

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

IN THE MATTER OF THE APPLICATION OF
ANTERO RESOURCES 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. 191

DOCKET NO.

APPLICATION

COMES NOW 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 Applicant is a corporation duly authorized to conduct business in the State of Colorado.

2. That Applicant owns a leasehold interest in all or a substantial portion of following described lands:

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

Section 8: S/2SW/4

Section 16: NW/4, SW/4NE/4

Section 23: NW/4NE/4 and NE/4NW/4

(hereinafter "Application Lands")

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 approximate drilling and spacing units be created for the production of gas and associated hydrocarbons from the Williams Fork Formation and Iles Formation of the Mesaverde Group as follows:

Section 8: SW/2SW/4 (80-acre drilling and spacing unit)

Section 16: NW/4 (160-acre drilling and spacing unit)

Section 16: SW/4NE/4 (40-acre drilling and spacing unit)

Section 23: NW/4NE/4 and NE/4NW/4 (80-acre drilling and spacing unit)

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

6. 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.

7. That as to all future Williams Fork wells to be drilled upon the Application Lands within drilling spacing units (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.

8. That as to all future Iles Formation wells to be drilled upon the Application Lands within drilling and spacing units (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 than 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 Iles wells, the well should be located downhole no closer than 400 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.

9. 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 given quarter quarter section unless exception is granted by the Director of the Colorado Oil and Gas Conservation Commission. In

addition, wells drilled to the Iles Formation may only be drilled and completed in connection with drilling of wells to the Williams Fork Formation.

10. 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.

11. 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 September, 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 July, 2006.

POULSON, ODELL & PETERSON, LLC

By: _____
William A. Keefe
POULSON, ODELL & PETERSON, LLC
1775 Sherman Street, Suite 1400
Denver, Colorado 80203
(303) 861-4400

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

Brian A. Kuhn, of lawful age, being first duly sworn upon oath, deposes and says that he is the Vice President, Land, for Antero Resources 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.

Brian A. Kuhn

Subscribed and sworn to before me this _____ day of July, 2006.

Witness my hand and official seal.

My commission expires:_____

Notary Public

EXHIBIT A

William A. Keefe
POULSON, ODELL & PETERSON, LLC
1775 Sherman Street, Suite 1400
Denver, Colorado 80203

Brian A. Kuhn
Antero Resources Corporation
Vice President, Land
1625 17th street, 3rd Floor
Denver, Colorado 80202

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

Leslie Marie Kancilia, individually and
as Attorney-in-Fact for H.D. Kancilia
6301 County Road 346
Silt, CO 81652

Devra L. Altman
2020 East 4th Avenue
Denver, CO 80206

Koch Exploration Company, LLC
a Delaware Limited Liability Company
4111 East 37th Street North
Wichita, KS 67220

Richard Altman & Company
1801 Broadway, Suite 350
Denver, CO 80202

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

Mark A. Huttner and Cathlyn J. Huttner
21427 East Ottawa Circle
Aurora, CO 80016

BJJ Partners
1129 Pennsylvania Street
Denver, CO 80203

Bay Minerals
1129 Pennsylvania Street
Denver, CO 80203

The Genevieve C. Limbach Trust,
Genevieve C. Limbach, Trustee
5876 County Road 346
Silt, CO 81652

Carol Jo Shideler Bennett
Post Office Box 1202
American Fork, UT 84003

Paul Limbach & Nanci L. Limbach
5945 County Road 346
Silt, CO 81652

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

Magic M & R LLC
1720 Bellaire, Suite #1209
Denver, CO 80222

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

Marshall Quiat, successor to M & J, LLC
Post Office Box 200878
Denver, CO 80220

Benjamin Paul Shideler
5435 County Road 311
New Castle, CO 81647

Barry Craig Shideler
and Marilyn J. Shideler
1411 County Road 316
Silt, CO 81632

The Halina Urbaniak Living Trust,
Halina Urbaniak, Trustee
428 Lauder Lane
Inverness, IL 60067

Emily Shideler
c/o Barry C. Shideler, Guardian
Post Office Box 82
Silt, CO 81652

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

John Rob Shideler
840 Grand Avenue
Silt, CO 81652

School District #27
839 Whiteriver Avenue
Rifle, CO 81650

Spencer James Shideler
840 Grand Avenue
Silt, CO 81652

Gerald T. Sullivan
Park Hill Resources LLC
Post Office Box 13437
Denver, CO 80201

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

William R. Hasselbush, Personal
Representative of the Estate of Edna
May Haselbush
8197 Saint Vrain Road
Longmont, CO 80503

Grant Brothers Construction LLC
Post Office Box 1027
Basalt, CO 81621-1027

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

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

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AFFIDAVIT OF MAILING

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

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 Corporation, that on July _____, 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.

William A. Keefe

Subscribed and sworn to before me July _____, 2006.

Witness my hand and official seal.

My commission expires: July 22, 2007.

Notary Public