

**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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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:

<ul style="list-style-type: none">• J00003• J00003 POD2• J00004 POD 1• J00025 POD 1• J00025 POD 3• J00026 POD 1• J00033 POD 1	<ul style="list-style-type: none">• J00034 POD 1• CP 00465 POD 1• CP 01170 POD 1• CP 01170 POD 2• CP 01170 POD 3• CP 01170 POD 4• CP 01170 POD 5	<ul style="list-style-type: none">• CP 01170 POD 6• CP 01267 POD 1• CP 01263 POD 1• CP 01263 POD 2• CP 01263 POD 3• CP 01263 POD 4• CP 01263 POD 6
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- 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