

FORM
NOAV
Rev 6/99

State of Colorado

Oil and Gas Conservation Commission

1120 Lincoln Street, Suite 801, Denver, Colorado 80203 (303) 894-2100 Fax: (303) 894-2109



FOR OGCC USE ONLY

12/12/2011

200332643

*** NOTICE OF ALLEGED VIOLATION ***

OGCC Operator Number: 10079
Name of Operator: ANTERO RESOURCES PICEANCE CORPORATION
Address: 1625 17TH ST STE 300 ATTN: TERRELL A DOBKINS
City: DENVER State: CO Zip: 80202
Company Representative: JERRY ALBERTS

Date Notice Issued:

12/12/2011

Well Name: Well Number: Facility Number: 336037
Location (QtrQtr, Sec, Twp, Rng, Meridian): NWNE 14 6S 93W 6 County: GARFIELD
API Number: 05 Lease Number:

COGCC Representative: SPRY OROURKE LINDA Phone Number: 970 625-2497

THE FOLLOWING ALLEGED VIOLATION WAS FOUND BY THE COGCC REPRESENTATIVE FOR THE SITE LISTED

Date of Alleged Violation: 12/06/2011 Approximate Time of Violation: 2:46PM

Description of Alleged Violation:

A fructured frozen valve resulted in a release of produced water which pooled on the pad, then flowed down the access road and impacted the gravel pit pond which is adjacent to the pad access road. The pond entry point lies approximately 1044 feet from the Colorado River channel. Conditions of Approval placed on all permitted wells on this location state "If fluids are conveyed via pipeline, operator must implement best management practices to contain any unintentional release of fluids". Adequate stormwater controls were not in place between road and pond to contain the pipeline release. The release to waters of the state was first reported to the COGCC on 12/7/2011 @ 17:37, more than 24 hours after the release occurred.

Act, Order, Regulation, Permit Conditions Cited:

324.A.a, 324.A.b, 901.f, 906.b.(3), 907.a.(1), 907.a.(2), 1002.f.(2)

Abatement or Corrective Action Required to be Performed by Operator:*

- 1. Perform engineering evaluation of failure per Rule 906.e.(2). Develop a Form 27 Site Investigation and Remediation Work Plan (Rule 906.d) for approval prior to implementation to delineate the horizontal and vertical extent of the impact in soil and ice. 4. Collect analytical samples of impacted soil and ice/water at pond entry point for Table 910-1 constituents plus TDS, CL analysis for pond ice/water sample. 4. Provide chemical analysis of produced water that was in gathering line. 5. Provide pipeline design and integrity testing records for the pipeline 6. Inform landowners of ongoing work and subsequent results of the work being conducted and provide regular status updates 7. Provide chemical inventory sheets for all wells on gathering line per Rule 205. 8. Provide written copy of Post-Construction Stormwater Program in compliance with Rule 1002.f.(1).

Abatement or Corrective Action to be Completed by (date): 01/15/2011

* Proper and timely abatement does not necessarily preclude the assessment of penalties and an Order Finding Violation.

TO BE COMPLETED BY OPERATOR - When alleged violation is corrected, sign this notice and return to above address:

Company Representative Name: Title:
Signature: Date:
Company Comments:

*** THIS NOTICE CONSTITUTES A SEPARATE NOTICE OF ALLEGED VIOLATION FOR EACH VIOLATION LISTED ***

WARNING

Abatement and reporting time frames for Notices of Alleged Violation begin upon receipt of the Notice or five days after the date it is mailed, whichever is earlier. Each violation must be abated within the prescribed time upon receipt of this Notice, reported to the Colorado Oil and Gas Conservation Commission at the address shown above, and postmarked no later than the next business day after the prescribed time for abatement. Should abatement or corrective action fail to occur, the Director may make application to the Commission for an Order Finding Violation. Proper and timely abatement does not necessarily preclude the assessment of penalties and an Order Finding Violation.

PENALTY PROPOSED BY THE DIRECTOR PER RULE 523

The Director may propose a penalty as listed in the table below, not to exceed a maximum of \$1,000.00 per day per violation. Such proposed penalty amount will be limited to \$10,000.00 per violation if the violation does not result in significant waste of oil and gas resources, damage to correlative rights, or a significant adverse impact on public health, safety, or welfare. Such proposed penalty amount may be increased if aggravating factors indicate the violation: was intentional or reckless; had, or threatened to have, a significant negative impact on public health, safety, or welfare; resulted in significant waste of oil and gas resources; had a significant negative impact on correlative rights of other parties; resulted in, or threatened to result in, significant loss or damage to public or private property; involved recalcitrance or recidivism upon the part of the violator; involved intentional false reporting or record keeping; resulted in economic benefit to the violator. Such proposed penalty amount may be decreased if mitigating factors indicate the violator: self-reported; promptly, effectively and prudently responded to the violation; cooperated with the Commission or other agencies with respect to the violation; could not reasonably control, or be responsible for, the cause of the violation; made a good faith effort to comply with applicable requirements prior to the Commission learning of the violation; had any economic benefit reduced or eliminated due to the cost of correcting the violation; has demonstrated a history of compliance with Commission rules, regulations and orders. The Commission has final authority over the penalty amount assessed.

- BASE FINE \$250.00 PER DAY PER VIOLATION: RULES 210, 307, 311, 312, 313, 314A, 315, 403, 405, 803, 804
- BASE FINE \$500.00 PER DAY PER VIOLATION: RULES 205, 206, 207, 208, 302, 308, 309, 310, 316A, 321, 322, 328, 329, 330, 331, 332, 401
- BASE FINE \$750.00 PER DAY PER VIOLATION: RULES 605, 606A, 606B, 607
- BASE FINE \$1,000.00 PER DAY PER VIOLATION: RULES 209, 301, 303, 305, 306, 316B, 317, 317A, 318, 319, 320, 323, 324, 325, 326, 327, 333, 404, 602, 603, 604, 703, 704, 705, 706, 707, 708, 709, 711, 802, 901, 902, 903, 904, 905, 906, 907, 908, 909, 910, 911, 912, 1002, 1003, 1004, 1101, 1102, 1103

In accordance with Rule 523.a.(4), fines for violations for which no base fine is listed shall be determined by the Commission at its discretion.

Signature of COGCC Representative: Linda Spry Oroucke Date: 12/12/2011 Time: 16:25

Resolution Approved by: Date: