

LETTER AGREEMENT

THIS LETTER AGREEMENT ("Agreement") dated effective this 19 day of March, 2010, is made by and between Douglas M. Hall and Joann M. Hall whose legal address is 1145 18 Road, Grand Junction, CO 81521, hereinafter referred to as "Grantor," and Delta Petroleum Corporation, whose legal address is 370 Seventeenth St., Suite 4300, Denver, Colorado 80202, hereinafter referred to as "Delta."

WHEREAS, Grantor owns the surface to the following described property located in Mesa County, Colorado:

SEE EXHIBIT "A" ATTACHED HERETO

(hereinafter called the "Property"); and

WHEREAS, the Predecessor in Title executed that certain Surface Use, Access and Right-Of-Way Agreement with Mesa Hydrocarbons Inc., dated January 12, 2001 covering the above described property and providing among other things, that the pads can be expanded for drilling and producing additional wells subject to notification and surface use Agreement for new operations. This agreement was transitioned and conveyed to Grantor by Warranty Deed dated December 30, 2003 conveying the interest in said lands to Grantor.

WHEREAS, effective March 1, 2008 Delta acquired an undivided interest in the Buzzard Creek Lease Hold and associated Lease Hold Agreements apparent thereto including and but not limited to the agreement described above, Delta has been designated Operator of the leases and plans future drilling.

WHEREAS, Delta intends to expand current surface well pad located on the Property estimated to be approximately one acre in size and increase the pad's size to approximately 2 acres to accommodate the drilling and production of additional wells. The pad's name will be revised to pad BC12B located in the NENW Section 12, T9S, R93W 6 PM.

NOW THEREFORE, for and in consideration of the covenants and agreement herein contained, and other good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, the parties hereto agree to amend the terms and conditions of the Surface Use, Access and Right-of-Way Agreement dated January 12, 2001 as follows:

- 1) **Surface Damages:** With respect to the contemplated pad expansion and new wells drilled the terms and conditions of that certain Surface Use, Access and Right-of-Way Agreement dated January 12, 2001, shall be modified and provide that Delta agrees to pay Grantor for damages and inconvenience resulting from Delta's use of approximately 3 acres for the construction of the expanded well pad location, pipelines and road access right-of-way along with drilling and operating multiple wells, a payment of [REDACTED] per well due to Grantor not less than 15 days prior to the commencement of the construction of said pad expansion. Also as described in the Surface Use Agreement Grantor shall be paid annually for the continued use of the above described lands the sum of [REDACTED] per surface location, and the sum of [REDACTED] per rod for access road. This Annual Payment shall resume on the 1st anniversary date of the year in which payment was made for surface damages described above.
- 2) **Gates:** Delta and Grantor acknowledge the necessity for a locked gate at the entrance of the property and that Grantor has been provided a combination of Delta's lock existing on the gate so to prevent any inconvenience to Grantor. The gate shall be kept locked at all times, except during actual drilling and completion operations or at such time Delta is working on the lease then during those times the gate may remain unlocked but closed. In the event it is determined that Delta failed to lock the gate then upon being notified by Grantor Delta agrees to pay a penalty of [REDACTED] for the first violation. To deter future violations the [REDACTED] penalty shall be increased in [REDACTED] increments resulting in a [REDACTED] penalty for the second violation, [REDACTED] penalty for the third violation or in other words the penalty for each subsequent violation will equal [REDACTED] more than the previous penalty.

- 3) **Snow Plowing:** At such time the pad is expanded and a new well is drilled thereon and Delta deems it necessary to plow and remove snow so to access said well then Delta agrees to also plow and remove snow from the access road to Grantors house located on the property.
- 4) **Proposed pad** is located in close proximity to Grantors cabin. In the event drilling operations occur during the time of year when Grantor is utilizing this cabin Delta agrees to pay ~~One Hundred Dollars (\$100)~~ for each day the drilling rig is on location and drilling is under way disrupting Grantors use of the cabin. By example if a drilling rig is on location and drilling for a total of 10 days of which three of the ten days occurred over a weekend or time period when Grantor normally would be utilizing its cabin then Delta would pay ~~Three Hundred Dollars~~ for the drilling inconvenience.
- 5) **Proposed Drilling:** Delta proposes to drill one additional well on this pad on or before June 1, 2011 and Grantor's have planned certain activities on or near the well pad on certain dates during this period. Because the proposed drilling operations will be disruptive to Grantors planned activities Delta agrees not to commence or conduct drilling operations on the pad June 23rd through the 28th, 2010 and certain dates to be determined during the 2010 Big Game hunting season. On or before ninety (90) days prior to opening day of the first hunting season Grantor shall contact Delta and provide the specific dates of planned activities during 2010 Big Game Hunting Season.
- 6) **Reclamation:** The following areas shall be exempted from the interim reclamation requirements (except for weed control) set forth herein: i) the driving surface and bar ditches of the Road, and ii) the production area at the Wellpad. Each area of surface disturbance which is not included in the exempted areas and is no longer necessary for drilling operations shall be restored as near to its original condition as practicable by Delta in the following manner:
 - A) the disturbed area shall be ripped and recontoured to conform with existing grade and no recontoured slope shall exceed a grade of five linear feet to one foot in elevation;
 - B) weed free topsoil shall be replaced on the disturbed area to a quality and depth which meet its original condition, as near as practicable;
 - C) the disturbed area shall be revegetated utilizing a weed free seed mixture, application rate, timing and reseeding method pre-approved by the Grantor. If vegetation comparable to the original condition of the site is not established, such reseeding shall be continued until such vegetation is established;
 - D) foreign substances and unnecessary equipment shall be removed from each disturbed area;
 - E) erosion resulting from Delta's operations shall be adequately controlled and remediated; and
 - F) noxious weeds shall be fully and adequately controlled on such disturbed areas of the Property. No foreign soil or seed from off the Property shall be used on the Property unless such soil or seed is weed free. Such interim reclamation shall be commenced by Delta within one (1) year (weather permitting) of the final rig release from the Wellpad unless otherwise agreed to by Grantor and Delta,

G) a bond or letter of credit in the amount of ~~Five Thousand and 00/100 Dollars~~ ~~\$5,000.00~~ shall be secured by Delta not less than 15 days prior to the commencement of the construction to securitize the reclamation described above. Upon completion of said reclamation to Grantors satisfaction which said approval shall not be unreasonably withheld, Grantor agrees to release said bond or letter of credit.

7) **Enforcement Costs:** If Delta defaults under this Agreement, Delta shall pay all costs and expenses, including reasonable attorney's fee, incurred by Grantor in enforcing this Agreement.

IN WITNESS WHEREOF, the parties hereto have executed this Letter Agreement this 14 day of March 2010.

By: Douglas M. Hall
Douglas M. Hall

By: Joann M. Hall
Joann M. Hall

DELTA PETROLEUM CORPORATION

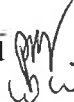
By: Wayne Wise
Wayne Wise, Piceance Area Team Lead 

EXHIBIT "A"

Township 9 South, Range 93 West, 6th PM

That portion of the northeast one quarter and the northwest one quarter of Section 12, Township 9 South Range 93 West of the Sixth Principal Meridian, County of Mesa, State of Colorado, described as follows:

BEGINNING at a BLM aluminum cap, at the northeast corner of the northwest one quarter of the northeast one quarter of Section 12;

Thence S 02°30'30" W, along the east line of said northwest one quarter of the northeast one quarter, a distance of 798.84 feet;

Thence N 85°56'36" W departing said line, a distance of 151.40 feet;

Thence S 48°37'26" W a distance of 1237.35 feet;

Thence S 70°42'56" W a distance of 207.34 feet;

Thence N 81°34'45" W a distance of 865.71 feet;

Thence N 33°05'23" E a distance of 266.51 feet;

Thence N 40°59'53" E a distance of 343.93 feet;

Thence N 18°43'29" E a distance of 358.13 feet;

Thence N 07°03'27" E a distance of 416.77 feet;

Thence N 19°31'44" E a distance of 346.20 feet;

Thence N 17°58'12" E a distance of 572.89 feet, more or less, to the north line of the northwest one quarter of said Section 12;

Thence S 87°22'29" E, along said line, a distance of 595.64 feet, more or less, to a BLM aluminum cap for the northwest corner of the northeast one quarter of said Section 12;

Thence S 54°19'10" E, continuing along said north line, a distance of 913.21 feet to the POINT OF BEGINNING.

Containing 66.415 acres of land more or less.