

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

IN THE MATTER OF THE PROMULGATION AND) CAUSE NOS. 369, 399 and 429
ESTABLISHMENT OF FIELD RULES TO GOVERN)
OPERATIONS IN THE BUZZARD CREEK, VEGA AND) DOCKET NO. 0903-SP-??
BRUSH CREEK FIELDS, MESA COUNTY, COLORADO)

APPLICATION

Delta Petroleum Corporation ("Applicant") respectfully submits this Application to the Oil and Gas Conservation Commission of the State of Colorado (the "Commission") for an order to establish drilling and spacing units as described within, applicable to the drilling and producing of wells from the Mesaverde Group (including but not limited to the Rollins, Cozzette, and Corcoran, hereinafter "Iles Formation") covering certain described lands in 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 and/or owns leasehold interests in existing oil and gas wells on or adjacent to the leasehold estate, including, but not limited to, the Williams Fork and Iles Formations of the Mesaverde Group, underlying the following described lands:

Township 9 South, Range 92 West, 6th P.M.

Section 6: Lots 1(47.66), 2(47.70), 3(49.40), 4(40.82), 5(40.35),
6(39.92), S½ NE¼, SE¼ (All)
Containing 505.85 acres, more or less.

Section 7: Lots 1(39.70), 2(39.68), 3(39.46), 4(39.10), E½ (All)
Containing 477.94 acres, more or less.

Section 18: Lots 1(38.87), 2(38.64), 3(38.4), 4(38.17), N½ NE¼,
SW¼ NE¼, SE¼
Containing 434.08 acres, more or less.

Section 19: Lots 1(37.93), 2(37.66), 3(37.38), 4(37.11), E½ (All)
Containing 470.08 acres, more or less.

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

Section 8: W½
Containing 320.00 acres, more or less.

Section 17: N½
Containing 320.00 acres, more or less.

Section 18: E½
Containing 320.00 acres, more or less.

Section 21: S½
Containing 320.00 acres, more or less.

Section 22: S½ N½
Containing 160.00 acres, more or less.

Section 28: E½ Containing 320.00 acres, more or less.
W½ Containing 320.00 acres, more or less.

Section 29: E½ Containing 320.00 acres, more or less.
W½ Containing 320.00 acres, more or less.

Mesa County, Colorado

(hereinafter collectively the "Application Lands").

3. On February 25, 2008, the Commission issued Order Nos. 1-124, 369-4 and 399-4 which, among other things, allowed the equivalent of one (1) well per 10 acres for certain lands, including the below-listed lands, for the production of gas and associated hydrocarbons from the Williams Fork and Iles Formations, with the permitted well to be located no closer than 100 feet from the boundaries of the lease line:

Township 9 South, Range 92 West, 6th P.M.

Section 6: Lots 1(47.66), 2(47.70), 3(49.40), 4(40.82), 5(40.35), 6(39.92), S $\frac{1}{2}$ NE $\frac{1}{4}$, SE $\frac{1}{4}$ (All)
Containing 505.85 acres, more or less.

Section 7: Lots 1(39.70), 2(39.68), 3(39.46), 4(39.10), E $\frac{1}{2}$ (All)
Containing 477.94 acres, more or less.

Section 18: Lots 1(38.87), 2(38.64), 3(38.4), 4(38.17), N $\frac{1}{2}$ NE $\frac{1}{4}$, SW $\frac{1}{4}$ NE $\frac{1}{4}$, SE $\frac{1}{4}$
Containing 434.08 acres, more or less.

Section 19: Lots 1(37.93), 2(37.66), 3(37.38), 4(37.11), E $\frac{1}{2}$ (All)
Containing 470.08 acres, more or less.

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

Section 21: S $\frac{1}{2}$
Containing 320.00 acres, more or less.

Section 22: S $\frac{1}{2}$ N $\frac{1}{2}$
Containing 160.00 acres, more or less.

Section 28: All
Containing 640.00 acres, more or less.

Section 29: E $\frac{1}{2}$ NW $\frac{1}{4}$, NE $\frac{1}{4}$ SW $\frac{1}{4}$, E $\frac{1}{2}$
Containing 440.00 acres, more or less.

4. On September 25, 2008, the Commission issued Order Nos. 1-127, 369-5, 386-4, 399-5 and 429-10 which, among other things, allowed the equivalent of one (1) well per 10 acres for certain lands, including the below-listed lands, for the production of gas and associated hydrocarbons from the Williams Fork and Iles Formations, with the permitted well to be located no closer than 100 feet from the boundaries of the lease line:

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

Section 8: W $\frac{1}{2}$
Containing 320.00 acres, more or less.

Section 17: N $\frac{1}{2}$
Containing 320.00 acres, more or less.

Section 18: E $\frac{1}{2}$
Containing 320.00 acres, more or less.

Section 29: W $\frac{1}{2}$ W $\frac{1}{2}$, SE $\frac{1}{4}$ SW $\frac{1}{4}$
Containing 240.00 acres, more or less.

5. Applicant is seeking to establish various drilling and spacing units for production of gas and associated hydrocarbons from the Mesaverde Group, including the Williams Fork and Iles Formations as described in Paragraph 2 above, in part, to a) facilitate the formation of communitization agreements with the Bureau of Land Management, and b) provide equitable allocation of payment to mineral owners, both of which will minimize surface disturbance by reducing the number of tank batteries required. In order to provide for the orderly and uniform development of the common

sources of supply as to gas and associated hydrocarbons, it is hereby requested that the drilling and spacing units be established as set forth in Paragraph 2.

6. Applicant requests that the permitted well for each drilling and spacing unit continue to be drilled in accordance with the previously established orders, as described above, allowing the equivalent of 10-acre downhole density within each said unit, with the well located no closer than 100 feet from the boundaries of the spacing unit in which the well is located, or where the 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 wells in the Williams Fork and Iles Formations of the Mesaverde Group, the wells should be located downhole no closer than 200 feet from the boundary of the drilling unit abutting or cornering such lands (or lease line if applicable), without exception granted by the Commission.

7. That Applicant has drilled, tested and completed wells in the Williams Fork and Iles Formations of the Mesaverde Group adjacent to or nearby the Application Lands. Applicant believes that the land described in Paragraph 2 above has been established to be underlain by the Williams Fork and Iles Formations of the Mesaverde Group, common sources of supply productive of gas and associated hydrocarbons.

8. That the above-proposed drilling and spacing units will allow more efficient drainage of the Williams Fork and Iles Formations of the Mesaverde Group; will prevent waste; will not adversely affect correlative rights and will assure the greatest ultimate recovery of gas and associated hydrocarbon substances from the reservoirs.

9. 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 the March 30-31, 2009 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 February, 2009.

Respectfully submitted,

DELTA PETROLEUM CORPORATION

By: _____
John H. O'Shaughnessy, Landman
Delta Petroleum Corporation
(303) 820-4026

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

VERIFICATION

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

Scott Weirich 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: _____
Scott Weirich, Senior Landman

Subscribed and sworn to before me this ____ day of February, 2009, by Scott Weirich of Delta Petroleum Corporation.

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

Notary Public

EXHIBIT A INTERESTED PARTIES

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

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

Delta Petroleum Corporation
Attn: Scott Weirich
370 17th St.
Suite 4300
Denver, CO 80202

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

Bureau of Land Management
Colorado State Office
Attn: Hank Szymanski
2850 Youngfield Street
Denver, CO 80210

Stand Up Gulch, LLP
Attn: Eric Oakley
611 26th Rd.
Grand Junction, CO 81506

Occidental Oil and Gas Corporation
10889 Wilshire Boulevard
Los Angeles, CA 90024

Dorothy A. Jensen
1260 Q Rd.
Loma, CO 81524

US Forest Service
1400 Independence Ave. SW
Washington D.C. 20250

Gunderson Ranch
C/O Jerry Gunderson
1505 Reisling Court
Las Vegas, NV 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 330 E
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 330 E
Collbran, CO 81624

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

Colorado Forest Service
764 Horizon Drive
Suite 115
Grand Junction, CO 81506-8721

James C. Jensen
2805 Northstar Dr.
Grand Junction, CO 81506

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3041 Milburn Dr.
Grand Junction, CO 81504