

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

In the Matter of the Promulgation and       )  
Establishment of Field Rules to Govern    ) Cause Nos. 191 & 510  
Operations in the Mamm Creek Field,       )  
Garfield County, Colorado                 ) Docket No.

**Application**

COMES NOW, Antero Resources Piceance Corporation ("Applicant"), by and through its undersigned attorneys, and requests an order ("Application") establishing an exploratory drilling unit, and pooling all interests therein, for the Valley Farms F-1H horizontal well ("the Well") drilled to and in the Williams Fork Formation of the Mesa Verde Group, on the following lands:

Township 6 South, Range 92 West, 6th P.M.  
Section 11: W 1/2  
Section 14: W 1/2

("Application Lands" – see Exhibit 1)

In support whereof, Applicant states:

1. Applicant is registered to do business in the State of Colorado, and is an operator in good standing with the Commission.
  2. Applicant owns a substantial leasehold interest in the Application Lands.
  3. Under Commission Rule 318.a, wells drilled to a depth of 2,500' or more (including the Well) are subject to a 600' setback from the lease or unit boundary. This rule is applicable to the NW 1/4 of Section 11 of the Application Lands.
  4. Commission Order 191-90, effective 10/31/11, established certain 320-acre drilling and spacing units, including the S 1/2 of Section 11 of the Application Lands, allowing the drilling of vertical wells to the Williams Fork Formation on 10-acre bottom-hole density, with 100' or 200' setbacks from the unit boundaries, depending on whether such unit boundaries abut other lands approved for 10-acre well density. .
  5. Commission Order 523-2, effective 10/31/05, established certain 320-acre drilling and spacing units, including the N 1/2 of Section 14 of the Application Lands, allowing the drilling of vertical wells to the Williams Fork Formation on 10-acre bottom-hole density, with 100' or 200' setbacks from the unit boundaries, depending on whether such unit boundaries abut other lands approved for 10-acre well density.
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6. Commission Order 191-24, effective 4/24/06, established a 160-acre drilling and spacing unit comprising the SW 1/4 of Section 14 of the Application Lands, allowing the drilling of vertical wells to the Williams Fork Formation on 10-acre bottom-hole density, with 100' or 200' setbacks from the unit boundaries, depending on whether such unit boundaries abut other lands approved for 10-acre well density.

7. In order to accommodate the drilling of the Well, an exploratory horizontal well to and in the Williams Fork Formation, Applicant seeks to establish a distinct wellbore drilling and spacing unit ("the Unit") comprised of the Application Lands and overlaying the existing drilling and spacing units (or portions thereof) established for vertical wells. Production allocation from the Well will be based on the proportion that each mineral interest in the Unit bears to the total acreage in the Unit. The proposed Unit includes those quarter-sections traversed by the planned horizontal leg of the Well, including a 650' buffer zone encompassing the treated interval of the horizontal wellbore (shown on Exhibit 1). Applicant is applying a 650' buffer zone so as to provide an additional 50' buffer to the Rule 318.a setback requirement of 600'. The proposed Unit is no smaller than the anticipated drainage area of the Well.

8. Applicant, pursuant to the provisions of C.R.S. § 34-60-116 (6) & (7) and Commission Rule 530, also seeks an order pooling all interests in the Application Lands for the development of the Williams Fork Formation by the Well, including, but not limited to, any nonconsenting interests therein.

9. Applicant requests that the Commission's pooling order be made effective as of the earlier of the date of this Application, or the date that the costs specified in C.R.S. § 34-60-116(7)(b)(II) are first incurred for the drilling of the Well.

10. Applicant certifies that copies of this Application will be served on all owners within the proposed unit, as well as all persons owning an interest in the mineral estate of the tracts to be pooled therein, within seven (7) days of the date hereof, as required by Rule 507.b(2), and that at least thirty (30) days prior to the hearing on this matter, each such interest owner not already leased or voluntarily pooled will be offered the opportunity to lease, or to participate in the drilling of the Well, and will be provided with the information required by Rule 530.

11. In order to foster exploration by horizontal drilling methods, to prevent waste and to protect correlative rights, the Commission should approve an exploratory drilling and spacing unit comprised of the Application Lands, and all interests therein should be pooled for the orderly development of the Williams Fork Formation, with any nonconsenting interests being made subject to the cost recovery provisions of C.R.S. § 34-60-116(7).

WHEREFORE, Applicant requests that this matter be set for hearing at the next available opportunity, notice be given as required by law, and that upon such hearing, the Commission enter its order:

A. Establishing an exploratory drilling and wellbore spacing unit comprised of the Application Lands for the drilling of the Well.

B. Pooling all interests in the Application Lands for the development of the Williams Fork Formation by the Well.

C. Providing that the Commission's pooling order is made effective as of the earlier of the date of this Application, or the date that the costs specified in C.R.S. § 34-60-116(7)(b)(II) are first incurred for the drilling of the Well.

D. Providing that the interests of any owners with whom the Applicant has been unable to secure a lease or other agreement to participate in the drilling of the Well are pooled by operation of statute, and made subject to the cost recovery provisions thereof.

E. For such other findings and provision as the Commission may deem proper or advisable in this matter.

WHEREFORE, Applicant respectfully requests that this matter be set for hearing in May, 2012, that notice be given as required by law, and that upon such hearing, the Commission enter its order consistent with Applicant's request as set forth above.

Dated: March 30, 2012.

By: \_\_\_\_\_  
Kenneth A. Wonstolen  
Beatty & Wozniak, P.C.  
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Address of Applicant  
Thomas Kuhn  
Antero Resources Piceance Corporation  
1625 17th Street, Suite 300  
Denver, CO 80202

**VERIFICATION**

STATE OF COLORADO	)	
	)	ss.
COUNTY OF DENVER	)	

Thomas Kuhn, of lawful age, being first duly sworn upon oath, deposes and says that he is a 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.

\_\_\_\_\_  
Thomas Kuhn

Subscribed and sworn to before me this \_\_\_\_\_ day of March, 2012.

Witness my hand and official seal.

My commission expires:\_\_\_\_\_

\_\_\_\_\_  
Notary Public