GOVERNOR TOMBLIN’S ENERGY SUMMIT 2014
ANTERO HIGHLIGHTS

- Antero entered the WV O&G field in 2008
- Largest Producer of natural gas in WV
- Most active driller in WV
- Antero exceeds 1 bcf of natural gas production a day
- Governor’s Natural Gas Vehicle Task Force
CNG HISTORY

- January 2012: Antero began partnering with affiliates to build a CNG station
- August 2012: Antero converted its first truck to CNG
- September 2013: First CNG station opens in Bridgeport, WV
- September 2013: Antero begins converting its entire fleet
- Governor’s Natural Gas Vehicle Task Force
CNG FLEET USAGE

• How many vehicles does Antero have running CNG?
  – 40 CNG powered trucks
  – All light duty ½ and ¾ ton trucks

• What are our future goals?
  – 1yr: Antero has 30 trucks ready for immediate conversion
  – 3yr: All vehicles purchased will be converted
  – 5yr: Antero’s entire fleet will be powered by CNG
THE CONVERSION PROCESS

- Antero partnered with a local provider:
  - Jeff’s Performance WV

- Cost of Conversion
  - $10,000-$12,000 per vehicle once EPA kit is available

- Time needed for conversion
  - Chevrolet 1500: ~1 week
  - Ford F-150: ~3 days
VEHICLE PERFORMANCE

• **CNG performance is comparable**
  – Fuel mileage is comparable (gasoline 15.3mpg, CNG 15.0mpgge)
  – Consider the different fuel types (liquid and gas)
  – Consider the engine/drivetrain design (to run gasoline)
  – No significant loss of power or functionality using CNG

• **Vehicle maintenance**
  – All routine auto manufacturer maintenance applies
  – Plus CNG filter maintenance during engine oil changes
  – Plus CNG annual system check
CNG CONVERSION ECONOMICS

• Conversion cost: ($12,000)

• WV State Tax Credit: $7,500 ($4,500)

• Average total fuel savings: $10,334

• Realized Saving per vehicle converted: $5,834

Assuming current WV regular gasoline price of $3.89/gallon and current WV CNG price of $2.34/GGE
Assuming vehicle is converted at purchase and CNG usage is equivalent to 100,000 miles
Assuming an average 15mpg vehicle usage for duration of 100,000 miles
CNG CONVERSION ECONOMICS

- **Payback**
  - Year 1: ~30,000 miles
    - ($4,500) + $3,100 = ($1,400)
  - Year 2: ~30,000 miles
    - ($1,400) + $3,100 = $1,700
  - Year 3: ~30,000 miles
    - $1,700 + 3,100 = $4,800
  - Year 4: ~10,000 miles
    - $4,800 + $1034 = **$5,834**
  - Vehicles replacement @ ~100,000 miles
ADDITIONAL CONSIDERATIONS

- Natural Gas is locally produced compared to foreign oil
- Natural Gas is cleaner burning (95% fewer carbon monoxide released compared to diesel emissions)
- Natural gas is less expensive ($2.34 GGE in WV, $1.99 GGE in PA)
- CNG is a safer fuel (stronger fuel tanks, natural gas disperses in air)
- Tax credits are available
CLOSING REMARKS

• Antero is committed to CNG powered:
  – Vehicles
  – Drilling Rigs
  – Hydraulic Fracturing Equipment

• Antero is committed to the efficient, economic use of natural gas.
THANK YOU!