

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

IN THE MATTER OF THE APPLICATION OF)	
DOLPHIN ENERGY CORPORATION FOR AN)	
ORDER ESTABLISHING SPACING AND WELL)	CAUSE NO. 191
LOCATION RULES FOR THE WILLIAMS FORK)	
FORMATION OF THE MESA VERDE GROUP)	DOCKET NO. _____
FOR CERTAIN LANDS IN THE MAMM CREEK)	
AREA, GARFIELD COUNTY, COLORADO)	

APPLICATION

Dolphin Energy Corporation (“Applicant”) by its attorneys, Welborn Sullivan Meck & Tooley, P.C., respectfully requests the Colorado Oil & Gas Conservation Commission ("Commission") and applies to the Commission for an order establishing a 40-acre drilling and spacing unit for the production of gas and associated substances from the Williams Fork formation, and establishing well location rules applicable to the drilling and producing of wells from the Williams Fork formation of the Mesaverde Group covering the following described lands in Garfield County, Colorado (the "Lands"):

Township 6 South, Range 92 West, 6th P.M.
Section 16: NE/SE

In support of this Application, Applicant states as follows:

1. Applicant is a corporation authorized to conduct business in the State of Colorado.
2. Applicant owns leasehold interests in all or a portion of the Lands.
3. The Lands are unspaced and subject to Commission Rule 318.
4. Multiple wells have been drilled, tested and completed in the Williams Fork Formation of the Mesaverde Group the vicinity of the Lands.
5. To promote efficient drainage within the Williams Fork formation of the Mesaverde Group, Applicant requests the Commission establish a 40-acre drilling and spacing unit for the production of gas and associated substances from the Williams Fork formation in the Lands, allowing the number of wells which can be optionally produced from the Williams Fork formation to the equivalent of one well per 10 acres, with the permitted wells to be located downhole anywhere in the drilling and spacing unit but no closer than 100 feet from the boundaries of the drilling and spacing unit.
6. Where the Lands abut or corner lands for which the Commission has not at the time of drilling permit application granted the right to drill 10-acre density Williams Fork wells, wells shall be located downhole no closer than 200 feet from the boundary of the drilling unit abutting lands for which 10-acre density downhole drilling for Williams Fork wells has not been ordered by the Commission.

6. Applicant requests the Commission allow wells drilled on the Lands to be drilled either vertically or directionally from no more than one pad located on a given quarter quarter section unless exception is granted by the Commission pursuant to an application made requesting such exception.

7. Applicant requests the Commission authorize the Director of the Commission, without additional notice and hearing, grant exceptions to well locations for good cause shown (including but not limited to surface owner requests) provided a waiver is obtained from the lease owner toward whom the well location is proposed to be moved. If a waiver cannot be obtained, then the well operator may apply to the Commission for a variance.

8. Applicant believes the spacing and well location rules (1) will allow more efficient drainage of the Williams Fork formation, (2) will not promote waste, (3) will not violate correlative rights and (4) will assure the greatest ultimate recovery of gas and associated substances from the reservoir.

9. The names and addresses of the interested parties according to the information and belief of Applicant are set forth in Exhibit A attached hereto and made a part hereof.

Applicant respectfully requests this matter be set for hearing in August, 2006, that notice be given as required by law and that upon such hearing the Commission enter its order consistent with Applicant's proposals as set forth above.

Respectfully submitted on June 26, 2006

WELBORN SULLIVAN MECK & TOOLEY, P.C.

By: _____
Stephen J. Sullivan
821 17th Street, Suite 500
Denver, CO 80202
Telephone: 303-830-2500
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Applicants' Contact Information:

Dolphin Energy Corporation
1331 17th Street, Suite 730
Denver, Colorado 80202
Telephone: 303-293-2300
Facsimile: 303-293-2417

VERIFICATION

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

Cecil D. Gritz, of lawful age, being first duly sworn upon oath, deposes and says that he is chief operating officer of Dolphin Energy Corporation, that he has read the foregoing Application and that the matters therein contained are true to the best of his knowledge, information and belief.

Dolphin Energy Corporation

By: _____
Cecil D. Gritz

Subscribed and sworn to before me this 26th day of June 2006.

Witness my hand and official seal.

Notary Public

My commission expires: _____

EXHIBIT A
WORKING INTEREST OWNERS, UNLEASED MINERAL
INTEREST OWNERS AND OTHER INTERESTED PARTIES

Apollo Energy, LLC
1557 Ogden St., Suite 300
Denver, CO 80218

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

EXXEL Energy Corp.
609 West Hastings Street, 11th Floor
Vancouver, British Columbia V6B 4W4

Steven W. Weller & Toni L. Weller
415 Bayou Cove Court
Houston, TX 77042

WYOTEX Oil Company
P. O. Box 36157
Denver, CO 80236

Freeman Investments
3415 S. Clayton Blvd.
Englewood, CO 80113

JLW Investment, LLC
2432 W. 82nd Place, Suite 1
Westminster, CO 80031

Huckleberry Minerals, LLC
15250 Emporia St.
Brighton, CO 80602

Charles F. Weller & Eva Charlene Weller
5331 Fenwick Way Ct.
Sugar Land, TX 77479

Parker Geoscience Consulting, LLC
6346 Secrest St.
Arvada, CO 80403

Timothy Pinson
Board of County Commissioners of Garfield
County
108 8th Street,
Glenwood Springs, CO 81601

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