

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

**FOR THE CONSIDERATION OF:**

**APPLICATION OF SELECT WATER  
SOLUTIONS, LLC FOR APPROVAL  
OF SALTWATER DISPOSAL WELL,  
LEA COUNTY, NEW MEXICO**

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

**APPLICATION FOR HEARING DE NOVO, REQUEST FOR LIMITED EVIDENTIARY  
HEARING, AND MOTION FOR STAY OF PROCEEDINGS**

Desert Ram South Ranch, Inc. (“Desert Ram”), by and through undersigned counsel, respectfully submits this Application for Hearing De Novo pursuant to NMSA 1978 § 70-2-13 and the Oil Conservation Division’s procedural rules. This Application seeks review of the Hearing Examiner’s February 5, 2026 Order granting Select Water Solutions, LLC’s Motion to Strike Desert Ram’s Entry of Appearance and Notice of Intervention and excluding Desert Ram from participation in the above-captioned proceedings (attached as Exhibit A).

For the reasons set forth below, the Order rests on a misapplication of the Division’s standing rules, resolves disputed factual questions without any evidentiary record and improperly requires Desert Ram to prove subsurface impacts before being allowed to participate in the proceeding evaluating those impacts.

**I. INTRODUCTION**

This appeal concerns whether a groundwater-right holder whose agricultural operations depend on the aquifer underlying the township in which high-volume produced water disposal wells are proposed may be categorically excluded from the permitting process without any opportunity to present evidence regarding its protectable groundwater interests.

Desert Ram sought to intervene in proceedings involving four proposed saltwater disposal wells that will inject large volumes of produced water, collectively up to 80,000 barrels per day, into shallow formations, all in the same township where Desert Ram operates ranching and agricultural operations dependent on groundwater.

The Hearing Examiner struck Desert Ram’s intervention on grounds that Desert Ram is not an “affected person” within the Division’s notice radius and therefore lacks standing.

That ruling rests on three fundamental legal errors:

1. the Order collapses the Division's notice provisions into a categorical standing rule not contained in the Division's regulations;
2. the Order resolves disputed factual issues regarding Desert Ram's groundwater interests without permitting any evidentiary record; and
3. the Order effectively requires Desert Ram to prove hydrogeologic connectivity and subsurface impact before being allowed to participate in the proceeding designed to evaluate those technical questions.

Each of these errors independently warrants reversal of the standing determination.

After issuance of the Order, Desert Ram submitted sworn evidence identifying its groundwater wells and water rights and requested a limited evidentiary hearing on standing, but the Hearing Examiner declined to allow any factual development on the issue. The Commission should reverse the Order or, at minimum, allow a limited evidentiary hearing so that the standing question may be resolved based on a complete factual record.

## **II. JURISDICTION AND AUTHORITY**

The Commission has authority to review the Hearing Examiner's Order at this stage. Section 70-2-13 NMSA 1978 authorizes the Commission to conduct de novo review of adverse decisions rendered in matters referred to the Division. The Hearing Examiner's order striking Desert Ram's intervention conclusively determines Desert Ram's ability to participate in the proceedings and therefore constitutes an adverse decision subject to Commission review.

In addition, Section 70-2-6(B) grants the Commission concurrent jurisdiction to hear any matter arising under the Oil and Gas Act at any stage of the proceedings when necessary to ensure proper administration of the Act and protection of correlative rights and environmental interests.

Moreover, during the February 5, 2026 hearing, the Hearing Examiner expressly stated on the record that Desert Ram could appeal the standing determination to the Commission. Desert Ram has relied on that representation in filing this Application.

## **III. THE APPEAL IS PROPERLY BEFORE THE COMMISSION UNDER THE COLLATERAL ORDER DOCTRINE**

Independent of the Commission's statutory authority under the Oil and Gas Act, this appeal is properly before the Commission under the Collateral Order Doctrine.<sup>1</sup>

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<sup>1</sup>See *Carrillo v. Rostro*, 1992-NMSC-054, 114 N.M. 607 P.2d 130.

The Hearing Examiner's denial of standing constitutes an interlocutory order that satisfies the well-established criteria for collateral review. The Order:

1. Conclusively determines a disputed question, namely whether Desert Ram may participate in the proceeding;
2. Resolves an issue completely separate from the merits of the underlying saltwater disposal applications; and
3. Would be effectively unreviewable after final agency action, because once the record closes and the Division issues a final decision, Desert Ram will have been permanently excluded from the proceeding and deprived of any opportunity to present evidence regarding its groundwater interests.

The collateral order doctrine exists precisely to prevent the irreparable loss of substantial rights through deferral of review. Here, the denial of standing forecloses Desert Ram's participation entirely and therefore cannot be meaningfully remedied after the administrative record is closed.

Accordingly, even if the Order were characterized as interlocutory, it is immediately reviewable because it conclusively determines Desert Ram's right to participate and would otherwise evade effective review.

#### **IV. A STAY IS NECESSARY TO PREVENT IRREPARABLE HARM**

Absent a stay, the underlying proceedings may reach a decision before the Commission resolves the standing issue. If that occurs, the administrative record will close without Desert Ram having any opportunity to present evidence regarding its groundwater wells, water rights, and reliance on the aquifer underlying the proposed injection operations.

Once the record closes, Desert Ram's exclusion from the proceeding cannot be cured through later review. The loss of the opportunity to develop and present evidence regarding legally protected groundwater interests constitutes irreparable procedural harm.

A stay will preserve the status quo while the Commission resolves this appeal. The requested stay will not interrupt existing operations and will ensure that the Commission can conduct meaningful review of the standing determination while safeguarding the public interest in the protection of freshwater resources and the lawful application of the Division's standing rules.

A stay is also appropriate to preserve administrative efficiency. If the Division proceeds to final decision while this appeal is pending and the Commission later determines that Desert Ram was improperly excluded, the Commission may be required to reopen the administrative record and remand

the matter for additional proceedings. Temporarily maintaining the status quo while the Commission resolves the threshold standing issue avoids the risk of duplicative proceedings and unnecessary expenditure of agency resources.

For these reasons, the balance of equities strongly favors maintaining the status quo while the Commission resolves this appeal.

## **V. DESERT RAM'S LEGALLY PROTECTED INTERESTS**

Desert Ram owns and operates agricultural lands within the same township in which Select proposes to construct four high-volume saltwater disposal wells.

Desert Ram's ranching operations depend on groundwater drawn from the aquifer underlying that township pursuant to valid New Mexico groundwater permits and water rights, including permits CP-1728, CP-4239, CP-4241, CP-465, CP-1170, CP-1263, and CP-1351.

Desert Ram operates numerous groundwater wells associated with those rights, including wells identified as J-3, J-4, J-25/26, J-33-L, J-34-L, and J-35-L. These water rights and wells constitute legally protected property interests essential to Desert Ram's agricultural operations.

The aquifer supplying Desert Ram's wells is a laterally continuous groundwater system underlying the township in which the proposed disposal wells will operate and that necessarily overlies the proposed injection intervals.

Select's own reservoir modeling indicates that sustained injection operations may produce pressure propagation up two miles from the wellbore over the life of the wells.<sup>2</sup>

Because Desert Ram's groundwater wells draw from the same aquifer system potentially affected by the proposed injection operations, impairment of groundwater quality or pressure conditions within that aquifer would directly affect Desert Ram's water rights and agricultural operations.

## **VI. THE HEARING EXAMINER MISAPPLIED THE DIVISION'S STANDING RULES**

### **A. The Order Improperly Treats Notice Radius as a Standing Limitation**

The Order concludes that Desert Ram lacks standing because it is not an "affected person" within the meaning of the Division's notice provisions.<sup>3</sup>

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<sup>2</sup> See Select Water Solutions, LLC, Applications for Disposal Wells, Case Nos. 25547, 25548, 25899 & 25900, Reservoir Modeling / Area-of-Review Analysis (Exhibit B).

<sup>3</sup> See Hearing Examiner's Order Granting Motion to Strike Entry of Appearance and Notice of Intervention, Case Nos. 25547, 25548, 25899 & 25900, at 6–7 (Feb. 5, 2026)

The Division's rules do not support that conclusion. The notice provisions in 19.15.26 NMAC define who must receive mandatory notice of an application. They do not define or limit who may demonstrate standing or intervene in an adjudicatory proceeding.

By contrast, the Division's intervention rule expressly allows participation where a person demonstrates standing or where participation may contribute substantially to the protection of public health, the environment, or correlative rights.

Treating the notice radius as a categorical standing limitation improperly conflates two distinct regulatory concepts.

### **B. The Order Resolves Disputed Facts Without Any Evidentiary Record**

The Order concludes that Desert Ram failed to identify groundwater wells or water rights demonstrating a nexus to the proposed operations.

However, that conclusion was reached before Desert Ram was afforded any opportunity to present sworn evidence or testimony regarding its groundwater wells and water rights.

Standing determinations are inherently fact-specific and should not be resolved without development of a factual record.

### **C. The Order Improperly Requires Expert Proof at the Standing Stage**

The Order further concludes that Desert Ram lacked standing because it did not present "site-specific hydrogeologic data" demonstrating aquifer connectivity.<sup>4</sup>

That requirement improperly collapses the standing inquiry into the merits of the application. Standing does not require a proposed intervenor to marshal expert hydrogeologic analysis before participation in the proceeding is permitted. Rather, the question is whether the party holds legally protected interests plausibly exposed to risk.

Here, Desert Ram demonstrated groundwater reliance within the township where injection operations will occur and that Select's own modeling anticipates pressure effects extending far beyond the notice radius. Requiring expert proof at the standing stage improperly resolves technical uncertainty against the interest holder most exposed to potential harm.

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<sup>4</sup> See Hearing Examiner's Order Granting Motion to Strike Entry of Appearance and Notice of Intervention, Case Nos. 25547, 25548, 25899 & 25900, at 7–8 (Feb. 5, 2026).

#### **D. Desert Ram Falls Squarely Within the Statutory Zone of Interests**

The Legislature has expressly directed the Division to regulate produced water disposal by injection “in a manner that protects public health, the environment and freshwater resources.” NMSA 1978 §70-2-12(A)(15).

Desert Ram’s groundwater rights and agricultural operations depend on the aquifer underlying the township in which the proposed injection wells will operate. Protection of groundwater resources is therefore not a generalized public concern for Desert Ram but a matter directly affecting its legally protected property interests.

Because the statutory framework governing underground injection expressly prioritizes the protection of freshwater resources, groundwater right holders relying on the affected aquifer fall squarely within the zone of interests the statute seeks to protect.

Excluding a groundwater-right holder from participation in proceedings evaluating injection operations that may affect that aquifer is inconsistent with the statutory purposes of the Oil and Gas Act and the Division’s delegated responsibilities under the federal Underground Injection Control program.

#### **VII. THE HEARING EXAMINER DECLINED TO ALLOW ANY FACTUAL DEVELOPMENT**

Following issuance of the Order, Desert Ram filed a Motion for Reconsideration (attached as Exhibit B) identifying its specific groundwater interests and submitting sworn evidence through the Self-Affirmed Statement of Tim Jurco.

The Jurco affidavit identified Desert Ram’s groundwater wells, water rights, and reliance on the aquifer underlying the township in which the proposed wells will operate (a copy of the Self-Affirmed Statement of Tim Jurco submitted with Desert Ram’s Motion for Reconsideration is included in Exhibit B). Desert Ram also requested a limited evidentiary hearing on standing.

The Hearing Examiner nevertheless denied reconsideration and again declined to allow any evidentiary development on the standing issue. Standing does not require a groundwater-right holder to prove that contamination or pressure migration will occur before participation is permitted. Requiring such proof effectively collapses the merits inquiry into the threshold standing determination.

#### **VIII. SUBSURFACE UNCERTAINTY FURTHER DEMONSTRATES THE NEED FOR PARTICIPATION**

Operational experience in the Permian Basin further demonstrates that the risks associated with shallow, high-volume disposal injection are not merely theoretical. Recent investigations and reporting have documented instances in which wastewater injection pressure migrated through faults or legacy

wellbores, resulting in surface blowouts, ground deformation, and other unexpected pressure effects in the basin.<sup>5</sup> Desert Ram does not cite these examples to suggest that such impacts will necessarily occur here, but rather to illustrate that the potential for pressure migration, fracture communication, and interaction with legacy penetrations is well recognized in the region.

This concern is reinforced by the Division's own acknowledgement of subsurface uncertainty in the Delaware Mountain Group. In approving disposal wells in the Bell and Cherry Canyon formations, the Division noted that there is limited subsurface information regarding faulting and fracture systems within the Delaware Mountain Group and that additional information was needed to better evaluate formation parting pressure and subsurface behavior.<sup>6</sup>

Select's applications likewise acknowledge reservoir modeling indicating that sustained injection operations may produce pressure propagation approaching approximately two miles from the wellbore over the life of the wells.<sup>7</sup>

Taken together, these factors demonstrate that Desert Ram's concerns regarding pressure migration and aquifer protection arise from the same subsurface uncertainties recognized by regulators and reflected in Select's own modeling. At minimum, they demonstrate that Desert Ram's groundwater interests are plausibly exposed to risk and that the issue of standing should not have been resolved without development of an evidentiary record.

## **IX. REQUEST FOR LIMITED EVIDENTIARY HEARING**

At minimum, the Commission should allow a limited evidentiary hearing on standing so that the issue can be resolved based on a complete factual record rather than assumptions regarding Desert Ram's groundwater interests.

Such a hearing would be narrowly confined to:

- Desert Ram's groundwater wells and water rights;
- Desert Ram's reliance on the aquifer underlying the proposed injection operations; and
- the spatial relationship between Desert Ram's interests and the pressure propagation modeled in Select's applications.

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<sup>5</sup> See Smye et al., *Investigation of Oil Well Blowouts Triggered by Wastewater Injection in the Permian Basin*, Geophysical Research Letters (2024); Mose Buchele, *Scientists link Permian Basin wastewater injection to well blowouts*, Texas Tribune (Aug. 7, 2024) (reporting research showing wastewater migrating through faults and legacy wellbores and erupting through previously plugged wells in the Permian Basin; Mike Soraghan, *Fracking Waste Threatens Permian Basin Water Supplies*, E&E News (2024) (reporting that regulators have raised concerns about disposal wells approved in shallower formations in the Permian Basin and associated risks including pressure buildup and ground deformation).

<sup>6</sup> Commission Order No. R-23087 (Mar. 5, 2024), Findings ¶¶ 40–42.

<sup>7</sup> See Select Applications, Case Nos. 25547, 25548, 25899 & 25900 (Appendix B and related supporting materials).

## X. MOTION FOR STAY

The underlying applications are currently under consideration by the Division. Absent a stay, the Division may issue a decision before the Commission resolves this appeal. If that occurs, the administrative record will close without Desert Ram having any opportunity to present evidence regarding its groundwater interests.

A stay will preserve the Commission's ability to conduct meaningful review and avoid the possibility that the proceedings must later be reopened if the Commission determines that Desert Ram was improperly excluded.

Alternatively, if the Commission declines to stay the proceedings, Desert Ram requests that the Commission retain jurisdiction and direct that any final decision of the Division be held in abeyance pending resolution of this appeal.

## XI. REQUESTED RELIEF

In short, the Order denies a groundwater-right holder any opportunity to participate in proceedings evaluating high-volume disposal injection occurring in the same township where that groundwater is relied upon. The Division's rules do not require a property owner to prove hydrogeologic connectivity before participation is allowed, and the refusal to permit even limited factual development improperly resolved technical uncertainty against the party most exposed to potential harm. Therefore, Desert Ram respectfully requests that the Commission:

1. Accept jurisdiction and conduct de novo review of the Hearing Examiner's Order;
2. Reverse the standing determination and recognize Desert Ram as a party; or
3. Alternatively, remand the matter for the limited purpose of developing a factual record on standing;  
and
4. Stay further action on the underlying applications or hold any final Division decision in abeyance pending resolution of this appeal.

Respectfully Submitted,

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### CERTIFICATE OF SERVICE

I hereby certify that on March 7, 2026, I served a copy of the foregoing document to the following counsel of record via Electronic Mail to:

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

**IN THE MATTER OF THE APPLICATION OF  
SELECT WATER SOLUTIONS, LLC  
FOR APPROVAL OF A SALTWATER DISPOSAL WELL  
LEA COUNTY, NEW MEXICO**

**Case No. 25548, 25899, 25900**

**ORDER GRANTING SELECT WATER SOLUTIONS, LLC'S  
MOTION TO STRIKE DESERT RAM SOUTH RANCH, INC.'S  
ENTRY OF APPEARANCE, NOTICE OF INTERVENTION,  
AND OBJECTION TO PROCEEDINGS BY AFFIDAVIT**

**THIS MATTER** comes before the Hearing Examiner on Select Water Solutions, LLC's ("Select") Motion to Strike the Entry of Appearance, Notice of Intervention, and Objection filed by Desert Ram South Ranch, Inc. ("Desert Ram"). The Hearing Examiner, having reviewed the Motion, Desert Ram's filings, the administrative record, the Oil and Gas Act, and the applicable Oil Conservation Division ("Division") regulations, and being otherwise sufficiently advised, makes the following Findings of Fact and Conclusions of Law.

**FINDINGS OF FACT**

1. Select filed an Application in Case No. 25547 seeking approval of a saltwater disposal ("SWD") well in Lea County, New Mexico.
2. Notice of the Application was provided in accordance with Division rules to all persons designated as affected persons under 19.15.26.8 NMAC.
3. Desert Ram entered an appearance and sought to intervene asserting an objection to the matter proceeding by affidavit.
4. Desert Ram is a surface lessee of lands located approximately two miles from the proposed SWD well.
5. Desert Ram does not own, lease, or operate the mineral estate underlying the proposed SWD well or any tract within the one-half mile Area of Review applicable to the Application.

6. Desert Ram does not operate any oil, gas, or saltwater disposal wells within the Area of Review established by Division rules.
7. Desert Ram does not allege ownership or operation of any groundwater wells located within the Area of Review for the proposed SWD well.
8. Desert Ram asserts generalized concerns regarding shallow injection, potential groundwater impairment, surface uplift, and possible communication with historic or unidentified wells.
9. Desert Ram has not identified any site-specific hydrogeologic data, mapped groundwater flow paths, injection interval-to-aquifer connectivity, wellbore locations, or other technical evidence demonstrating that the proposed SWD well presents a concrete or imminent risk to Desert Ram's surface or groundwater interests.
10. Desert Ram did not receive direct notice of the Application because it does not meet the definition of an affected person under Division rules.
11. The Division routinely evaluates groundwater protection, injection depth, confining zones, and well integrity as part of its technical review of SWD applications.
12. The Division has previously declined to allow intervention by parties whose asserted interests are remote, speculative, or untethered to a legally protected interest within the applicable Area of Review.

### **CONCLUSIONS OF LAW**

1. The Hearing Examiner has jurisdiction over the subject matter and the parties pursuant to the New Mexico Oil and Gas Act, NMSA 1978, §§ 70-2-1 et seq.
2. Under 19.15.26.7 and 19.15.26.8 NMAC, affected persons entitled to notice and participation in saltwater disposal proceedings are limited to operators, lessees, or mineral interest owners on tracts located within one-half mile of the proposed well.
3. Desert Ram does not qualify as an affected person under 19.15.26 NMAC and therefore has no right to the status of "Party" based on the Division's notice provisions.
4. To establish standing in a Division adjudicatory proceeding, a proposed Party must demonstrate a concrete and particularized injury to a legally protected interest that is actual or imminent, not conjectural or hypothetical.

5. Generalized concerns regarding groundwater impairment or surface effects, without site-specific evidence demonstrating a plausible causal connection to the proposed injection operations, are insufficient to establish standing.
6. Ownership or leasehold of surface lands outside the Area of Review, without a demonstrated nexus between the proposed SWD well and a specific, legally protected surface or groundwater interest, does not confer standing.
7. Although the Division has statutory authority to protect public health, the environment, and freshwater resources, that authority does not eliminate or supersede the standing and intervention requirements set forth in the Division's rules.
8. Pursuant to 19.15.4.11(C) NMAC, the Division may, in its discretion, allow intervention by a person whose participation will *contribute substantially* to the prevention of waste or the protection of public health, the environment, or correlative rights.
9. Desert Ram has not demonstrated that its participation would contribute substantially to the Division's statutory duties, as its objections do not present technical, regulatory, or factual issues beyond those already addressed through the Division's permitting and review process.
10. Allowing intervention based solely on speculative surface or groundwater concerns, untethered to a direct interest within the Area of Review or supported by site-specific evidence, would undermine the Division's established standing framework and expand intervention beyond that contemplated by the rules.

**IT IS THEREFORE ORDERED** that:

1. Select Water Solutions, LLC's Motion to Strike Desert Ram South Ranch, Inc.'s Entry of Appearance, Notice of Intervention, and Objection is GRANTED.
2. Desert Ram South Ranch, Inc.'s filings are hereby STRICKEN from the record in Case No. 25547.
3. Desert Ram South Ranch, Inc. shall not be deemed a party to this proceeding.
4. This matter shall proceed without further participation by Desert Ram South Ranch, Inc.

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Hearing Examiner  
Oil Conservation Division

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

**IN THE MATTER OF THE APPLICATION OF  
SELECT WATER SOLUTIONS, LLC  
FOR APPROVAL OF A SALTWATER DISPOSAL WELL  
LEA COUNTY, NEW MEXICO**

**Case No. 25547**

**ORDER GRANTING SELECT WATER SOLUTIONS, LLC'S  
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ENTRY OF APPEARANCE, NOTICE OF INTERVENTION,  
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**FINDINGS OF FACT**

1. Select filed an Application in Case No. 25547 seeking approval of a saltwater disposal ("SWD") well in Lea County, New Mexico.
2. Notice of the Application was provided in accordance with Division rules to all persons designated as affected persons under 19.15.26.8 NMAC.
3. Desert Ram entered an appearance and sought to intervene asserting an objection to the matter proceeding by affidavit.
4. Desert Ram is a surface lessee of lands located approximately two miles from the proposed SWD well.
5. Desert Ram does not own, lease, or operate the mineral estate underlying the proposed SWD well or any tract within the one-half mile Area of Review applicable to the Application.

6. Desert Ram does not operate any oil, gas, or saltwater disposal wells within the Area of Review established by Division rules.
7. Desert Ram does not allege ownership or operation of any groundwater wells located within the Area of Review for the proposed SWD well.
8. Desert Ram asserts generalized concerns regarding shallow injection, potential groundwater impairment, surface uplift, and possible communication with historic or unidentified wells.
9. Desert Ram has not identified any site-specific hydrogeologic data, mapped groundwater flow paths, injection interval-to-aquifer connectivity, wellbore locations, or other technical evidence demonstrating that the proposed SWD well presents a concrete or imminent risk to Desert Ram's surface or groundwater interests.
10. Desert Ram did not receive direct notice of the Application because it does not meet the definition of an affected person under Division rules.
11. The Division routinely evaluates groundwater protection, injection depth, confining zones, and well integrity as part of its technical review of SWD applications.
12. The Division has previously declined to allow intervention by parties whose asserted interests are remote, speculative, or untethered to a legally protected interest within the applicable Area of Review.

### **CONCLUSIONS OF LAW**

1. The Hearing Examiner has jurisdiction over the subject matter and the parties pursuant to the New Mexico Oil and Gas Act, NMSA 1978, §§ 70-2-1 et seq.
2. Under 19.15.26.7 and 19.15.26.8 NMAC, affected persons entitled to notice and participation in saltwater disposal proceedings are limited to operators, lessees, or mineral interest owners on tracts located within one-half mile of the proposed well.
3. Desert Ram does not qualify as an affected person under 19.15.26 NMAC and therefore has no right to the status of "Party" based on the Division's notice provisions.
4. To establish standing in a Division adjudicatory proceeding, a proposed Party must demonstrate a concrete and particularized injury to a legally protected interest that is actual or imminent, not conjectural or hypothetical.

5. Generalized concerns regarding groundwater impairment or surface effects, without site-specific evidence demonstrating a plausible causal connection to the proposed injection operations, are insufficient to establish standing.
6. Ownership or leasehold of surface lands outside the Area of Review, without a demonstrated nexus between the proposed SWD well and a specific, legally protected surface or groundwater interest, does not confer standing.
7. Although the Division has statutory authority to protect public health, the environment, and freshwater resources, that authority does not eliminate or supersede the standing and intervention requirements set forth in the Division's rules.
8. Pursuant to 19.15.4.11(C) NMAC, the Division may, in its discretion, allow intervention by a person whose participation will *contribute substantially* to the prevention of waste or the protection of public health, the environment, or correlative rights.
9. Desert Ram has not demonstrated that its participation would contribute substantially to the Division's statutory duties, as its objections do not present technical, regulatory, or factual issues beyond those already addressed through the Division's permitting and review process.
10. Allowing intervention based solely on speculative surface or groundwater concerns, untethered to a direct interest within the Area of Review or supported by site-specific evidence, would undermine the Division's established standing framework and expand intervention beyond that contemplated by the rules.

**IT IS THEREFORE ORDERED** that:

1. Select Water Solutions, LLC's Motion to Strike Desert Ram South Ranch, Inc.'s Entry of Appearance, Notice of Intervention, and Objection is GRANTED.
2. Desert Ram South Ranch, Inc.'s filings are hereby STRICKEN from the record in Case No. 25547.
3. Desert Ram South Ranch, Inc. shall not be deemed a party to this proceeding.
4. This matter shall proceed without further participation by Desert Ram South Ranch, Inc.

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Hearing Examiner  
Oil Conservation Division

**EXHIBIT B**

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

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

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

**DESERT RAM'S MOTION FOR RECONSIDERATION OR ORDER  
GRANTING SELECT WATER SOLUTIONS, LLC'S MOTION TO STRIKE  
AND RENEWED MOTION FOR LIMITED EVIDENTIARY HEARING ON  
STANDING**

Desert Ram South Ranch, Inc. (Desert Ram), by and through undersigned counsel, respectfully moves for reconsideration of the Hearing Examiner's Order Granting Select Water Solutions, LLC's Motion to Strike Desert Ram's Entry of Appearance, Notice of Intervention, and Objection (the Order). This Motion is narrowly directed to correcting material factual omissions and clarifying the record regarding Desert Ram's legally protected surface and groundwater interests and the concrete risks posed by the proposed operations. In support of this Motion, Desert Ram states as follows:

**I. STANDARD FOR RECONSIDERATION**

The Division has inherent authority to reconsider an interlocutory order where material facts were not fully developed or where reconsideration is necessary to prevent manifest injustice. Reconsideration is particularly appropriate where an order rests on findings that the movant "has not identified" specific interests or facts that can now be presented through sworn evidence without reopening the merits of the application.

Desert Ram does not seek to relitigate the merits of Select's applications. Desert Ram seeks only reconsideration of the standing determination based on a clarified and sworn factual record addressing the precise deficiencies identified in the Order.

Reconsideration is particularly appropriate where, as here, the Order rests on findings that Desert Ram "has not identified" site-specific interests or facts, and Desert Ram now seeks to supply that information through sworn evidence or limited factual presentation. A narrow evidentiary hearing confined

to standing—or, alternatively, submission of sworn affidavits—falls squarely within the Division’s authority to manage its proceedings and would permit reconsideration without addressing the merits of Select’s applications.

## II. THE ORDER RESTS ON THE ABSENCE OF SITE-SPECIFIC FACTS THAT DESERT RAM NOW SUPPLIES

The Order concludes that Desert Ram lacks standing because it “has not identified” groundwater wells, water rights, or site-specific facts demonstrating a plausible risk to a legally protected interest. (Order ¶¶ 7, 9).

That conclusion was reached before Desert Ram was permitted to submit sworn evidence and prior to any limited factual development on standing. Standing does not require a surface owner or water-right holder to marshal expert hydrogeologic proof or to conclusively demonstrate injection-to-aquifer connectivity at the threshold stage. Requiring such proof would improperly collapse standing into the merits and foreclose participation precisely where site-specific uncertainty exists. At the standing stage, identification of legally protected interests and exposure to a real, non-speculative risk—based on the applicant’s own modeling and project design—is sufficient.

The Order further appears to reason that Desert Ram lacks standing because the Division “routinely evaluates groundwater protection, injection depth, confining zones, and well integrity as part of its technical review.” Order ¶ 11. Respectfully, that framing seems to misappreciate the standing inquiry. The question is not whether the Division analyzes groundwater impacts, but whether Desert Ram holds legally protected interests that may be adversely affected by the challenged action. The existence of agency review cannot extinguish standing for a surface owner and water-right holder whose aquifer may be exposed to pressure or contamination risks arising from the proposed injection operations. Standing turns on injury or exposure to risk to the movant’s interests—not on whether the agency is capable of evaluating those risks without the movant’s participation. Desert Ram now submits, concurrently with this Motion, a Self-Affirmed Statement of Tim Jurco, (attached as Exhibit 1) which identifies Desert Ram’s surface ownership, groundwater wells, and water rights with specificity.

### III. DESERT RAM HOLDS LEGALLY PROTECTED GROUNDWATER RIGHTS AND OPERATES FRESHWATER WELLS WITHIN THE AREA OF PROJECTED IMPACT

Desert Ram owns and operates agricultural lands within the township in which Select proposes four high-volume saltwater disposal wells. Desert Ram relies on groundwater drawn from the freshwater aquifer underlying that township pursuant to multiple valid New Mexico water rights and permits, including but not limited to:

- Permit Nos. CP-1728, CP-4239, CP-4241, CP-465, CP-1170, CP-1263, and CP-1351; and
- Groundwater wells identified as J-3, J-4, J-25/26, J-33-L, J-34-L, and J-35-L.

These water rights and wells are actively used to support Desert Ram's ongoing ranching and agricultural operations and constitute legally protected property interests under New Mexico law. The groundwater rights are exercised from the same laterally continuous aquifer that necessarily overlies the proposed injection intervals. If pressure migration, fracture communication, or fluid movement were to occur nearer to the injection wells, impairment within the aquifer would not be confined to the immediate vicinity of the wellbore but could propagate through the connected groundwater system supplying Desert Ram's wells. The potential for such impairment constitutes a particularized risk of injury that is actual or imminent, not conjectural or hypothetical.

Impairment of groundwater quality or pressure conditions within the aquifer supplying these wells would directly and materially injure Desert Ram's operations and property rights.

### IV. SELECT'S OWN APPLICATIONS IDENTIFY PRESSURE PROPAGATION APPROACHING TWO MILES

Select's applications acknowledge, through reservoir modeling submitted with the C-108 forms, that sustained injection at rates of up to 20,000 barrels per day over a 20-year injection life may result in pressure propagation approaching approximately two miles from the wellbore.

Those modeled impacts directly overlap with Desert Ram's surface lands and groundwater reliance identified above. The risk is therefore not speculative and is not premised on generalized concerns, but instead arises from Select's own modeling assumptions. At the standing stage, Desert Ram need not prove that such impacts will occur. Exposure of Desert Ram's water rights and wells to a real, particularized risk

of injury that is actual or imminent, not conjectural or hypothetical, based on the applicant's own modeling, is sufficient to establish standing.

V. THE APPLICATIONS DO NOT ANALYZE CUMULATIVE IMPACTS FROM FOUR WELLS IN THE SAME TOWNSHIP

Each of Select's four proposed saltwater disposal wells was evaluated in isolation. The applications do not analyze cumulative pressure effects, interference, or risk pathways arising from four high-volume, shallow disposal wells operating within the same township and drawing on the same geologic system.

The absence of cumulative analysis is material where, as here:

- injection is shallow compared to traditional SWD wells;
- pressure effects are modeled to extend well beyond the half-mile notice radius; and
- the aquifer supplying Desert Ram's water rights necessarily overlies the projected injection plume.

The lack of cumulative analysis is particularly significant at the standing stage. Where multiple shallow, high-volume injection wells are proposed within the same township, the potential for additive or interacting pressure effects presents a materially different risk profile than single-well injection. Desert Ram's concern is therefore not hypothetical, but grounded in the structure of the project as proposed. This omission further supports the need for participation by a surface owner with direct freshwater reliance and reinforces that Desert Ram's concerns are tethered to real project features, not abstract speculation.

VI. THE NOVELTY OF SHALLOW, HIGH-VOLUME INJECTION HEIGHTENS RISK TO GROUNDWATER

The proposed wells involve commercial-scale produced water injection at shallow depths, a scenario materially different from the deep saltwater disposal wells historically permitted by the Division.

Select's applications acknowledge that critical well-specific parameters governing safe injection—most notably formation fracture gradient and maximum allowable injection pressure—will not be determined until after drilling, through step-rate testing conducted post-approval. The fact that these constraints remain unconfirmed at the time of approval cannot be used to defeat standing. To the contrary, where site-specific confinement limits have not yet been empirically established, exclusion of a surface owner with freshwater reliance at the threshold improperly resolves uncertainty against the interest holder

most exposed to risk.

The Division itself has recently acknowledged that subsurface uncertainty exists in the Delaware Mountain Group with respect to faulting and fracture systems. In approving two Bell and Cherry Canyon disposal wells in 2024, which were approved as “pilot projects”, OCD staff expressly noted concerns regarding “limited subsurface information regarding faulting and fracture systems within the DMG” and further observed that “additional data is necessary to ... analyze formation parting pressure.” See Commission Order No. R-23087 (Mar. 5, 2024), Findings ¶¶ 40 & 42.

That acknowledgment is significant. It confirms that subsurface behavior in the DMG—particularly fracture connectivity and pressure response—is not fully characterized and remains an area of regulatory concern. Where the Division itself has identified limits on subsurface knowledge, a surface owner’s concerns regarding pressure migration, fracture communication, or aquifer exposure cannot be dismissed as “generalized” or “dispensed with” as a matter of law.

The Order’s conclusion that Desert Ram failed to raise issues beyond those already addressed by the Division cannot be reconciled with the Division’s own recent findings acknowledging subsurface uncertainty and elevated risk in the same disposal interval. Excluding a surface owner and water-right holder at the threshold—while conceding unresolved subsurface constraints—resolves doubt against the interest holder most exposed to risk and constitutes manifest injustice.

Where injection is shallow and fracture limits are unconfirmed, the margin of confinement protecting freshwater resources is reduced and the consequences of error are magnified. These features distinguish this project from routine SWD permitting and underscore why exclusion of a surface owner with freshwater reliance—without factual development—is unwarranted.

## VII. RECONSIDERATION IS WARRANTED TO PREVENT MANIFEST INJUSTICE

The Order concludes that Desert Ram’s concerns are “generalized” and unsupported by site-specific facts. Desert Ram now supplies those facts through sworn evidence, without seeking to expand the scope of the proceeding or litigate the merits.

Reconsideration is warranted to allow the Hearing Examiner to evaluate standing based on a

complete and accurate record—particularly where the proposed operations implicate the Division’s statutory mandate to protect freshwater resources under NMSA 1978, § 70-2-12(A)(15) and delegated UIC authority.

#### VIII. RENEWED MOTION FOR LIMITED EVIDENTIARY HEARING ON STANDING

Desert Ram respectfully renews its request for a limited evidentiary hearing confined solely to standing, or, in the alternative, permission to submit sworn affidavits addressing the factual basis for standing. The standard for intervention is not whether the Division is capable of analyzing groundwater impacts, but whether Desert Ram’s legally protected interests are or will be affected by the proposed operations. If agency review alone were sufficient to defeat standing, no surface owner or water-right holder could ever establish standing in a UIC proceeding—an outcome not contemplated by the Act, the rules, or due process principles.

The Order concludes that Desert Ram failed to identify groundwater wells, water rights, and site-specific facts demonstrating a plausible nexus between the proposed injection operations and Desert Ram’s interests. Those conclusions turn on factual issues—not legal deficiencies—and can be efficiently addressed through a narrow evidentiary record.

A limited hearing would allow Desert Ram to:

1. Identify its surface ownership, water rights, and groundwater wells;
2. Describe its water rights and reliance on the aquifer;
3. Address the spatial relationship between its lands and Select’s modeled pressure propagation; and
4. Clarify why the risk to its interests is real and non-speculative.

Such a hearing would:

- be limited to standing only;
- require minimal time;
- not reopen the merits of the applications; and
- Assist the Hearing Examiner in resolving standing based on a complete and accurate record.

This request is materially distinguishable from the intervention sought by Pilot Water Solutions.

Desert Ram is not a competitor, does not seek to litigate economic impacts, and asserts legally protected surface and groundwater interests directly implicated by the proposed operations.

REQUESTED RELIEF

For the foregoing reasons, Desert Ram respectfully requests that the Hearing Examiner:

1. Reconsider and vacate the Order striking Desert Ram's Entry of Appearance and Notice of Intervention and Deny Select's Motion to Strike; or
2. Reconsider and vacate the Order striking Desert Ram's Entry of Appearance and Notice of Intervention;
3. Admit Desert Ram's Self-Affirmed Statement for purposes of standing; and,
4. Set a limited evidentiary hearing confined to standing, or, in the alternative, permit Desert Ram to submit sworn affidavits within a brief preparation window addressing the factual basis for standing, prior to reaffirming or modifying the standing determination.

Respectfully Submitted,

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**CERTIFICATE OF SERVICE**

I hereby certify that on February 5, 2026, I served a copy of the foregoing document to the following counsel of record via Electronic Mail to:

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

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

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

**SELF-AFFIRMED STATEMENT OF TIM JURCO**

1. I am employed by Desert Ram South Ranch, Inc. (Desert Ram) as Manager. I am over the age of eighteen (18), am competent to testify, and have personal knowledge of the matters set forth herein. I submit this Self-Affirmed Statement in support of Desert Ram’s Motion for Reconsideration and Renewed Motion for Limited Evidentiary Hearing on Standing before the New Mexico Oil Conservation Division.
2. I am a Manager at Desert Ram and am familiar with Desert Ram’s landholdings, agricultural operations, groundwater wells, and water rights in Lea County, New Mexico.
3. Desert Ram owns and leases surface lands used for ranching and agricultural operations within Township 26 South, Range 35 East and Township 26 South, Range 36 East, Lea County, New Mexico. These lands are located within the same township and surrounding area in which Select Water Solutions, LLC proposes four high-volume saltwater disposal wells in Case Nos. 25547, 25548, 25899, and 25900.
4. Desert Ram holds valid New Mexico groundwater rights and permits, including but not limited to:
  - Water Right File Nos. J3, J4, J25/26, J33-L, J34-L
  - Water Right File Nos. CP-465, CP-1170, CP-1263, CP-1351
  - Water Right File Nos. CP-1728, CP-4239, CP-4241

These water rights are actively exercised and are essential to Desert Ram’s ongoing agricultural and ranching operations. They constitute legally protected property interests under New Mexico law.

5. Desert Ram owns and operates multiple points of diversion / groundwater wells used to supply water from the above-identified water rights for its ranching and agricultural operations, including wells commonly identified as:
 

• J00003	• J00034 POD 1	• CP 01170 POD 6
• J00003 POD2	• CP 00465 POD 1	• CP 01267 POD 1
• J00004 POD 1	• CP 01170 POD 1	• CP 01263 POD 1
• J00025 POD 1	• CP 01170 POD 2	• CP 01263 POD 2
• J00025 POD 3	• CP 01170 POD 3	• CP 01263 POD 3
• J00026 POD 1	• CP 01170 POD 4	• CP 01263 POD 4
• J00033 POD 1	• CP 01170 POD 5	• CP 01263 POD 6

**EXHIBIT 1**

- CP 01263 POD 7
- CP 01263 POD 8
- CP 01351 POD 1
- CP 01351 POD 2
- CP 01728 POD 1
- CP 01728 POD 2
- CP 01728 POD 3
- CP 01728 POD 5

6. Desert Ram’s groundwater wells draw from a laterally continuous freshwater aquifer that underlies the township in which Select proposes to locate the four saltwater disposal wells and that necessarily overlies the proposed injection intervals. Desert Ram’s operations depend on the continued quality and hydraulic integrity of this aquifer.
7. Based on Select’s applications and associated Area of Review materials, Desert Ram’s surface lands, groundwater wells, and water rights are located within areas affected by Select’s modeled pressure propagation, which Select’s own reservoir modeling indicates may extend out to approximately two miles from the proposed wells over the life of injection.
8. If pressure migration, fracture communication, or fluid movement were to occur nearer to the proposed injection wells, impairment within the aquifer would not be confined to the immediate vicinity of the wellbore. Such impairment could propagate through the connected groundwater system supplying Desert Ram’s wells through normal groundwater flow and cone-of-depression effects.
9. The potential for impairment of groundwater quality or pressure conditions within the aquifer supplying Desert Ram’s wells constitutes a **concrete and non-speculative risk of injury** to Desert Ram’s water rights and agricultural operations, irrespective of surface distance from the injection locations.
10. I provide this Self-Affirmed Statement solely to identify Desert Ram’s specific surface ownership, groundwater wells, and water rights, and to explain the basis for Desert Ram’s standing concerns. Desert Ram does not seek, through this Statement, to litigate the merits of Select’s applications, but only to demonstrate that its legally protected interests are plausibly and directly at risk from the proposed injection operations.
11. I declare under penalty of perjury under the laws of the State of New Mexico that the foregoing statements are true and correct to the best of my knowledge.

/s/ Tim Jurco  
 \_\_\_\_\_  
 Tim Jurco

Feb. 5, 2026  
 \_\_\_\_\_  
 Date