

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 LIMITING SURFACE DENSITY
PURSUANT TO RULE 503 FOR CERTAIN LANDS
IN THE VEGA AND BUZZARD CREEK FIELDS,
MESA COUNTY, COLORADO

Cause Nos. 1, 369, 399, 429

Docket No.

APPLICATION

Comes Now, Delta Petroleum Corporation ("Delta"), by and through its undersigned attorneys, and petitions the Colorado Oil and Gas Conservation Commission ("COGCC" or "Commission") to enter its Order limiting the number of well sites to no more than three (3) per section on the following lands:

- Township 9 South, Range 92 West, 6th P.M. -- Sections 6 & 7
- Township 9 South, Range 93 West, 6th P.M. -- Sections 12, 28 & 29

With respect to the following, truncated section, Delta requests that the order limit the number of wellsites to a single location:

- Township 8.5 South, Range 93 West, 6th P.M. -- Section 1

In addition, Delta requests that, pursuant to COGCC Rule 1202.d(5), that ground disturbing activity be limited to one well site during the period from January 1 to March 31, for each of the Sections in Township 9 South, Range 92 West, 6th P.M. and Township 9 South, Range 93 West, 6th P.M.

In support whereof, Delta states:

1. Delta is a corporation duly authorized to conduct business in the State of Colorado, and is a registered operator in good-standing with the COGCC.

2. Delta is the (100%) leasehold owner of the minerals underlying the subject lands.

3. As owner and operator of the subject lands, Delta has the legal ability to determine the placement of wellsites and control the conduct of oil and gas operations on the subject lands, in accordance with applicable COGCC orders and rules.

4. (a) On February 25, 2008, the COGCC issued Orders 1-124, 369-4, and 399-4, which allow the equivalent of one well per 10 acres, with the permitted well to be located no closer than 100 feet from the unit boundary for certain lands in Townships 8 and 9 South, Range 92 West, 6th P.M., and Townships 8½, 9 and 10 South, Range 93 West, 6th P.M., and allow wells

to be located no closer than 100 feet from the exterior boundary of the Vega Federal Unit, for the production of gas and associated hydrocarbons from the Williams Fork Formation.

(b) On September 22, 2008, the COGCC issued Orders 1-127, 369-5, and 399-5 which allow the equivalent of one well per 10 acres, with the permitted well to be located no closer than 100 feet from the lease line, and approve changes to setbacks in federal units, for certain lands in Townships 8 and 9 South, Ranges 92 and 93 West, 6th P.M., and Townships 8½, 9 and 10 South, Range 93 West, 6th P.M. for production of gas and associated hydrocarbons from the Williams Fork and Iles Formations.

(c) On March 30, 2009, the COGCC issued Orders 369-6, 399-6, and 429-11 which establish various drilling and spacing units and allow one well per 10 acres, with the permitted well to be located no closer than 100 feet to the outside boundary for certain lands in Township 9 South, Range 92 West, 6th P.M., for the production of gas and associated hydrocarbons from the Williams Fork and Iles Formations.

5. Pursuant to the above-referenced orders, Delta is authorized to drill the equivalent of one well per (10) acres, with no more than one (1) wellsite per forty (40) acre quarter/quarter section, or equivalent, for the production of gas and associated hydrocarbons from the Williams Fork and Iles Formations on the subject lands.

6. Pursuant to COGCC Rules 503.b(9) and 1202.d(5), the Commission is, upon application of the operator, authorized to issue an order providing that there will not be more than three (3) wellsites per section, with certain associated timing restrictions on “ground disturbing activity,” depending on the species of concern, range or roosting area present. See Exhibit A

7. Elk winter concentration areas are the only applicable “sensitive wildlife habitat” covering portions of the subject lands. See Exhibit B.

8. Upon granting Delta’s Application for such order, Delta will be excused from the consultation requirement under Rule 306.c with the Colorado Division of Wildlife with respect to its subsequently-filed Oil and Gas Location Assessments (Form 2A) on the subject lands. In effect, the requested COGCC Order functions as a Wildlife Mitigation Plan.

9. Delta acknowledges that it will remain subject to COGCC Rules 1203 (General Operating Requirements in Sensitive Wildlife Habitat and Restricted Surface Occupancy Areas); 1204 (Other General Operating Requirements); and, 1205 (Requirements in Restricted Surface Occupancy Areas).

Wherefore, Delta requests that the Commission grant its application to:

A. limit the number of well sites to no more than three (3) in each of Sections 6 and 7, Township 9 South, Range 92 West, 6th P.M., and further providing that ground disturbing activities are limited to no more than one (1) well site during the period of January 1 to March 31 in any year;

B. limit the number of well sites to no more than three (3) in each of Sections 12, 28 and 29, Township 9 South, 93 West, 6th P.M., and further providing that ground disturbing activities are limited to no more than one (1) well site during the period of January 1 to March 31 in any year;

C. limit the number of wellsites to a single location in Section 1, Township 8.5 South, Range 93 West, 6th P.M.; and,

D. excuse Delta from the consultation requirement with the Colorado Division of Wildlife with respect to Oil and Gas Location Assessments (Form 2A) for the subject lands (except as may be required under COGCC Rule 1205.a, should Delta desire to conduct new oil and gas development operations in a Restricted Surface Occupancy Area).

Respectfully submitted this 3rd day of February, 2010.

BEATTY & WOZNIAK, P.C.

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ATTORNEYS FOR DELTA PETROLEUM CORPORATION

VERIFICATION

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

Brian J. Macke of lawful age, being first duly sworn upon oath, deposes and says that he is Regulatory Compliance 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 his knowledge, information and belief.

By: _____
Brian J. Macke

Subscribed and sworn to before me this _____ day of February, 2010.

Witness my hand and official seal.

My commission expires: _____

Notary Public