

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

**APPLICATIONS OF SELECT WATER SOLUTIONS, LLC
FOR APPROVAL OF SALTWATER DISPOSAL WELLS,
LEA COUNTY, NEW MEXICO.**

**CASE NOS. 25547, 25548,
25899 & 25900**

ORDER DENYING MOTION FOR RECONSIDERATION

This matter comes before the Hearing Examiner on Pilot Water Solutions SWD, LLC's ("Pilot") Motion for Reconsideration of Order Granting Select's Motion to Strike Pilot's Entry of Appearance and Objection. Having reviewed the Motion, the Response in Opposition filed by Select Water Solutions, LLC ("Select"), and the supporting exhibits, the Hearing Examiner finds and concludes as follows:

1. Standard for Reconsideration

Reconsideration is an extraordinary remedy intended to correct clear error, prevent manifest injustice, or address newly discovered evidence that was previously unavailable despite due diligence.

2. Failure to Establish Expert Qualifications

Pilot's Motion relies heavily on the "material technical evidence" and "special expertise" of its witnesses, David Grounds and Ankush Gupta. However, the record reveals significant procedural deficiencies:

- Both witnesses acknowledge they have not previously testified before the Division and their qualifications have not been accepted as a matter of record.
- While both statements declare that a "copy of my current resume is attached," no such Curriculum Vitae (CV) or resume was included in the filed materials.
- Without these credentials, the Division cannot verify the expertise necessary to satisfy the "substantial contribution" requirement for intervention under 19.15.4.11(C) NMAC.

3. Jurisdiction and the Scope of the Oil and Gas Act

Pilot's primary grievance concerns operational pressure interference and a reduction in disposal capacity for its facilities located in Texas. The Hearing Examiner finds Select's jurisdictional argument persuasive:

- A.** The Oil and Gas Act defines "waste" and "correlative rights" specifically in the context of the recovery of "crude petroleum oil or natural gas".
- B.** Pilot has not alleged that Select's proposed New Mexico wells will reduce the ultimate recovery of hydrocarbons; rather, Pilot seeks to protect its commercial disposal capacity and operational flexibility in a foreign jurisdiction.
- C.** The Division's statutory mandate to protect correlative rights does not extend to the protection of commercial saltwater disposal capacity for a market competitor operating outside the state's borders.

4. Distinguishing Recent Precedent

Pilot's reliance on Case No. 24491 (Empire New Mexico, LLC) is misplaced. In that matter, the intervenor was an oil and gas producer seeking to protect the recoverability of hydrocarbons within a unitized interval. Here, Pilot is a commercial disposal operator with no New Mexico mineral interests at stake.

5. Procedural Finality

Pilot concedes it is not an "affected person" entitled to mandatory notice, as it does not operate within the half-mile Area of Review. The evidence proffered — including Texas Railroad Commission monitoring reports — was in Pilot's possession or publicly available prior to the entry of the Strike Order and does not constitute "newly discovered" evidence.

ORDER

IT IS THEREFORE ORDERED THAT:

- I. Pilot Water Solutions SWD, LLC's Motion for Reconsideration is hereby **DENIED**.
- II. The Division's prior order granting Select Water Solutions, LLC's Motion to Strike remains in full force and effect.

DATED: February 25, 2026

Gregory Chakalian
GREGORY CHAKALIAN
HEARING EXAMINER