

**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
ESTABLISHING WELL LOCATION AND
SETBACK RULES FOR THE DRILLING OF
WILLIAMS FORK FORMATION WELLS AND
ILES FORMATION WELLS ON CERTAIN
DESCRIBED LANDS IN THE MAMM CREEK
FIELD AREA, GARFIELD COUNTY,
COLORADO

CAUSE NO:

ORDER NO:

DOCKET NO:

APPLICATION

COMES NOW Antero Resources Piceance Corporation ("Applicant"), a Delaware corporation, by its attorneys, Poulson, Odell and Peterson, LLC, and makes application to the Oil and Gas Conservation Commission of the State of Colorado for an order establishing well location and setback rules applicable to the drilling and producing of wells from the Williams Fork Formation and Iles Formation of the Mesaverde Group underlying certain described lands in the Mamm Creek Field area, Garfield County, Colorado, 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 oil and gas leases covering a substantial portion of the following described lands (hereinafter "Application Lands"):

A parcel of land in the N/2 of Section 8-6S-92W, 6th P.M, Garfield County, Colorado, said tract or parcel being more particularly described as follows:

Beginning at the Northwestern corner of Section 8; thence South 01° 03' West along the west line of Section 8 a distance of 695.7 feet; thence North 67° 05' East a distance of 678.3 feet; thence North 76° 22' East a distance of 141.3 feet; thence South 78° 14' East a distance of 102 feet; thence North 71° 34' East a distance of 52.60 feet; thence South 86° 40' East a distance of 429.2 feet; thence South 55° 59' East a distance of 200.8 feet; thence South 85° 26' East a distance of 104.3 feet; thence North 87° 43' East a distance of 104.1 feet; thence South 43° 29' East a distance of 894.6 feet; thence North 77° 28' West a distance of 76.70 feet; thence South 65° 55' East a distance of 464.9 feet; thence South 75° 57' 36" East a distance of 169.2 feet; thence South 76° 37' East a distance of 185.8 feet; thence South 72° 55' East a distance of 200.8 feet; thence South 86° 05' East a distance of 159.1 feet; thence South 87° 46' East a distance of 246.5 feet; thence North 83° 00' East a distance of 157.1 feet; thence North 82° 23' East a distance of 121.5 feet; thence North 75° 19' East a distance of 342.4 feet; thence North 72° 45' 36" East a distance of

249.2 feet; thence North 54° 41' 24" East a distance of 241.4 feet; thence North 71° 24' East a distance of 153.1 feet; thence North 70° 51' East a distance of 188.6 feet; thence North 73° 36' 36" East a distance of 290.9 feet; thence North 69° 44' East a distance of 23.4 feet; thence North 0° 43' 12" East along the east line of Section 8 a distance of 884 feet; thence North 88° 47' 59" West along the north line of Section 8 a distance of 5291.7 feet to the point of beginning.

3. That the Application Lands are unspaced and subject to the Commission's Rule 318 (formerly Rule 316).

4. That multiple wells have been drilled, tested and completed in the Williams Fork Formation of the Mesaverde Group upon lands in close proximity to the Application Lands. Some wells in the general area also have been drilled into and tested in the Iles Formation.

5. That as to the Application Lands, the Commission should allow all future Williams Fork wells drilled thereon to be located downhole anywhere upon such lands, but no closer than 100 feet from the outside boundary of the Application Lands, unless such boundary abuts or corners lands in respect of which the Commission has not, at the time of the drilling permit application granted, the right to drill 10 acre density wells in which event the Williams Fork wells to be drilled upon the Application Lands should be drilled downhole no closer than 200 feet from that portion of the boundary which so abuts or corners the lands in respect of which 10 acre density downhole drilling for Williams Fork wells has not been ordered by the Commission.

6. That is to all future Iles Formation wells to be drilled upon the Application Lands, the wells should be located downhole anywhere in the drilling 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 Iles wells, the wells 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.

7. That, except as previously authorized by order of the Commission, wells to be drilled under this Application 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 Colorado Oil and Gas Conservation Commission pursuant to application made for such exception.

8. The granting of this application 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.

9. 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 January, 2007, 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: November _____, 2006.

POULSON, ODELL AND PETERSON, LLC

By: _____

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

EXHIBIT A

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

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

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

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

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

William J. Pierini
Antero Resources Piceance Corporation
1625 17th Street, Suite 300
Denver, CO 80202

Shideler Energy LLC
4128 County Road 315
Silt, CO 81652

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

Colorado Department of Transportation
c/o Mark Kendell
15285 South Golden Road, Bldg. 47
Golden, CO 80401

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

Local Governmental Designee
Garfield County
Henry Building
144 East 3rd Street
Rifle, CO 81650

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GARFIELD COUNTY, COLORADO

CAUSE NO: 191

ORDER NO:

DOCKET NO:

AFFIDAVIT OF MAIL

STATE OF COLORADO

)

) ss.

CITY AND COUNTY OF DENVER

)

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

That he is the attorney for Antero Resources Piceance Corporation, Applicant herein; that on November _____, 2006, he caused a copy of the attached Application and the Notice of Hearing to be deposited in the United States Mail, postage prepaid, addressed to each of the parties listed on Exhibit "A" to the Application.

By: _____

William A. Keefe

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

Witness my hand and official seal.

My commission expires: July 22, 2007.

Notary Public