

**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 SPACING AND WELL
LOCATION RULES FOR THE WILLIAMS FORK
FORMATION AND ILES FORMATION 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 ("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 spacing rules and well location rules applicable to the drilling and producing of wells from the Williams Fork Formation and Iles Formation of the Mesaverde Group covering 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 a leasehold interest in a substantial portion of the following described lands:

Township 6 South, Range 92 West
Section 5: S/2

(hereinafter "Application Lands")

3. That the Application Lands are unspaced for the Williams Fork Formation and Iles Formation and subject to the Commission's Rule 318.

4. That Applicant believes it is appropriate that the Commission establish a 320 acre drilling and spacing unit covering these unspaced lands for the Williams Fork Formation and Iles Formation of the Mesaverde Group.

5. That multiple wells have been drilled, tested and completed in the Williams Fork Formation and Iles Formation of the Mesaverde Group upon lands in the immediate vicinity of the Application Lands.

6. That to promote efficient drainage within the Williams Fork Formation and Iles Formation of the Mesaverde Group, the Commission should increase the number of wells which can be optionally drilled into and produced from the Williams Fork Formation and Iles Formation of the Application Lands which constitute all or a part of this proposed 320 acre drilling and spacing unit to the equivalent of one Williams Fork well and Iles Formation well per ten (10) acres.

7. That as to all future Williams Fork wells to be drilled upon the Application Lands within such drilling and spacing unit, 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 such drilling and spacing unit, the wells should be located downhole anywhere in the drilling and spacing unit but not 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.

9. 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 (or lots or parcels approximately equivalent thereto) unless exception is granted by the Colorado Oil and Gas Conservation Commission pursuant to application made for such exception.

10. 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.

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 March, 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: February ____, 2007.

POULSON, ODELL AND PETERSON, LLC

By: _____
William A. Keefe
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 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.

William J. Pierini

Subscribed and sworn to before me this _____ day of January, 2007.

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

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

Dolphin Energy Corporation
1331 17th Street, Suite 1050
Denver, CO 80202

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

Fazzi, Roger A. and Ellie M. Nieslanik
446 Lariat Road
Silt, CO 81652

Gamba, Jerome F. and Kathryn L.
Post Office Box 3232
Glenwood Springs, CO 81602-3232

Ganzi, Victor
106 Central Park South, Apt. 28E
New York, NY 10019

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

Holguin, Marcelino and Lorena
Post Office Box 12
DeBeque, CO 81630-0012

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

Peters, Blaine and Colleen
0400 County Road 227
Rifle, CO 81650-9715.

Smith, David L. and Dawn J.
31733 Highway 6 and 24
Silt, CO 81652-9760

Spike, Douglas L.
Post Office Box 2081
Glenwood Springs, CO 81602

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

Wesson, Cory
0084 Lariat Road
Silt, CO 81652

Williams, Maedene A.
Post Office Box 234
Marble Hill, MO 63764-9300

Williams, Rollin P.
Attn: Lila D. Williams
Post Office Box 234
Marble Hill, MO 63764-9300

Wilson, James E. and Gail M.
382 County Road 227
Rifle, CO 81650-9715

Jesse Smith
Garfield County
144 E. 3rd Street, Suite 203
Rifle, CO 81650

William J. Pierini
Antero Resources Piceance Corp.
1624 17th Street, Suite 300
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 Piceance Corporation, that on February _____, 2007, he caused a copy of the attached Application 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 February _____, 2007.

Witness my hand and official seal.

My commission expires: July 22, 2007.

Notary Public