

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)	
RULES FOR THE WILLIAMS FORK AND ILES)	
FORMATIONS (INCLUDING BUT NOT LIMITED)	
TO THE ROLLINS, COZZETTE AND)	Cause Nos. 1, 369 and 399
CORCORAN) OF THE MESAVERDE GROUP)	Docket No.
FOR CERTAIN DESCRIBED LANDS IN THE)	
BUZZARD CREEK FIELD AREA AND IN THE)	
VEGA FIELD AREA AND VEGA UNIT, MESA)	
COUNTY, COLORADO		

APPLICATION

Delta Petroleum Corporation ("Applicant"), by and through its attorneys, Beatty & Wozniak, P.C., respectfully submits this Application to the Oil and Gas Conservation Commission of the State of Colorado (the "Commission") for an order establishing field rules applicable to the drilling and producing of wells from the Williams Fork and Iles (including but not limited to the Rollins, Cozette and Corcoran, hereinafter "Iles") Formations of the Mesaverde Group covering certain described lands in the Buzzard Creek Field Area, Vega Field Area and Vega Unit, Mesa County, Colorado and in support of its Application states and alleges as follows:

1. Applicant is a corporation duly authorized to conduct business in the State of Colorado.
2. Applicant operates existing oil and gas wells on or adjacent to the leasehold estate, including, but not limited to, the Williams Fork and Iles Formations, underlying the following described lands:

Township 8 South, Range 92 West
Section 31: SW $\frac{1}{4}$ SE $\frac{1}{4}$

Township 9 South, Range 92 West
Section 6: Lots 1-6, S $\frac{1}{2}$ NE $\frac{1}{4}$, SE $\frac{1}{4}$ (ALL)
Section 7: Lots 1-4, E $\frac{1}{2}$ (ALL)
Section 18: Lots 1-4, E $\frac{1}{2}$ (ALL)
Section 19: Lots 1-4, E $\frac{1}{2}$ (ALL)

Township 8 $\frac{1}{2}$ South, Range 93 West
Section 1: Lots 1-3 (ALL)

Township 9 South, Range 93 West
Section 1: Lots 2, 5, 6, 7, SW $\frac{1}{4}$ NE $\frac{1}{4}$, NW $\frac{1}{4}$ SE $\frac{1}{4}$ (all that part of the E $\frac{1}{2}$ of Sec 1 outside of the Buzzard Creek Unit), Lot 3 & 4, S $\frac{1}{2}$ NW $\frac{1}{4}$
Section 13: S $\frac{1}{2}$ S $\frac{1}{2}$
Section 14: SE $\frac{1}{4}$ SE $\frac{1}{4}$
Section 20: SE $\frac{1}{4}$
Section 21: S $\frac{1}{2}$
Section 22: S $\frac{1}{2}$ N $\frac{1}{2}$, S $\frac{1}{2}$
Section 23: ALL
Section 24: ALL
Section 25: ALL
Section 26: ALL
Section 27: ALL
Section 28: ALL

Section 29: E $\frac{1}{2}$ NW $\frac{1}{4}$, NE $\frac{1}{4}$ SW $\frac{1}{4}$, E $\frac{1}{2}$
Section 33: E $\frac{1}{2}$ E $\frac{1}{2}$
Section 34: All
Section 35: W $\frac{1}{2}$, SE $\frac{1}{4}$, S $\frac{1}{2}$ NE $\frac{1}{4}$, N $\frac{1}{2}$ NE $\frac{1}{4}$
Section 36: ALL

Township 10 South, Range 93 West

Section 1: Lots 7-10, S $\frac{1}{2}$ NW $\frac{1}{4}$, that part of Tract 37 lying in the S $\frac{1}{4}$ NW $\frac{1}{4}$ and N $\frac{1}{2}$ SW $\frac{1}{4}$
Section 2: Lot 5-12, SW $\frac{1}{4}$ NE $\frac{1}{4}$, NW $\frac{1}{4}$ SE $\frac{1}{4}$, that part of Tract 37 lying in the NE $\frac{1}{4}$ SE $\frac{1}{4}$
Section 3: S $\frac{1}{2}$ N $\frac{1}{2}$, N $\frac{1}{2}$ S $\frac{1}{2}$, SE $\frac{1}{4}$ SE $\frac{1}{4}$, Lots 1 through 4 (N $\frac{1}{2}$ N $\frac{1}{2}$), S $\frac{1}{2}$ SW $\frac{1}{4}$, SW $\frac{1}{4}$ SE $\frac{1}{4}$
Section 4: All
Section 5: S $\frac{1}{2}$ SE $\frac{1}{4}$
Section 8: E $\frac{1}{2}$
Section 9: W $\frac{1}{2}$ W $\frac{1}{2}$, E $\frac{1}{2}$ SW $\frac{1}{4}$, W $\frac{1}{2}$ SE $\frac{1}{4}$, SE $\frac{1}{4}$ SE $\frac{1}{4}$, NE $\frac{1}{4}$, E $\frac{1}{2}$ NW $\frac{1}{4}$, NE $\frac{1}{4}$ SE $\frac{1}{4}$
Section 10: SW $\frac{1}{4}$ SW $\frac{1}{4}$, N $\frac{1}{2}$, N $\frac{1}{2}$ SW $\frac{1}{4}$, SE $\frac{1}{4}$ SW $\frac{1}{4}$, SE $\frac{1}{4}$
Section 15: Tract 39 (N $\frac{1}{2}$ NE $\frac{1}{4}$, except Lots 3 and 4, NE $\frac{1}{4}$ NW $\frac{1}{4}$ except Lot 2), and Part of Tract 40 (NW $\frac{1}{4}$ NW $\frac{1}{4}$ except Lot 1)
Section 16: Part of Tract 40 N $\frac{1}{2}$ NE $\frac{1}{4}$ except Lots 4 and 5, NE $\frac{1}{4}$ NW $\frac{1}{4}$ except Lots 2 and 3)

Mesa County, Colorado.

(hereafter the "Application Lands").

3. A portion of the Application Lands, specifically Township 9 South, Range 93 West, Sections 23, 24, 25 and 26 ("Order 369-1 Lands") are subject to Order No. 369-1 of the Commission designating a 320-acre drilling and spacing units for the production of gas from the Mesaverde formation. Through Order Nos. 369-3 and 399-3, Township 9 South, Range 93 West, Section 22: S $\frac{1}{2}$ and all of Section 27 (as Operator's Option for "Standup" or "Laydown" spacing) were established as 320-acre drilling and spacing units for the production of gas and associated hydrocarbons from the Williams Fork and Iles Formations (including but not limited to the Rollins, Cozzette and Corcoran).

4. Additionally, a portion of lands in Township 10 South, Range 93 West, Sections 1 and 2 ("Order 399-1 Lands") are subject to Order No. 399-1 designating a 320-acre drilling and spacing unit for the production of gas from the Mesaverde formation. Through Order Nos. 369-3 and 399-3, portions of sections in the Application Lands of Township 8 South, Range 92 West, Section 31, Township 9 South, Range 92 West, Sections 6, 7, 18 and 19, Township 8 $\frac{1}{2}$ South, Range 93 West, Section 1, Township 9 South, Range 93 West, Section 1, 13, 14, 21, 22-28, 35 and 36 and Township 10 South, Range 93 West, Sections 1-3 allow for increased density of one (1) well per twenty (20) acres to be optionally drilled into and produced from the Williams Fork and Iles Formations (including but not limited to the Rollins, Cozzette and Corcoran). For the lands within the 320-acre drilling and spacing units, the setback requirements are 200 feet from the boundaries of the drilling and spacing unit and 400 feet from any existing Williams Fork or Iles well absent an exception from the Commission. For the lands outside the currently spaced 320-acre drilling and spacing units, the setback requirements are 200 feet from any lease line,

and 400 feet from any existing Williams Fork or Iles well absent an exception from the Commission.

5. Additionally, Township 10 South, Range 93 West, portions of Sections 4, 5, 8-10, and 15-16 as described in the Application Lands are subject to Order 399-2 wherein the Commission allowed additional wells to be optionally drilled into and produced from the Mesaverde Group (including the Williams Fork, Cozzette and Corcoran Formations) the equivalent of one Williams Fork, Cozzette and Corcoran Formation well per 20 acres, each well located no closer than 200 feet from the boundaries of any lease line and no closer than 400 feet from any existing Mesaverde Group well without exception from the Commission.

6. Finally, the following lands are part of the Vega Unit, a federal exploratory unit:

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

Section 33: E $\frac{1}{2}$ E $\frac{1}{2}$

Section 34: All

Section 35: W $\frac{1}{2}$, SE $\frac{1}{4}$, S $\frac{1}{2}$ NE $\frac{1}{4}$

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

Section 3: Lots 1 through 4 (N $\frac{1}{2}$ N $\frac{1}{2}$), S $\frac{1}{2}$ SW $\frac{1}{4}$, SW $\frac{1}{4}$ SE $\frac{1}{4}$

Section 4: SE $\frac{1}{4}$ SW $\frac{1}{4}$, S $\frac{1}{2}$ SE $\frac{1}{4}$

Section 9: NE $\frac{1}{4}$, E $\frac{1}{2}$ NW $\frac{1}{4}$, NE $\frac{1}{4}$ SE $\frac{1}{4}$

Section 10: N $\frac{1}{2}$, N $\frac{1}{2}$ SW $\frac{1}{4}$, SE $\frac{1}{4}$ SW $\frac{1}{4}$ SE $\frac{1}{4}$

(hereinafter "Vega Unit Lands")

The Vega Unit Lands are subject to Commission Order 1-222 which established a bottomhole setback distance of wells located within the Vega Unit at 200 feet from the exterior boundaries of the Vega Unit Lands for wells producing from the Mesaverde Formation.

7. That Applicant has drilled, tested and completed wells in the Williams Fork and Iles Formations of the Mesaverde Group upon the lands nearby to Application Lands.

8. That to promote efficient drainage within the Williams Fork and Iles Formations of the Mesaverde Group of the Application Lands, the Commission should apply consistent rules to the Application Lands, not including the Vega Unit Lands, to increase the number of wells which can be optionally drilled into and produced from each of the Williams Fork and Iles Formation of the Application Lands, not including the Vega Unit Lands, which constitute existing drilling units (or portions thereof) to the equivalent of one well per 10 acres.

9. Through this Application, Applicant requests the Commission allow the equivalent of one (1) well per ten (10) acres to be optionally drilled for the Application Lands, but not for the Vega Unit Lands, for production of gas and associated hydrocarbons from the Williams Fork and Iles Formations (including but not limited to the Rollins, Cozzette and Corcoran). No drilling and spacing units are altered as a result of this Application. Additionally, Applicant requests that for the Application Lands, not including the Vega Unit Lands, that all future permitted wells be located no closer than 100 feet from the boundary of the unit or lease line (if unspaced), without exception granted by the Commission. In cases where the

Application Lands, not including the Vega Unit Lands, abut or corner lands where the Commission has not, at the time of the drilling permit application, granted the right to drill 10-acre density Mesaverde or Iles Formation wells, the wells should be located downhole no closer than 200 feet from the boundary or boundaries of the drilling unit or lease line (if unspaced) abutting or cornering such lands, without exception granted by the Commission.

10. Additionally, for the Vega Unit Lands only, Applicant requests that all future permitted wells be located no closer than 100 feet from the exterior boundary of a federal exploratory unit without exception granted by the Commission. In cases where the Vega Unit Lands abut or corner lands where the Commission has not, at the time of the drilling permit application, granted the right to drill 10-acre density Mesaverde or Iles Formation wells, the wells should be located downhole no closer than 200 feet from the exterior boundary of a federal exploratory unit without exception granted by the Commission.

11. Applicant commits that no more than four (4) Mesaverde or Iles Formation wells shall be drilled on the Application Lands per governmental quarter quarter section. Additionally, Applicant commits that under this Application wells will be drilled from the surface either vertically or directionally from no more than one pad located on a given quarter quarter section unless exception is granted by the Director of the Colorado Oil and Gas Conservation Commission, and that both the Williams Fork and Iles formations will be reached from a single wellbore, *i.e.*, separate wells will not be drilled to reach each formation. In this manner the wells will be economic as to both formations.

12. That the above-proposed density and well location rules will allow more efficient drainage of the Williams Fork and Iles Formations of the Mesaverde Group; will prevent waste; will not adversely effect correlative rights and will assure the greatest ultimate recovery of gas and associated hydrocarbon substances from the reservoir.

13. That the names and addresses of the interested parties according to the information and belief of the Applicant are set forth in Exhibit A attached hereto and made a part hereof, and the undersigned certifies that copies of this Application shall be served on each interested party within the next seven days as required by Rule 503.d.

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

Dated this _____ day of January, 2008.

Respectfully submitted,

DELTA PETROLEUM CORPORATION

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

Applicant's Address:
370 17th Street, Suite 4300
Denver, CO 80202

VERIFICATION

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

C.E. "Duke" Harris, Land Manager of Delta Petroleum Corporation, upon oath deposes and says that he has read the foregoing Application and that the statements contained therein are true to the best of his knowledge, information and belief.

DELTA PETROLEUM CORPORATION

By: _____
C.E. "Duke" Harris, Land Manager

Subscribed and sworn to before me this ____ day of _____, 2008, by C.E.
 "Duke" Harris, Land Manager of Delta Petroleum Corporation

Witness my hand and official seal. My commission expires: _____

Notary Public

EXHIBIT A

INTERESTED PARTIES

Brownstone Ventures (US) Inc.
130 King St. West, Suite 2810
Toronto, Ontario
Canada M5XX 1A9

Contex Energy Company
621 17th Street, Ste #1020
Denver, CO 80293

Yvonne H. Coury, sole Trustee of
the Albert M. Coury, Sr. Qualified
Trust dated
January 4, 1998
PO Box 20850
Mesa, AZ 85277

Glen L. Currier &
Adelaide E. Currier
1255 22 Road
Grand Junction, CO 81505

Beverly J. Fox
8545 West 59th Ave.
Arvada, CO 80004

Gunderson Ranch
c/o Jerry Gunderson
1505 Reisling Court
Las Vegas, CO 89144

The 2005 Gunderson Irrevocable
Trust,
u/t/a dated August 18, 2005,
Shayne M. Gunderson,
Trustee f/b/o
Chris E. Gunderson
59762 Hwy 330E
Collbran, CO 81624

The 2005 Gunderson Irrevocable
Trust,
u/t/a dated August 18, 2005,
Shayne M. Gunderson, Trustee
f/b/o David J. Gunderson
59762 Hwy 330E
Collbran, CO 81624

The 2005 Gunderson Irrevocable
Trust,
u/t/a dated August 18, 2005,
Shayne M. Gunderson, Trustee
f/b/o Talana M. Junge
59762 Hwy 330E
Collbran, CO 81624

Lobo Energy, Inc.
3333 E. Florida Ave.
Denver, CO 80210

Maralex Resources, Inc.
PO Box 338
Ignacio, CO 81137

William H. McKelvie
1467 Monroe Drive, Unit #3
Altanta, GA 30324

Clarence A. Nichols, Jr. and
Frances R. Nichols as Trustees
of the Nichols Living Trust
dated May 29, 2001
PO Box 33
Molina, CO 81646

O'Dell Land and Livestock, LLC
2084 South Broadway
Grand Junction, CO 81503

Wende M. Pomrenke & Bret W.
Pomrenke, Co-Trustees of the
Pomrenke Irrevocable Trust
710 Victor Drive
Grand Junction, CO 81506

Wende M. Pomrenke & Bret W.
Pomrenke
710 Victor Drive
Grand Junction, CO 81506

Puckett Investment Company
5450 S. Quebec, Unit 250
Greenwood Village, CO 80111

Retamco Operating, Inc.
PO Box 790
Red Lodge, MT 59068

RSVP Land and Cattle
2013 Overlook Dr.
Grand Junction, CO 81505

U.S. Department of Interior
Bureau of Land Management
Colorado State Office
2850 Youngfield St.
Lakewood, CO 80215

John Whittier
PO Box 502
Basalt, CO 81621

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

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

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

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

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

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

Grand Mesa National Forest
2250 Highway 50
Delta, CO 81416

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

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

Delta Petroleum
370 17th Street, Ste 4300
Denver, CO 80202

PXP Piceance LLC
700 Milan, Suite 3100
Houston, TX 77002

Randy Price
Mesa County Planning
& Eco. Development
750 Main Street
P.O. Box 20000
Grand Junction, CO 81502