

**STATE OF NEW MEXICO
DEPARTMENT OF ENERGY, MINERALS AND NATURAL RESOURCES
OIL CONSERVATION DIVISION**

**IN THE MATTER OF THE HEARING CALLED
BY THE OIL CONSERVATION DIVISION FOR
THE PURPOSE OF CONSIDERING:**

**APPLICATION OF DELAWARE ENERGY, LLC
FOR AUTHORIZATION TO INJECT SALT WATER
FOR PURPOSES OF DISPOSAL THROUGH ITS
PROPOSED BEAR TRAP SWD #1 WELL, EDDY
COUNTY, NEW MEXICO.**

CASE NO. 16258

Consolidated for purposes of hearing with

**APPLICATION OF DELAWARE ENERGY, LLC
FOR AUTHORIZATION TO INJECT SALT WATER
FOR PURPOSES OF DISPOSAL THROUGH ITS
PROPOSED GIANT PANDA SWD #1 WELL, EDDY
COUNTY, NEW MEXICO.**

CASE NO. 16259

Consolidated for purposes of hearing with

**APPLICATION OF DELAWARE ENERGY, LLC
FOR AUTHORIZATION TO INJECT SALT WATER
FOR PURPOSES OF DISPOSAL THROUGH ITS
PROPOSED GRIZZLY SWD #1 WELL, EDDY
COUNTY, NEW MEXICO.**

CASE NO. 16260

AFFIDAVIT OF BRANDON GIANFALA

Brandon Gianfala, of lawful age and being first duly sworn, declares as follows:

1. My name is Brandon Gianfala and I am a contract employee at Delaware Energy, LLC ("Delaware") as a Landman.
2. I graduated from Stephen F. Austin University with a B.B.A. in 1999. After graduation, I worked as a Landman. My job responsibilities included researching title,

negotiating Oil and Gas Leases, and drafting agreements. I was hired by Delaware in 2018, as a Landman for the Delaware Basin.

3. I am familiar with the applications filed by Delaware in these consolidated cases and I am familiar with the status of the lands in the subject areas and, in particular, within the one-mile areas of review around each proposed salt water disposal well.

4. I am also familiar with the testimony given before the Hearing Examiner in these cases on November 13, 2018.

5. In light of that testimony, I analyzed the fee interests within the one-mile areas of review around the proposed salt water disposal wells in Case Nos. 16258 and 16260. In my analysis I reviewed the land records for Eddy County, as well as the Oil Conservation Division records and files available on its online database.

6. In my review and analysis of these records, I confirmed that Featherstone Development Corporation assigned its interests in the fee leases within the area of review in Case No. 16258, and the fee leases within the area of review in Case No. 16260 to MRC Permian Company in 2013.

7. I also determined that MRC Permian Company's leasehold interest in the fee leases, (located in S/2 SW/4 Section 3, T24S-R27E), within the area of review in Case No. 16258 lapsed due to lack of development of the tract within the initial term of the lease. Consequently, the interest in those leases reverted to Foundation Minerals, LLC, Mavros Minerals, LLC, and Oak Valley Mineral and Land, L.P. (collectively, "Foundation Minerals Group") as the Foundation Minerals Group had purchased the mineral interests from the owners and Lessors in the Featherstone Leases. Accordingly, Foundation Minerals Group, not

Featherstone Development Company or MRC Permian Company, is the correct notice party in Case No. 16258.

8. I also determined that MRC Permian Company's leasehold interest in the fee leases within the area of review in Case No. 16260 remains active and is being held by production from the David Edelstein State Com #203H well (API# 30-015-44682).

9. In addition to the foregoing, I determined that Caza Petroleum is a leasehold operator within the area of review in Case No. 16260. Caza Petroleum was not previously given notice of that application and hearing.

10. I provided the law firm of Holland & Hart, LLP a list of names and addresses for the updated affected persons I identified in my review and instructed that they be notified of the continuation of this hearing on December 20, 2018.

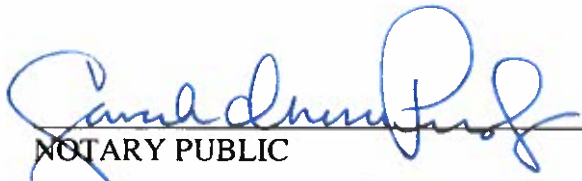
FURTHER AFFIANT SAYETH NOT.



Brandon Gianfala

STATE OF TEXAS)
)
COUNTY OF MIDLAND)

SUBSCRIBED and SWORN to before me this 14th day of December 2018 by
Brandon Gianfala.



NOTARY PUBLIC

My Commission Expires:

2/28/2022

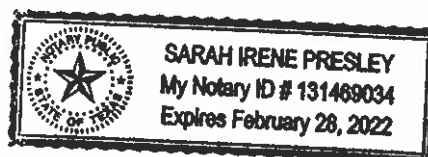


EXHIBIT A

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EXHIBIT A