

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

IN THE MATTER OF THE APPLICATION OF ANTERO
RESOURCES PICEANCE CORPORATION FOR AN
ORDER ESTABLISHING SPACING AND WELL
LOCATION RULES FOR THE WILLIAMS FORK AND
ILES FORMATIONS OF THE MESAVERDE GROUP FOR
CERTAIN DESCRIBED LANDS IN THE MAMM CREEK
FIELD AREA, GARFIELD COUNTY, COLORADO

CAUSE NO: _____

DOCKET NO: _____

APPLICATION

COMES NOW, Antero Resources Piceance Corporation, formerly known as Antero Resources 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 establishing spacing rules applicable to the drilling and producing of wells from the Williams Fork and Iles Formations of the Mesaverde Group covering certain described lands in the Mamm Creek Field area in Garfield County and in support of its application states and alleges as follows:

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

Township 6 South, Range 92 West, 6th P.M.

All that part of Section 7, Township 6S, Range 92W, 6th Principal Meridian, lying in the N/2N/2 of said Section 7 more particularly described as follows:

Beginning at the Northwestern corner of Section 7; thence South 00°52'12" West a distance of 938.2 feet; thence North 78°47' East a distance of 2001.30 feet; thence North 6°20' East a distance of 55.90 feet; thence North 89°39' East a distance of 1024.80 feet; thence North a distance of 154.30 feet; thence South 88°52' East a distance of 1253.40 feet; thence North 00°52'48" East 261 feet; thence North 88°40'12" West a distance of 4240.5 feet to the point of beginning.

3. That the described Application Lands are unspaced and currently are subject to the Commission's Rule 318.

4. That as to the Application Lands, the Commission shall order that an approximate 50.23-acre drilling and spacing unit be created for the production of gas and associated hydrocarbons from the Williams Fork Formation and Iles Formation of the Mesaverde Group.

5. That Applicant is not requesting that the entire N/2 of Section 7 be established as an approximate 320 acre drilling and spacing unit for the reason that wells have been drilled within the lease covering the remainder of the N/2 of Section 7 and the lessor is not agreeable to establishing a drilling and spacing unit covering all of the N/2 of Section 7.

6. Although Applicant is requesting an irregular shaped drilling and spacing unit, it is necessary to do so because of numerous leases and unleased mineral ownership covering all or portions of the Application Lands.

7. That Applicant and others have drilled, tested and completed various wells in the Williams Fork and Iles Formations of the Mesaverde Group upon lands in the area of the Application Lands.

8. That to promote efficient drainage within the Williams Fork Formation and the Iles Formation of the Mesaverde Group underlying the Application Lands, the Commission should increase the number of wells which can be optionally drilled into and produced from these formations to the equivalent of one well per 10-acres.

9. That as to all future Williams Fork wells to be drilled upon the Application Lands within the drilling spacing unit (granted pursuant to this Application), the well should be located downhole anywhere in the drilling and spacing unit but no closer than 100 feet from the boundaries of the unit without exception being granted by the Director of the Oil and Gas Conservation Commission. It is provided however that in cases where the Application Lands abut or corner lands in respect of which the Commission has not at the time of drilling permit application granted the right to drill 10-acre density Williams Fork wells, the well should be located downhole no closer than 200 feet from the boundary or boundaries of the drilling unit so abutting or cornering such lands without exception being granted by the Director of the Oil and Gas Conservation Commission.

10. That as to all future Iles Formation wells to be drilled upon the Application Lands within drilling and spacing unit (granted pursuant to this Application), the well should be located downhole anywhere in the drilling and spacing unit but no closer than 400 feet from the boundaries of the unit, it being understood that the Iles Formation wells may be drilled only in conjunction with the drilling of Williams Fork wells.

11. That all Williams Fork Formation and Iles Formation wells drilled upon the Application Lands will be drilled from the surface either vertically or directionally from no more than one pad located on a give quarter quarter section unless exception is granted by the Director of the Oil and Gas Conservation Commission.

12. That the above-proposed spacing and well location rules will allow 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.

13. 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, 2006, 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 _____ day of August, 2006.

Respectfully submitted:

Antero Resources Piceance Corporation, formerly
known as Antero Resources Corporation

By:

William A. Keefe
POULSON, ODELL & PETERSON, LLC
1775 Sherman Street, Suite 1400
Denver, Colorado 80203
Telephone No.: (303) 861-4400
Facsimile No.: (303) 861-1225

Applicant's Address:

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

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 August, 2006.
Witness my hand and official seal.
My commission expires: _____

Notary Public

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AFFIDAVIT OF MAILING

STATE OF COLORADO)
) ss.
COUNTY OF DENVER)

William A. Keefe, of lawful age, and being first duly sworn upon his oath, states and declares:

That he is the attorney for Antero Resources Piceance Corporation, that on August ____, 2006, he caused a copy of the attached Application in the subject docket to be deposited in the United States Mail, postage prepaid, addressed to the parties listed on Exhibit A to the Application.

By: _____
William A. Keefe

Subscribed and sworn to before me this ____ day of August, 2006.

Witness my hand and official seal.

My commission expires: July 22, 2007.

Notary Public

EXHIBIT A

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

William A. Keefe
Poulson, Odell & Peterson, LLC
1775 Sherman Street, Suite 1400
Denver, Colorado 80203

ExxonMobil Corp.
3822 Old Spanish Trail
Houston, TX 77021-1340

Brian A. Kuhn
Antero Resources Corporation
1625 17th Street, Suite 300
Denver, CO 80202

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

Timothy Pinson
Garfield County
Henry Building
144 E. 3rd Street
Rifle, CO 81650

Garfield County Board of County
Commissioners
108 8th Street, Suite 213
Glenwood Springs, CO 81601

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

Richard J. Murr
37659 Highway 6
New Castle, CO 81647

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

Union Pacific Railroad Company
Attn: Terry Young
c/o Farmer's National Company
403 South Cheyenne, Suite 800
Tulsa, OK 74102-3842

