

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

IN THE MATTER OF THE APPLICATION OF)
DELTA PETROLEUM CORPORATION FOR AN)
ORDER ESTABLISHING WELL LOCATION AND)
SETBACK RULES FOR DRILLING OF THE)
WELLS TO THE MESAVERDE GROUP,) Cause No. _____
INCLUDING WITHOUT LIMITATION THE) Docket No. _____
WILLIAMS FORK FORMATION, THE COZETTE)
FORMATION AND THE CORCORAN)
FORMATION FOR WELLS LOCATED ON)
CERTAIN UNSPACED LANDS IN THE VEGA)
FIELD IN TOWNSHIP 10 SOUTH, RANGE 93)
WEST, 6TH P.M. MESA COUNTY, COLORADO)

APPLICATION

Delta Petroleum Corporation (“Applicant”), by and through its undersigned attorneys, respectfully petitions the Oil and Gas Conservation Commission (the “Commission”) for an order establishing well location and setback rules applicable to drilling and producing of wells from the Mesaverde Group including without limitation the Williams Fork Formation, the Cozette Formation and the Corcoran Formation and in support of this application states and alleges as follows:

1. Applicant is a corporation duly authorized to conduct business in the State of Colorado.
2. Applicant owns 100% of the leasehold interest in and operates existing oil and gas wells on the leasehold estate, including, but not limited to, the Mesaverde Group, the Williams Fork, Cozette and Corcoran Formations, underlying the following described lands (hereafter the “Subject Lands”):

Township 10 South, Range 93 West, 6th P.M.
Section 4: E/2NE/4, N/2SE/4, N/2SW/4, SW/4SW/4
Section 5: S/2SE/4
Section 8: E/2
Section 9: W/2W/2, E/2SW/4, W/2SE/4, SE/4SE/4
Section 10: SW/4SW/4
Section 15: N/2N/2
Section 16: N/2N/2

Mesa County, Colorado.

4. That Applicant or its predecessors have drilled, tested, completed and produced multiple wells into the Mesaverde Group upon lands adjacent to the Subject Lands within the Vega Unit.

4. That the Subject Lands currently have not been spaced and are therefore subject to the Rule 318 a. “well location rules” which require that each permitted well location within the Subject Lands for wells drilled below 2,500 feet be located no closer than 600 feet from any lease line and not less than 1,200 feet from any producible or drilling well or wells unless otherwise authorized by order of the Commission upon hearing.

5. To promote efficient drainage within the Mesaverde Group, Applicant requests the Commission to allow the number of wells which can be optionally produced from the Mesaverde Group to the equivalent of one well per 20 acres, with the permitted wells to be located downhole anywhere underlying the Subject Lands but no closer than 200 feet from the boundaries of the Subject Lands and no closer than 400 feet from any existing Mesaverde Group well, without exception being granted by the Director.

6. That such permitted well locations whether to be drilled vertically or directionally, as described under Paragraph 5 above, shall not result in the construction of more than one (1) multi-well surface site per forty (40) acre governmental quarter-quarter section unless exception has been granted by the Director of the Commission.

7. That Interested Parties for purposes of this Application are as defined by the Commission Regulations and are as described on Exhibit “A” attached hereto.

8. Applicant contends that without an order allowing increased density and setting forth the referenced setback requirements for wells drilled to the Williams Fork Formation on the Subject Lands, the oil and gas reserves of the Subject Lands will not be efficiently and economically recovered.

9. Applicant contends that the Order requested herein is proper, will limit surface disturbance, will protect correlative rights, minimize the drilling of unnecessary wells, prevent the waste of oil and gas and insure proper and efficient development and promote conservation of the oil and gas resources in the State of Colorado.

WHEREFORE, Applicant prays that this matter be set for hearing at the next Commission hearing, that notice of said hearing be given as required by law, and that following such hearing the Commission enter an order as follows:

A. Allowing one well per 20 acres for the Mesaverde Formation underlying the Subject Lands such that wells will be permitted to be drilled from one multi-well surface site in each governmental quarter-quarter section provided that the bottom hole locations are no closer

than 200 feet from the outer boundaries of the boundaries of the Subject Lands and no closer than 400 feet from any existing Mesaverde Group well;

B. For such other findings and orders as the Commission may deem proper or advisable.

Dated this 31st day of July, 2006.

Respectfully submitted,

DELTA PETROLEUM CORPORATION

By: _____
Michael J. Wozniak
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(303) 407-4499

Applicants' Address:

370 17th Street, Suite 4300
Denver, CO 80202

VERIFICATION

STATE OF COLORADO)
) ss.
CITY & 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 July, 2006.

Witness my hand and official seal.

My commission expires: _____

Notary Public

EXHIBIT A

INTERESTED PARTIES

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FIELD IN TOWNSHIP 10 SOUTH, RANGE 93)
WEST, 6TH P.M. MESA COUNTY, COLORADO)

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Fountain Valley, CA 92708

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Mary L. Newby
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Eugene Weber, heirs of Russell Alden Weber
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