

**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 FIVE (5) EXPLORATORY DRILLING
AND SPACING UNITS TOGETHER WITH WELL
DENSITY AND WELL LOCATION RULES FOR THE
MANCOS, NIOBRARA, FRONTIER, AND MOWRY
FORMATIONS ("MANCOS GROUP FORMATIONS")
FOR CERTAIN DESCRIBED LANDS IN THE
BUZZARD CREEK AND VEGA FIELD AREAS, MESA
COUNTY, COLORADO

CAUSE NO. _____

DOCKET NO. _____

APPLICATION

COMES NOW Delta Petroleum Corporation ("Applicant"), by its attorneys, Beatty & Wozniak, P.C., LLC, and makes application to the Colorado Oil and Gas Conservation Commission of the State of Colorado ("Commission") for an order establishing five (5) exploratory drilling and spacing units pursuant to C.R.S. 34-60-116(2), of varying sizes as detailed below, together with well density and well location rules for the Mancos, Niobrara, Frontier, and Mowry Formations ("Mancos Group Formations") covering certain described lands in the Buzzard Creek and Vega Field areas, Mesa County, Colorado and in support of its application states and alleges as follows:

1. That Applicant is duly authorized to conduct business in the State of Colorado.
2. That Applicant owns certain leasehold interests in a portion of the following five (5) proposed exploratory drilling and spacing units located in Mesa County, Colorado:

Township 9 South, Range 93 West, 6th P.M. ("DSU #1")

Section 20: S½

Section 29: ALL

Containing 960.00 acres, more or less.

Township 9 South, Range 93 West, 6th P.M. ("DSU #2")

Section 21: S½

Section 28: ALL

Containing 960.00 acres, more or less.

Township 9 South, Range 93 West, 6th P.M. ("DSU #3")

Section 22: S½ N½, S½

Section 27: ALL

Containing 1120.00 acres, more or less.

Township 9 South, Range 93 West, 6th P.M. ("DSU #4")

Section 23: ALL

Section 26: ALL

Containing 1280.00 acres, more or less.

Township 9 South, Range 93 West, 6th P.M. ("DSU #5")

Section 24: W½

Section 25: ALL

Containing 960.00 acres, more or less.

(hereinafter collectively referred to as "Application Lands")

3. Order No. 399-7, dated June 1, 2010, applies to Sections 28 and 29, Township 9 South, Range 93 West of the Application Lands. Order No. 399-7 limited the number of well sites to no more than three (3) in Sections 28 and 29, Township 9 South, Range 93 West of the Application Lands and restricts ground disturbing activities to no more than one (1) well site during the period of January 1 through March 31 in any year. Order No. 399-7 also provided that Delta Petroleum Corporation may file an application to vacate Order No. 399-7 if it determines additional well sites are necessary for the prevention of waste and for the maximum efficient recovery of the resource. Order No. 399-7 does not specifically limit the number of pads to the production of any certain formation, however, it can be assumed by the Order Nos. referenced in Order No. 399-7 that this well site limitation is only for production of hydrocarbons from the Williams Fork and Iles Formations.

4. The Application Lands are unspaced as to the Mancos Group Formations and are therefore governed by Rule 318.a. which established that a well to be drilled in excess of two thousand five hundred (2,500) feet in depth shall be located not less than six hundred (600) feet from any lease line, and shall be located not less than one thousand two hundred (1,200) feet from any other producible or drilling oil and gas well when drilling to the same common source of supply, unless authorized by order of the Commission upon hearing.

5. That a few wells have been drilled to the Mancos Group Formations in the general area of the Application Lands.

6. That to promote efficient drainage of the Mancos Group Formations in the Application Lands, Applicant requests that the Commission establish the five (5) exploratory drilling and spacing units pursuant to C.R.S. 34-60-116(2), as set forth in Paragraph 2 above, for the production of gas and associated hydrocarbons from the Mancos Group Formations. The size and shapes of the proposed drilling and spacing units vary in size due to the boundaries of the adjacent Buzzard Creek and Sheep Creek Federal Units.

7. That the well density for each of the five (5) drilling and spacing units set forth in Paragraph 2 for the Mancos Group Formations should be approved for the equivalent of one (1) well per ten (10) acres for the drilling of vertical and directional wells within each requested exploratory drilling and spacing unit and that the vertical and directional wells may be located downhole anywhere upon the Application Lands but no closer than 600 feet from the boundary of an established drilling and spacing unit, without exception being granted by the Commission.

8. That, as to the Application Lands, the Commission should approve the well locations for any horizontal well drilled within a respective exploratory drilling and spacing unit as being located anywhere on the surface within the respective exploratory drilling and spacing unit with the treated interval of the wellbore being located downhole anywhere upon the Application Lands but no closer than 600 feet from the boundary of an established drilling and spacing unit, without exception being granted by the Commission.

9. That, except as previously authorized by order of the Commission, the Commission should allow that all vertical, directional, or horizontal wells drilled within a respective exploratory drilling and spacing unit shall be located on a new, common, or existing well pad.

10. The granting of this application will not promote waste; will not violate correlative rights and will assure the greatest ultimate recovery of gas and associated hydrocarbon substances from the reservoir.

11. That the names and addresses of the interested parties according to the information and belief of the Applicant are set forth on Exhibit A attached hereto and made a part hereof.

WHEREFORE, Applicant respectfully requests that this matter be set for hearing in August 2011, that notice be given as required by law, and that upon such hearing this Commission enter its order consistent with Applicant's proposals as set forth above.

Dated this ____ day of June, 2011.

BEATTY & WOZNIAK, P.C.

By: _____
Michael J. Wozniak
Jamie L. Jost
Beatty & Wozniak, P.C.
Attorneys for Applicant
216 16th Street, Suite 1100
Denver, Colorado 80202

Applicant's Address

Delta Petroleum Corporation
370 17th St # 4300
Denver, CO 80202-5632

VERIFICATION

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

Paul M. Joeckel, of lawful age, being first duly sworn upon oath, deposes and says that he is a 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 his knowledge, information and belief.

Printed Name: _____
Title: Land Manager

Subscribed and sworn to before me this _____ day of June, 2011.

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 St., Suite 1700
Denver, CO 80202

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

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

Bureau of Land Management
Colorado State Office
Attn: Hank Szymanski
2850 Youngfield St.
Lakewood, CO 80215

Kent Kuster
Colorado Department of Public Health &
Environment
4300 Cherry Creek Drive South
Denver, CO 80246-1530

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

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

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

Laramie Energy II, LLC
Attn: Mark Petry
1512 Larimer Street, Suite 1000
Denver, CO 80202

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

Jon Holst
Colorado Division of Wildlife
6060 Broadway
Denver, CO 80216

Kim Kaal
Colorado Division of Wildlife
6060 Broadway
Denver, CO 80216

AFFIDAVIT OF MAILING

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

Jamie L. Jost of lawful age, and being first duly sworn upon her oath, states and declares:

That she is the attorney for Delta Petroleum Corporation, that on or before June ____, 2011, she caused a copy of the attached Application to be deposited in the United States Mail, postage prepaid addressed to the parties listed on Exhibit A to the Application.

Jamie L. Jost

Subscribed and sworn to before me June ____, 2011.

Witness my hand and official seal.

My commission expires:

Notary Public