pipeline access road stream crossing with sediment-laden water



Sediment-laden water leaving a pipeline access road