

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

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

Case Nos. 25547–25548, 25899 & 25900

**ORDER GRANTING SELECT WATER SOLUTIONS, LLC’S
MOTION TO STRIKE PILOT WATER SOLUTIONS SWD, LLC’S
ENTRY OF APPEARANCE AND OBJECTION**

THIS MATTER comes before the Hearing Examiner on Select Water Solutions, LLC’s (“Select”) Motion to Strike the Entry of Appearance and Objection filed by Pilot Water Solutions SWD, LLC (“Pilot”). Having reviewed the Motion, Pilot’s Response, the record in these proceedings, the applicable statutes and regulations, and being otherwise sufficiently advised, the Hearing Examiner enters the following Findings of Fact and Conclusions of Law.

FINDINGS OF FACT

1. Select filed Applications in Case Nos. 25547, 25548, 25899, and 25900 seeking approval of saltwater disposal (“SWD”) wells in Lea County, New Mexico.
2. Notice of the Applications was provided in accordance with Oil Conservation Division (“Division”) rules to all persons and entities designated as affected persons under 19.15.26.8 NMAC.
3. Pilot did not receive notice of the Applications and entered an appearance and objection after learning of the pending cases.
4. Pilot does not operate any oil, gas, or saltwater disposal wells located on the tracts subject to the Applications.
5. Pilot does not own any working interest, royalty interest, overriding royalty interest, or other property interest within one-half mile of any of the proposed SWD wells.
6. Pilot does not operate any saltwater disposal wells within the one-half mile Area of Review applicable to the proposed SWD wells under 19.15.26 NMAC.

7. Pilot's nearest saltwater disposal operations are located more than one mile from the proposed SWD wells and, in some instances, are located outside the State of New Mexico.
8. Pilot asserts that its participation should be allowed because it injects into the Delaware Mountain Group reservoir and believes Select's proposed injections could, at some point, affect reservoir pressure conditions.
9. Pilot has not presented evidence demonstrating that the proposed SWD wells will cause a concrete, particularized, and non-speculative injury to any legally protected interest held by Pilot.
10. Pilot's asserted interests are not based on ownership or operation of wells within the applicable Area of Review, but on generalized concerns regarding cumulative injection and competitive impacts.
11. The Division has previously denied intervention by saltwater disposal operators located outside the applicable Area of Review where the operator failed to demonstrate a direct and protectable interest in the proposed well.
12. Allowing Pilot to participate in these proceedings would expand intervention beyond the limits established by Division rules and precedent.

CONCLUSIONS OF LAW

1. The Hearing Examiner has jurisdiction over the parties and the subject matter 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. Pilot does not qualify as an affected person under 19.15.26 NMAC because it does not operate or own any interest within the applicable Area of Review.
4. To establish standing in Division proceedings, a party must demonstrate a concrete and particularized injury to a legally protected interest that is actual or imminent, not conjectural or hypothetical.
5. Pilot has failed to demonstrate injury in fact, causation, or redressability sufficient to establish standing under Division precedent and applicable standing principles.
6. Competitive status alone does not confer standing in Division adjudicatory proceedings.

7. Although 19.15.4.11(C) NMAC grants the Division discretion to allow participation by persons whose involvement will contribute substantially to the prevention of waste, protection of correlative rights, or protection of public health or the environment, that discretion is not unlimited.
8. Pilot has not demonstrated that its participation will contribute substantially to the Division's statutory duties in these proceedings.
9. Generalized concerns regarding reservoir pressure or cumulative injection, unsupported by a direct operational or ownership interest within the Area of Review, are insufficient to justify intervention under 19.15.4.11(C) NMAC.
10. Division precedent, including prior orders denying intervention by similarly situated saltwater disposal operators, supports granting Select's Motion to Strike.

IT IS THEREFORE ORDERED that:

1. Select Water Solutions, LLC's Motion to Strike is GRANTED.
2. Pilot Water Solutions SWD, LLC's Entry of Appearance and Objection is hereby STRICKEN from the record in Case Nos. 25547–25548, 25899, and 25900.
3. Pilot Water Solutions SWD, LLC shall not be deemed a party to these proceedings.
4. These cases shall proceed without further participation by Pilot Water Solutions SWD, LLC.

Hearing Examiner
Oil Conservation Division