

BEFORE THE OIL AND GAS CONSERVATION COMMISSION
OF THE STATE OF COLORADO

IN THE MATTER OF THE APPLICATION OF
ANTERO RESOURCES PICEANCE
CORPORATION FOR AN ORDER VACATING A
320 ACRE DRILLING AND SPACING UNIT
ESTABLISHED FOR THE WILLIAMS FORK
FORMATION AND ILES FORMATION AND
REPLACING IT WITH FOUR SMALLER
DRILLING AND SPACING UNITS FOR THE
WILLIAMS FORK FORMATION AND ILES
FORMATION UNDERLYING CERTAIN
DESCRIBED LANDS IN THE MAMM CREEK
FIELD AREA, GARFIELD COUNTY, COLORADO

CAUSE NO. 191

DOCKET NO.

APPLICATION

COMES NOW Antero Resources Piceance Corporation ("Applicant"), a Delaware corporation, by its attorneys, Poulson, Odell & Peterson, LLC, and makes application to the Oil and Gas Conservation Commission of the State of Colorado for an order vacating a designated 320 acre drilling and spacing unit previously ordered by the Commission applicable to the Williams Fork Formation and Iles Formation of the Mesaverde Group covering certain described lands in the Mamm Creek Field area in Garfield County and replacing it with four smaller drilling and spacing units for these same two formations. In support of its application, Applicant states and alleges as follows:

1. That Applicant is a corporation duly authorized to conduct business in the State of Colorado.
2. That Applicant owns a leasehold interest in a portion of the following described lands:

Township 6 South, Range 92 West, 6th P.M.
Section 15: S/2

(hereinafter "Application Lands")

3. That the Application Lands, under the Commission's Order 191-24, were established by the Commission as 320 acre drilling and spacing unit for the Williams Fork Formation. Further, that the Application Lands, under the Commission's Order 191-25 were established as a 320 acre drilling and spacing unit for the Iles Formation.

4. That the oil and gas mineral estate of the S/2SW/4 and NE/4SW/4 of the Application Lands are owned by the United of America. The S/2SW/4 is leased to third parties and the NE/4SW/4 is leased to Applicant. The remainder of the land within the described 320 acre drilling and spacing unit are fee minerals leased to Applicant. Applicant plans to drill wells on the fee minerals in the near term but has no plans to drill on its federal leasehold (NE/4SW/4) in the near term due to topographic issues which must be resolved. In particular, it will probably be necessary to drill the federal leasehold from a pad located on other lands. Negotiating for the location of a pad on adjoining lands will be time-consuming and perhaps even be unsuccessful. For this reason, Applicant wishes to avoid the federal permitting process for the drilling of wells on its fee acreage to be drilled in the near term as such permitting process would be unnecessary for the drilling of wells on fee lands if they are split off into separate drilling and spacing units. Therefore, it is requested that the 320 acre drilling and spacing unit established for the Application Lands under the referenced orders be vacated and that instead four drilling and spacing units constituting the Application Lands be established for the Williams Fork Formation and Iles Formation as follows:

SE/4 of Section 15: 160 acre drilling and spacing unit
S/2SW/4 of Section 15: 80 acre drilling and spacing unit
NE/4SW/4 of Section 15: 40 acre drilling and spacing unit
NW/4SW/4 of Section 15: 40 acre drilling and spacing unit

5. That the above-proposed vacation of the 320 acre drilling and spacing unit and the establishment in its place of the four smaller drilling and spacing units as described above will allow more timely development of the Williams Fork Formation and Iles Formation to occur; will not promote waste; will not violate correlative rights and will assure the greatest ultimate recovery of gas and associated hydrocarbon substances from the reservoir.

6. That the Application Lands will continue, per the provisions of Order 191-24 and Order 191-25 to be approved for the drilling of ten (10) acre density wells except that the setback rules established under such orders will apply to the boundaries of the newly established drilling and spacing units as described above.

7. That the names and addresses of the interested parties according to the information and belief of the Applicant are set forth in Exhibit A attached hereto and made a part hereof.

WHEREFORE, Applicant respectfully requests that this matter be set for hearing in October, 2005, that notice be given as required by law and that upon such hearing this Commission enter its order consistent with Applicant's proposals as set forth above.

Dated this 31st day of August, 2006.

By: _____
William A. Keefe
Poulson, Odell & Peterson, LLC
1775 Sherman Street, Suite 1400
Denver, Colorado 80203
Phone: (303) 861-4400
Fax: (303) 861-1225

VERIFICATION

STATE OF COLORADO)
) ss.
CITY AND COUNTY OF DENVER)

William J. Pierini, of lawful age, being first duly sworn upon oath, deposes and says that he is the Division Landman for Antero Resources Piceance Corporation and that he has read the foregoing Application and that the matters therein contained are true to the best of his knowledge, information and belief.

By: _____
William J. Pierini

Subscribed and sworn to before me this _____ day of _____, 20____.

Witness my hand and official seal.

My commission expires: _____

Notary Public

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UNIT AND REPLACING IT WITH FOUR
SMALLER DRILLING AND SPACING UNITS FOR
THE WILLIAMS FORK FORMATION AND ILES
FORMATION UNDERLYING CERTAIN
DESCRIBED LANDS IN THE MAMM CREEK
FIELD AREA, GARFIELD COUNTY, COLORADO

DOCKET NO.

STATE OF COLORADO)
)
) ss.
CITY AND COUNTY OF DENVER)

Notary Public

EXHIBIT A

Altman, Devra L.
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Denver, CO 80206

Richard Altman & Company
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Denver, CO 80202

Antero Resources II Corporation
1625 17th Street, Suite 300
Denver, CO 80202

Apollo Energy, LLC
1557 Ogden Street, Suite 300
Denver, CO 80218

BJJ Partners
1129 Pennsylvania Street
Denver, CO 80203

Bill Barrett Corporation
1099 18th Street, Suite 2300
Denver, CO 80202

Bay Minerals, LLC
1129 Pennsylvania Street
Denver, CO 80203

Devon Energy Production Company, LP
an Oklahoma Limited Partnership
1500 Mid-America Tower
20 North Broadway
Oklahoma City, OK 73102

Dolphin Energy Corporation
1331 17th Street, Suite 730
Denver, CO 80202

Encana Oil and Gas (USA) Inc.
370 17th Street, Suite 1700
Denver, CO 80202

Exxel Energy Corp.
609 West Hastings Street, 11th Floor
Vancouver, BC V6B 4W4
CANADA

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Commissioners
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Glenwood Springs, CO 81601

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Magic M & R LLC
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Denver, CO 80222

Marshall Quiat, successor to M & J, LLC
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c/o C. P. Burckle, President
13806 Queensbury
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Hubert Shovlin
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