

STATE OF COLORADO

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Dedicated to protecting and improving the health and environment of the people of Colorado

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Colorado Department
of Public Health
and Environment

August 11, 2010

David Neslin
Director
Colorado Oil and Gas Conservation Commission
1120 Lincoln Street, Suite 801
Denver, Colorado 80203

Re: Antero Resources Piceance Corp. – Watson Ranch Odor Complaints

Mr. Neslin:

The Colorado Air Pollution Control Division (“Division”) understands that the Colorado Oil and Gas Conservation Commission (“COGCC”) has issued a Notice of Alleged Violation (NOAV) against Antero Resources for their Watson Ranch site, pursuant to COGCC Rule 805, which specifies that “oil and gas facilities and equipment shall be operated in such a manner that odors and dust do not constitute a nuisance or hazard to public welfare.” Our understanding is that the basis of this NOAV is several complaints regarding odors at Antero's Watson Ranch well location, which is in the vicinity of Battlement Mesa.

Separately, the Division also received several citizen complaints regarding odor from the same location (one as recently as yesterday). In an effort to inform the COGCC in its efforts, the Division expedited, on a one-time basis, its investigation of the initial series of odor complaints. Specifically, we sent an inspector to the site on July 26th and 27th, 2010, within a single working day of receiving the complaints. The Division's investigation was conducted to determine whether a violation of Air Quality Control Commission Regulation No. 2 had occurred. AQCC Regulation No. 2 regulates odors from nearly all sources in excess of certain AQCC-determined thresholds. While our particular investigation did not confirm a violation of Regulation No. 2, our inspector noted that extensive odors were detectable nonetheless. Please see the attached memorandum for details of this investigation (“Antero Resources Piceance Corp. – Watson Ranch (AIRS ID 045/1903) Odor Complaint Investigation”).

In view of COGCC's broad Rule 805 odor language, CDPHE offers the following recommendations on practices you may wish to have Antero employ to further reduce the nuisance odors, if they persist.

- Green completion practices employed beyond those identified in COGCC Rule 805.b.3.

- Fully controlling odor-causing emissions, either by routing all hydrocarbon liquids via closed pipe systems to tanks equipped with a flare or vapor recovery unit; or in the case of pits containing hydrocarbons, covering the pit and similarly routing associated emissions to tanks equipped with a flare or vapor recovery unit

Moving forward, the Division will continue to respond to future odor complaints it receives directly from the public as complaints pertain to enforcement of AQCC Regulation No. 2. I understand that COGCC staff will also be scheduled for training and to become odor-certified inspectors so that they can be well positioned to manage compliance with COGCC Rule 805. Do let us know if you require additional future spots at the Division's odor training class. We will make them available to your staff. In the meantime, if we obtain additional information regarding odors at this particular site, we will be sure to provide it to you. Please do not hesitate to call either me or Mark McMillan of my staff with any particular questions or comments.

Sincerely,



Paul R. Tourangeau
Director
Air Pollution Control Division

cc: Margaret Ash, COGCC
Kate Fay, CDPHE
Kirsten King, APCD
Kent Kuster, CDPHE
Mark McMillan, APCD