

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. 399
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, 6 TH 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 leasehold interests in and operates existing oil and gas wells on or adjacent to 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.

- 3. 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 any lease line or 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 any lease line or from the outer 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 ____ day of November, 2006.

Respectfully submitted,

DELTA PETROLEUM CORPORATION

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

Applicants' Address:

370 17th Street, Suite 4300
Denver, CO 80202

VERIFICATION

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

Keith McGlone, of lawful age, being first duly sworn upon oath, deposes and says that he is a Landman 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.

Keith McGlone, Landman

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

Witness my hand and official seal.

My commission expires: _____

Notary Public

EXHIBIT A

INTERESTED PARTIES

Mary Pearl Garlitz
5076 Leronard Rd., Rd #6
Grants Pass, OR 97527

Sandra L. Hooper
RR #1, Box P#4
Collbran, CO 81624

Robert Lee Brisbin, heir of Ruth Brisbin, heir of Hattie Long
Box 963
Eagle River, AK 99577

Mabel Howes, heir of Ruth Brisgin, heir of Hattie Long
Box 200247
Anchorage, AK 99520

James A. Newby, heir of James W. Newby, heir of Mary L. Newby
711 West River Run
Asheboro, NC 27203

Chandler & Associates, Inc.
555 Seventeenth Street, #1850
Denver, CO 80202

Ruth Marie Becher, heir of Ruth Brisbin, heir of Hattie Long
Box 552
Dolores, CO 81323

Richard E. Newby, heir of James W. Newby, heir of Mary L. Newby
9665 Azalea Circle
Fountain Valley, CA 92708

Frances Weber, Kathleen Frances Hayes, Cecil Eugene Weber, heirs of Russell Alden Weber
706 Fremont Drive
Littleton, CO 80120

Caryl LaDuke
2284 Olive Court
Grand Junction, CO 81503

Harriet Long Walck, a widow
RR 1, Box 191
Collbran, CO 81624

Gail L. Power
233 Red Mesa Heights
Grand Junction, CO 81503

Susan Elizabeth Myers
3115 Squaliciem Pkwy, Apt. 943
Bellingham, WA 98225

Lawrence Newby, heir of William J. Newby, heir of Susan Elizabeth Newby
564 Central Ave., Apt. 121
Alameda, CA 94501

Arvilla L. Newby, heir of William J. Newby, heir of Susan Elizabeth Newby
516 31 1/2 Rd.
Grand Junction, CO 81501

Loudene Jennings
8300 Bell Drive
Atwater, CA 95301

Harriet Gertrude Wight, heir of Franc G. Dwight, heir of Hattie Long
RR 1, Box 341
Midland, VA 22728

Richard E. Newby, a married man dealing in his sole and sep. property
9665 Azalea Circle
Fountain Valley, CA 92708

Rex Milton Brisbin, heir of Ruth Brisbin, heir of Hattie Long
3445 Sebastopal
Santa Rosa, CA 85401

David Dwight, heir of Franc G. Dwight, heir of Hattie Long
RR 1, Box 121
Bernardston, MA 01337

Earley Family Trust
c/o 420 Mesa Street
Delta, CO 81416

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

William T. Marsh
P. O. Box 457
Collbran, CO 81624

Robert W. Belz & Dianna Belz
P. O. Box 197
Collbran, CO 81624

Albert Phillips
2996 Country Road
Grand Junction, CO 81504

Leroy Johnson
1188 Rance Canyon Drive
Loma, CO 81524

John L. Hutcherson
480 San Bernabe Drive
Monterey, CA 93940-6127

Diane E. Swinton
14472 Parkview Drive
Collbran, CO 81624

Darrell K. Jones
14496 Parkview Drive
Collbran, CO 81624

William L. Stone
1111 S. 9th Street
Grand Junction, CO 81501-3831

Gregory James Mueller & Amy Kern Mueller
1921 Monument Canyon Drive
Grand Junction, CO 81503-9526

Donald L. Schesser & Michelle A. Schesser
862 E. Meadow Lane
Castle Rock, CO 80108-9307

Sandie J. Cooper & David O. Hull
204 W. 1st Street
Palisade, CO 81526-8778

Laurence E. Carp & Betty M. Carp
1260 White Avenue
Grand Junction, CO 81501-4536

Daniel M. Basham & S. Elaine Basham, et al
3002 C Road
Grand Junction, CO 81503-9673

Sarah N. Gabriel , Mary L & Thomas Row, et al
594 29 1/2 Road
Grand Junction, CO 81504

Albert M. Hall & June M. Hall
3107 Pine Cone Court
Grand Junction, CO 81504-5956

Sandra J. Cooper
204 W. 1st Street
Grand Junction, CO 81526-8778

The Earley Family Trust
420 Mesa Street
Delta, CO 81416

Jon Chacopulos
1024 Breckenridge
Helena, MT 59601

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

Robert L. Bayless
621 17th Street, Suite 1640
Denver, CO 80293

Doug Riley
Mesa County Planning and Development
750 Main Street
P.O. Box 20000
Grand Junction, CO 81502-5022

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

Grand Mesa National Forest
2250 Highway 50
Delta, CO 81416

Bureau of Land Management
2815 H Road
Grand Junction, CO 81506