

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

IN THE MATTER OF THE APPLICATION OF)
DELTA PETROLEUM CORPORATION FOR AN)
ORDER MODIFYING THE SETBACKS FROM)
THE EXTERNAL BOUNDARIES OF THE VEGA)
FEDERAL EXPLORATORY UNIT FOR THE)
MESAVERDE FORMATION COVERING LANDS)
WITHIN SUCH UNIT LOCATED IN MESA)
COUNTY, COLORADO)

CAUSE No. _____

Docket No. _____

APPLICATION

Delta Petroleum Corporation (“Delta” or “Applicant”), by and through its undersigned attorneys, respectfully applies to the Oil and Gas Conservation Commission of the State of Colorado (“Commission”), for an order reducing the setback of wells located within the Vega Federal Exploratory Unit (“Unit”) from 600’ as provided in Rule 318a of the Rules and Regulations of the Commission, to 200’ for the Mesaverde Formation covering lands hereinafter described in Mesa County, Colorado. In support thereof, Delta states and alleges as follows:

1. Applicant is a corporation authorized to do business in the State of Colorado.
2. Applicant is the operator and owns leasehold interests in all or portion of the lands included within the north and south participating areas of the Vega Federal Exploratory Unit located in Townships 9 South and 10 South, Range 93 West, Mesa County, Colorado as more particularly described on Exhibit A attached hereto and incorporated herein by reference.
3. Since these lands are within the boundaries of a federal exploratory unit, they are not subject to Commission spacing rules and regulations. However, in accordance with Rule 318a, Applicant has maintained a 600’ well setback from the exterior boundaries of the Unit.
4. To promote efficient drainage within the Mesaverde Formation, which is the unitized formation, Applicant requests that this Commission authorize a reduction in the bottomhole setback distance of wells located within such Unit to 200’ from the exterior unit boundaries to be more coincident with other Commission orders entered for various members of the Mesaverde Formation in the Piceance Basin. The location of wells in such Unit shall be based upon Plan of Development as authorized and approved by the Bureau of Land Management (“BLM”) which is the control agency with jurisdiction over operations on the Unit.
5. The BLM has consented to locating wells no closer than 200’ from the outer boundaries of such Unit.
6. Applicant maintains that adjusting the bottomhole setback distance as set forth above will allow more efficient drainage of the Mesaverde Formation, will prevent waste, and will not violate the correlative rights of any adjacent owner. Moreover, such adjustment will assure the greatest ultimate recovery of natural gas and associated hydrocarbons from the reservoir.
7. Upon information and belief, the name and addresses of the interested parties are set forth on Exhibit B attached hereto and made a part hereof.

WHEREFORE, Applicant respectfully requests that this matter be set for hearing on the Commission's April docket, and that the Commission enter its Order consistent with the Applicant's request as set forth above.

Respectfully submitted this 6th day of March, 2006.

Respectfully submitted,

DELTA PETROLEUM CORPORATION

By: _____

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BEATTY & WOZNIAK, P.C.
Attorneys for Applicant
216 16th Street, Suite 1100
Denver, Colorado 80202
(303) 407-4499

Applicants' Address:

370 17th St., Suite 4300
Denver CO 80202

VERIFICATION

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

C.E. Harris, of lawful age, being first duly sworn upon oath, deposes and says that he is the Northern District – Land Manager for Delta Petroleum Corporation and that he has read the foregoing Application and that the matters therein contained are true to the best of my knowledge, information and belief.

C.E. Harris, Northern District – Land Manager

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

Witness my hand and official seal.

My commission expires: _____

Notary Public

EXHIBIT A
Legal Description
Vega Federal Exploratory Unit

NORTH PARTICIPATING AREA

Township 9 South, Range 93 West, 6th P. M.

Section 33: E2E2

Section 34: ALL

Section 35: W2, SE, S2NE

Township 10 South, Range 93 West, 6th P. M.

Section 3: Lots 1, 2, 3, 4 (N2N2)

Containing 1,521.16 acres, more or less

SOUTH PARTICIPATING AREA

Township 10 South, Range 93 West, 6th P. M.

Section 3: S2SW, SWSE

Section 4: SESW, S2SE

Section 9: NE, E2NW, NESE

Section 10: N2, N2SW, SESW, SE

Containing 1,121.63 acres, more or less

EXHIBIT B
Interested Parties

EnCana Oil & Gas (USA) Inc.
370 17th Street, Suite 1700
Denver, CO 80202

Bureau of Land Management
Colorado State Office
2850 Youngfield Street
Lakewood, Colorado 80215

Grand Mesa National Forest
2250 Highway 50
Delta, CO 81416

Neil V. Romano
5891 S. Laurel Pl.
Littleton, CO 80123

Richard Production Company
309 W. First Avenue
P.O. Box 9808
Denver, CO 80209

Bruce C. Currier, Personal Representative
Wilma M. Currier Family Trust
2760 H. Road
Grand Junction, CO 81506

Earley Family Trust
c/o William C. Earley
420 Mesa Street
Delta, UT 81416

Aspen Park, Inc.
P.O. Box 302
Collbran, CO 81624

O.K. Clifton
P.O. Box 1853
Grand Junction, CO 81502-1853