



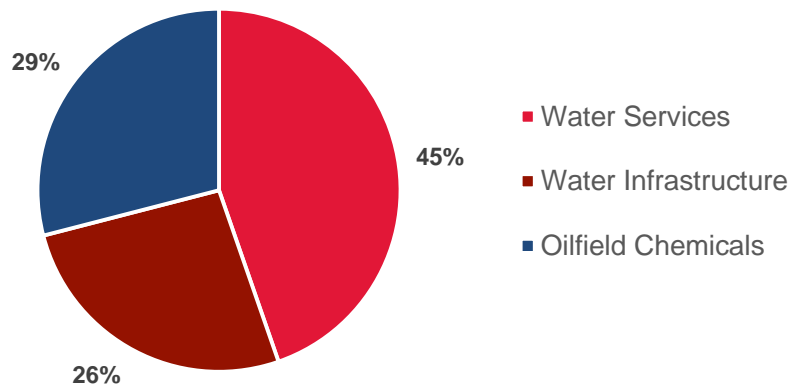
Select Energy Services, Inc.

NM WNRC – September, 8th 2021

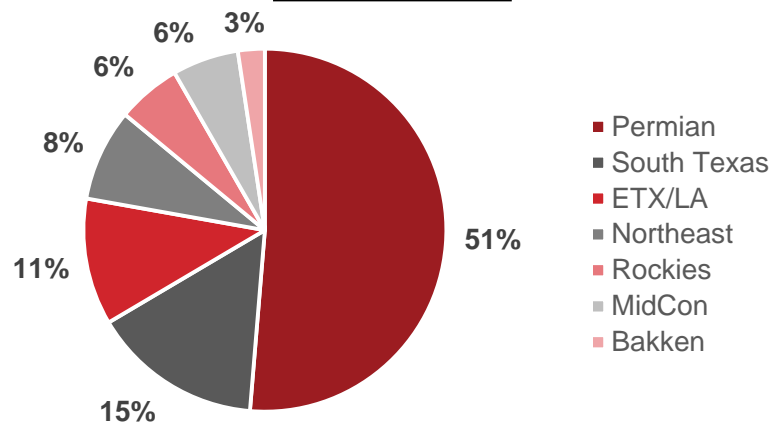
Select Energy Services (NYSE: WTTR)

2Q21 Revenue¹

By Segment



By Geography



Recent Developments / Highlights

Basic Energy Services

- + “Stalking horse” bid to acquire Agua Libre Midstream assets and other water related assets from Basic Energy Services, Inc.
- + Assets include 66 SWDs and >600 trucks

Produced Water Recycling

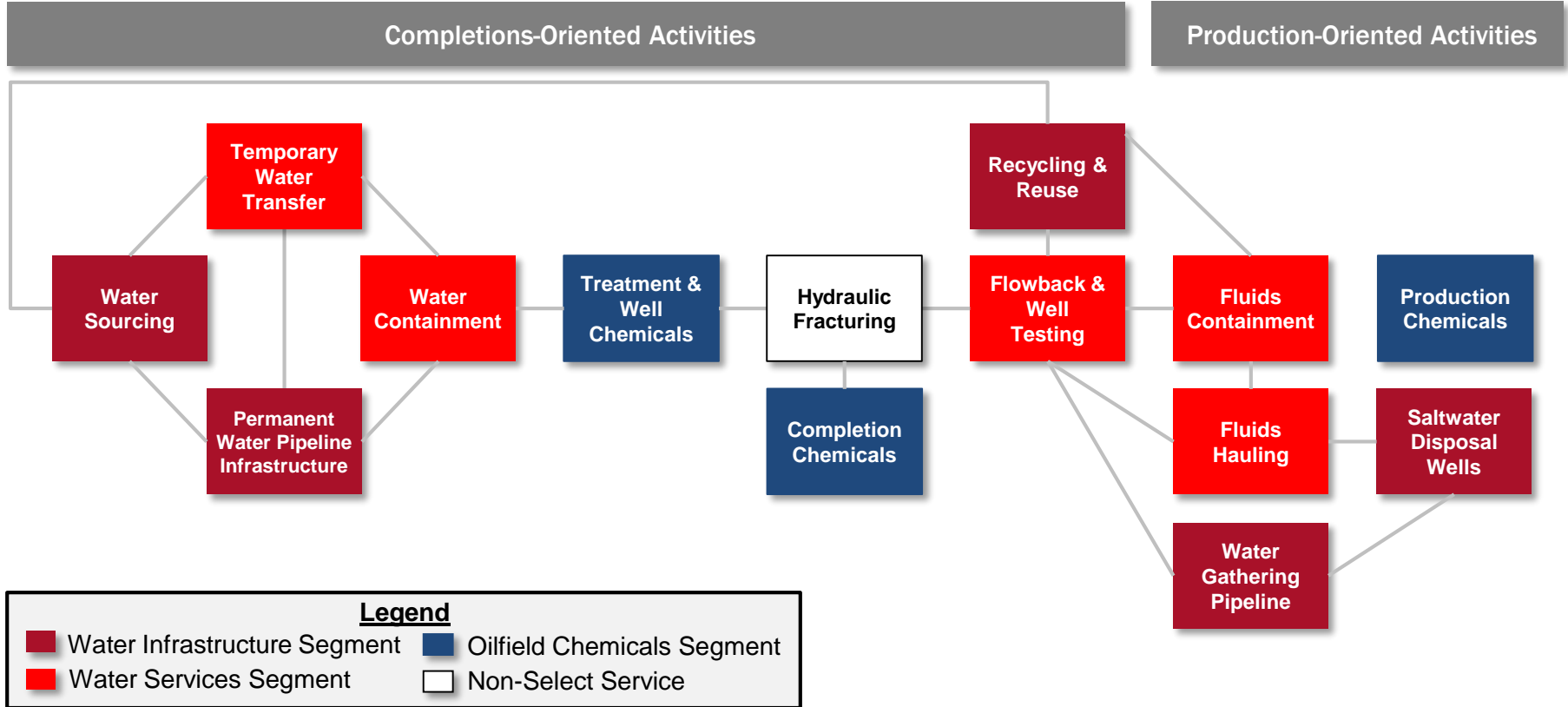
- + Rapidly expanding Select’s produced water recycling footprint and capabilities
- + 7 facilities active/near completion with >375k bpd of throughput capacity and >6mm bbls of storage capacity built over the past 12 months

Select Corporate Profile²

Listing and Ticker Symbol	NYSE: WTTR
Recent Share Price	\$5.50
Market Capitalization	~\$594MM
Enterprise Value	~\$451MM
2018 – 2020 Avg. Annual Revenue	~\$1.14B

1. Based on results for the three months ended June 30, 2021, including divested operations
 2. Share price as of September 3, 2021

Leading Sustainable Water & Chemical Solutions



New Mexico Presence

Select's acquisition of Gregory Rockhouse Ranch ("GRR") in March 2017 positioned the company to become the leading provider of water sourcing in the Northern Delaware Basin

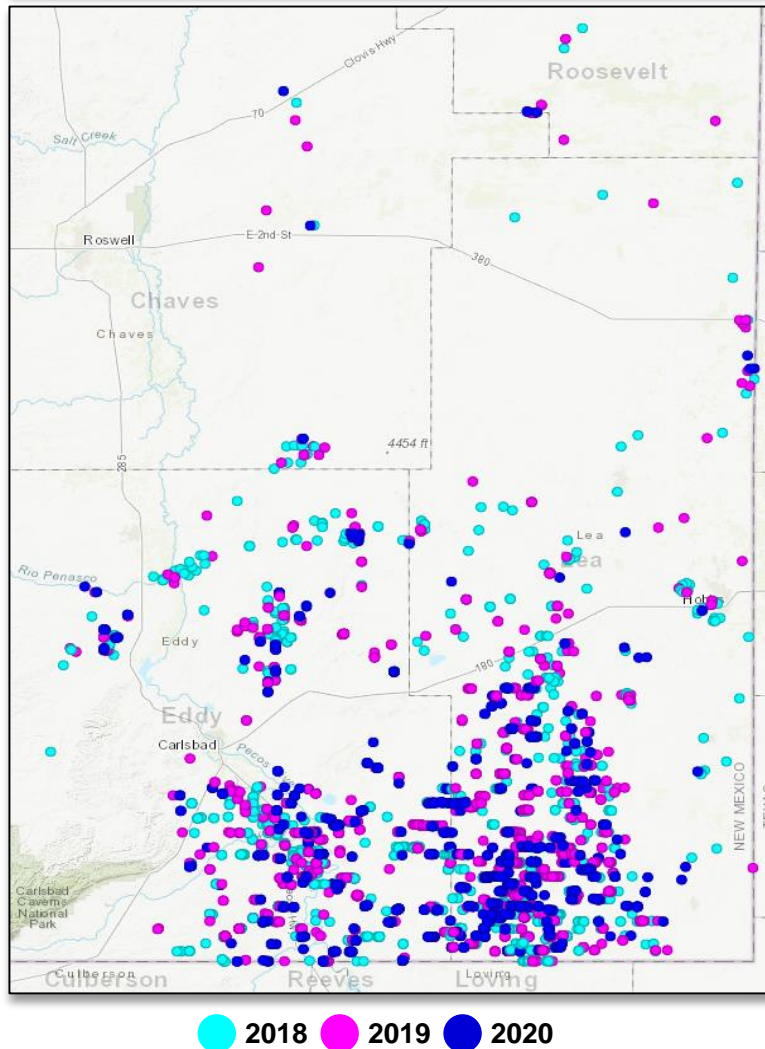
- + Key assets acquired included:
 - ~1,200 miles of infrastructure connecting water sources to large containment systems and pits throughout Eddy and Lea Counties
 - ~2,000 miles of ROW from the BLM, state and private landowners
- + Select currently moves ~300k barrels of water per day (bwpd) on average in New Mexico and has recently moved as high as ~530k bwpd
 - <5% of the water Select has moved in New Mexico YTD has been sourced from Texas



O&G Activity and Completion Source Water

New Mexico O&G Activity Snapshot

SE NM Well Completions 2018 – 2020¹



- + Average of ~1,000 wells completed per year in Southeast New Mexico from 2018 to 2020
- + At 450,000 barrels of water per completion, implies ~450 million barrels of frac water demand per year
- + Local fresh, brackish and recycled produced water can satisfy this demand, but any one of these three water classifications is likely insufficient to support economic development
- Economics will be the primary driver going forward as to which source is utilized

1. Source: Enverus DrillingInfo

Completion Source Water

- + Access to fresh/brackish and produced water from both New Mexico and Texas is likely required to maintaining productivity and meeting the demands of the oil and gas industry in New Mexico
- + Availability and price of water have been the primary drivers as to whether an operator uses fresh, brackish or produced water for new well completions
 - Price determined by both:
 - Commodity price (\$/bbl) for water
 - Logistics cost to acquire and store a sufficient amount of water
 - Ex., cost is ~\$0.01/bbl/mile to efficiently transfer water
 - Corporate governance and resource conservation becoming a more influential factor
 - Physical and economical limitations may still exist (subsequently discussed)



Produced Water Recycling

Environmental & Economic Implications of Recycling

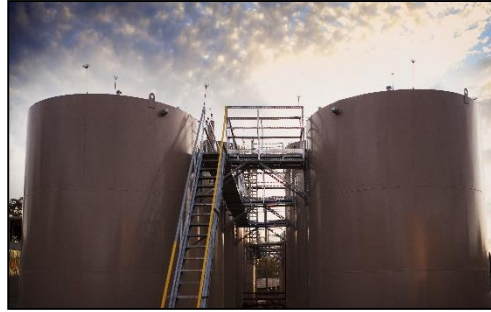
Fresh & Brackish Water Sourcing



\$0.35 to \$1.00 per barrel



Salt Water Disposal



\$0.40 to \$1.00 per barrel



\$0.75 to \$2.00 per barrel to source fresh/brackish water to complete a well and to dispose of produced water once the well is producing

Produced Water Recycling



\$0.40 to \$0.70 per barrel



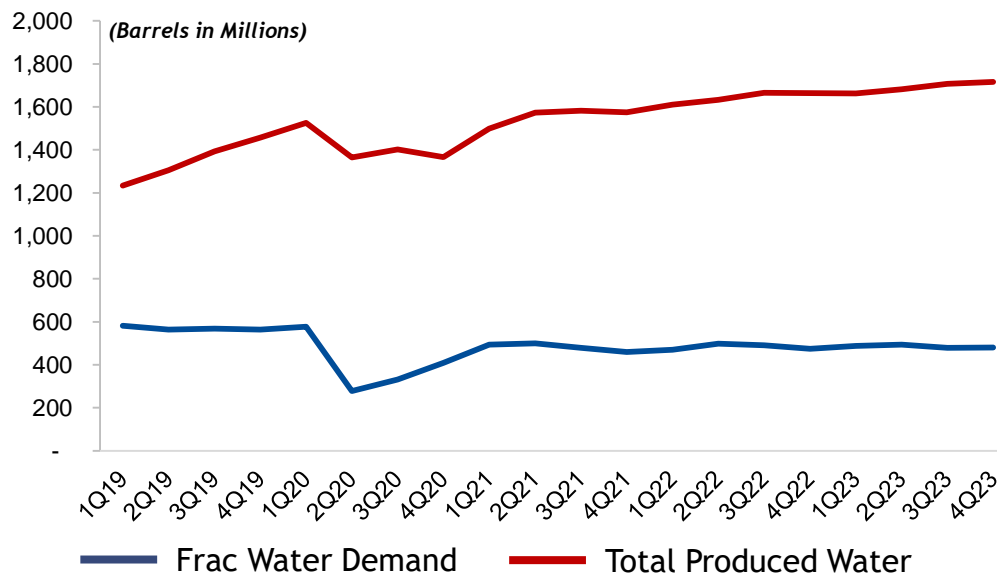
Water recycling is more environmentally friendly and less than half the cost of using fresh water to complete wells and SWDs to dispose of produced water volumes

+ Every barrel recycled:

- Saves a barrel from being disposed, which could help reduce seismic events
- Saves a barrel of fresh/brackish water from exiting the water lifecycle

Permian Produced Water and Frac Water Demand

Permian Basin Produced Water and Frac Water Demand Overview¹

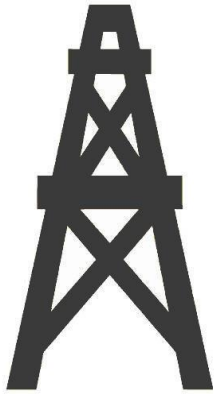


Permian Basin produced water volumes are ~3x the amount of frac water demand

1. Source: Rystad 2Q21 Shale Intelligence Report

Water Logistics Challenge

Challenge: Supply of produced water is in excess of frac water demand, but tying in wells to supply frac rate in real time would be expensive and impractical



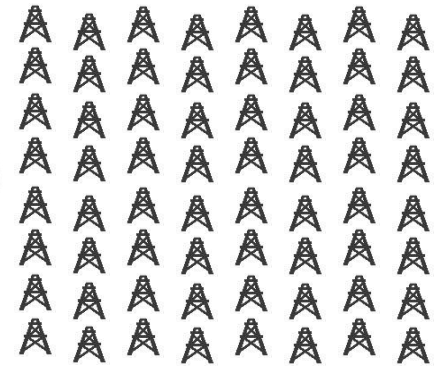
~50,000 Permian Wells Drilled Over the Past 10 years with average vintage of 6 years¹



6 Year Old Well in the Permian Produces ~0.07 Barrels of Water Per Minute²



Average Permian Frac Requires 75-150 Barrels of Water Per Minute³



A Single Frac Would Require Nearly **1,500** Well Tie In's to Support Frac Water Demand

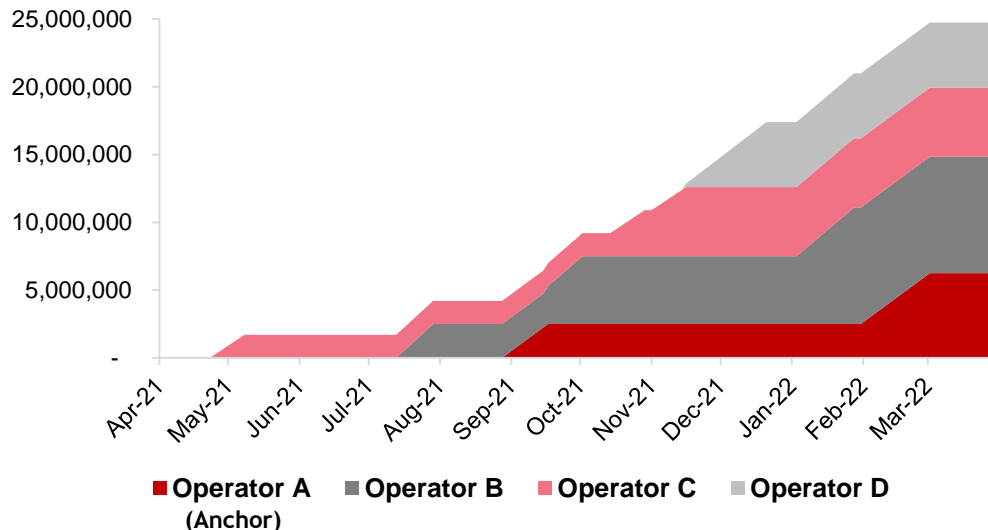
Partial Solution: Large-scale produced water storage is utilized to collect water from nearby producing wells prior to the new well completion. Storage provides the needed total volume of water to support the frac

1. Source: Enverus DrillingInfo
2. Figure based on analysis of 83 operator provided type curves for various benches across Permian Basin reservoirs
3. Based on current Permian fracs to which Select is sourcing the completion water

Case Study – Successful Recycling Facility

- + Recently commenced operations on state-of-the-art operator-owned produced water recycling facility in Martin County, TX
- + Select connected existing infrastructure from adjacent operators to increase facility utilization
- + Facility will eliminate need for disposal in 2022 in development area, which has seismicity and formation pressure issues
- + Facility will provide 75% of total frac water demand in the area and eliminate the need for 20mm bbls of disposal over the next 12 months

Cumulative Completion Water Demand



Over the Next 12 months alone

20 million barrels of recycled produced water



20 million barrels of fresh water saved



Closing Considerations

Closing Considerations

- + Access to fresh/brackish and produced water from both New Mexico and Texas is likely required to maintain productivity and economical development
- + Differing regulations and laws regarding water use and sales between New Mexico and Texas increases the regulatory burden and causes inefficiencies in water management for the oil and gas industry
 - A gross receipts tax is paid on any water originated and sold in New Mexico while an excise tax is paid for water brought in from out of state and sold in New Mexico
 - Select makes a concerted effort to monitor water and pay all GRT and ET
- + ***Consider improving accountability and tracking of water for both economic and conservation purposes***
- + ***Consider improving ability to move or store produced and treated produced water***

Thank You

***On behalf of Select Energy Services
and its nearly 2,650 employees, I
want to thank you for your time and
the opportunities to be here today***