
UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

FORM 8-K

CURRENT REPORT
PURSUANT TO SECTION 13 OR 15(D) OF
THE SECURITIES EXCHANGE ACT OF 1934

Date of report (Date of earliest event reported): February 23, 2022

SELECT ENERGY SERVICES, INC.

(Exact Name of Registrant as Specified in its Charter)

Delaware
(State or Other Jurisdiction
of Incorporation)

001-38066
(Commission
File Number)

81-4561945
(IRS Employer
Identification No.)

1233 West Loop South, Suite 1400
Houston, TX 77027
(Address of Principal Executive Offices)

(713) 235-9500
(Registrant's Telephone Number, including Area Code)

Check the appropriate box below if the Form 8-K filing is intended to simultaneously satisfy the filing obligation of the registrant under any of the following provisions:

- Written communications pursuant to Rule 425 under the Securities Act (17 CFR 230.425)
- Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 240.14a-12)
- Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2(b))
- Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.13e-4(c))

Securities registered pursuant to Section 12(b) of the Act:

Title of each class	Trading symbol(s)	Name of each exchange on which registered
Class A common stock, \$0.01 par value	WTTR	New York Stock Exchange

Indicate by check mark whether the registrant is an emerging growth company as defined in Rule 405 of the Securities Act of 1933 (§230.405 of this chapter) or Rule 12b-2 of the Securities Exchange Act of 1934 (§240.12b-2 of this chapter).

Emerging growth company

If an emerging growth company, indicate by check mark if the registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards provided pursuant to Section 13(a) of the Exchange Act.

Item 7.01 Regulation FD Disclosure.

On February 23, 2022, Select Energy Services, Inc. (the “Company”) issued a press release announcing the completion of the Mergers (as defined below). The full text of the press release is included as Exhibit 99.1 to this Current Report on Form 8-K and is incorporated into this Item 7.01 by reference.

THE INFORMATION FURNISHED UNDER ITEM 7.01 OF THIS CURRENT REPORT, INCLUDING EXHIBIT 99.1 ATTACHED HERETO, SHALL NOT BE DEEMED “FILED” FOR THE PURPOSES OF SECTION 18 OF THE SECURITIES AND EXCHANGE ACT OF 1934, NOR SHALL IT BE DEEMED INCORPORATED BY REFERENCE INTO ANY REGISTRATION STATEMENT OR OTHER FILING PURSUANT TO THE SECURITIES ACT OF 1933, AS AMENDED (THE “SECURITIES ACT”), EXCEPT AS OTHERWISE EXPRESSLY STATED IN SUCH FILING.

Item 8.01 Other Events.

On February 23, 2022 (the “Closing Date”), the Company completed the transactions contemplated by that certain Agreement and Plan of Merger (the “Merger Agreement”), dated as of December 12, 2021, by and among the Company, Navy Holdco, LLC, a Delaware limited liability company and an indirect wholly owned subsidiary of the Company (“Holdco”), Navy Merger Sub, Inc., a Delaware corporation and direct wholly owned subsidiary of the Company (“Merger Sub”), and Nuverra Environmental Solutions, Inc., a Delaware corporation (“Nuverra”), including (i) the merger of Merger Sub with and into Nuverra (the “Initial Merger”), with Nuverra surviving the Initial Merger as a wholly owned subsidiary of the Company, and (ii) the merger of Nuverra, with and into Holdco (the “Subsequent Merger” and, together with the Initial Merger, the “Mergers”), with Holdco surviving the Subsequent Merger as an indirect wholly owned subsidiary of the Company.

In connection with the completion of the Initial Merger, (i) Nuverra common stockholders received, for each share of common stock of Nuverra, par value \$0.01 (“Nuverra Common Stock”) owned as of immediately prior to the effective time of the Mergers (the “Effective Time”), 0.2551 (the “Exchange Ratio”) of a share of Class A common stock of the Company (the “Company Common Stock”) and (ii) holders of the 118,137 warrants exercisable for shares of Nuverra Common Stock prior to the Effective Time (“Nuverra Warrants”) received the right, upon the exercise of such Nuverra Warrants and payment of the exercise price therefor, to acquire and receive the number of shares of Company Common Stock that would have been issued by means of a cash exercise immediately prior to the Effective Time, and receive a number of shares of Company Common Stock equal to the Exchange Ratio. No fractional shares of Company Common Stock were issued.

The foregoing summary of the Merger Agreement and Mergers does not purport to be complete and is subject to, and is qualified in its entirety by, the full text of the Merger Agreement, which is filed as Exhibit 2.1 to the Company’s Current Report on Form 8-K filed with the Securities and Exchange Commission (the “SEC”) on December 13, 2021 and incorporated herein by reference.

Cautionary Statement Regarding Forward-Looking Statements

This Current Report on Form 8-K may include certain statements concerning expectations for the future, including statements regarding the anticipated benefits and other aspects of the transactions described above, that are forward-looking statements as defined by federal law. Such forward-looking statements are subject to a variety of known and unknown risks, uncertainties, and other factors that are difficult to predict and many of which are beyond management’s control, including the risk that the anticipated benefits from the Mergers cannot be fully realized. An extensive list of factors that can affect future results are discussed in the Company’s Annual Report on Form 10-K for the year ended December 31, 2021 and other documents filed by the Company from time to time with the SEC. The Company undertakes no obligation to update or revise any forward-looking statement to reflect new information or events.

Item 9.01 Financial Statements and Exhibits.

(c) Exhibits.

Exhibit Number	Description
2.1*	Agreement and Plan of Merger, dated as of December 12, 2021, by and among Select Energy Services, Inc., Navy Holdco, LLC, Navy Merger Sub, Inc. and Nuverra Environmental Solutions, Inc. (incorporated herein by reference to Exhibit 2.1 to Select Energy Services, Inc.'s Current Report on Form 8-K, filed December 13, 2021 (File No. 001-38066)).
99.1	Press Release, dated February 23, 2022.
104	Cover Page Interactive Data File (embedded within the Inline XBRL document).

* Schedules and exhibits to this Exhibit omitted pursuant to Regulation S-K Item 601(b)(2). The Company agrees to furnish supplementally a copy of any omitted schedule or exhibit to the SEC upon request.

SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, the Registrant has duly caused this report to be signed on its behalf by the undersigned hereunto duly authorized.

Dated: February 23, 2022

SELECT ENERGY SERVICES, INC.

By: /s/ Adam R. Law
Adam R. Law
Senior Vice President, General Counsel, Corporate
Secretary & Chief Compliance Officer



NEWS RELEASE

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SELECT ENERGY SERVICES COMPLETES ACQUISITION OF NUVERRA ENVIRONMENTAL SOLUTIONS

Further strengthens Water Services segment through market and geographic consolidation as well as increased weighting to production-related solutions

Addition of sizable pipeline and disposal infrastructure footprint across the Haynesville, Bakken and Northeast to bolster the Water Infrastructure segment, with meaningful opportunity for future gathering and recycling infrastructure development

Addition of landfill operations in the Bakken region provides unique opportunity for service line expansion and industrial diversification

Cost and revenue synergies expected to provide meaningfully accretive financial benefits

HOUSTON, TX – February 23, 2022 – Select Energy Services, Inc. (NYSE: WTTR) (“Select” or the “Company”) today announced the completion of its previously announced acquisition of Nuverra Environmental Solutions, Inc. (“Nuverra”) (NYSE American: NES). The terms of agreement were approved by Nuverra’s two largest stockholders, Ascribe II Investments, LLC, Ascribe III Investments, LLC (together with Ascribe II Investments, LLC, “Ascribe”) and Gates Capital Management, Inc. (“Gates”), which together owned approximately 84% of Nuverra’s outstanding common stock. Effective with the opening of the market on February 24, 2022, Nuverra’s common stock will discontinue trading on the NYSE American as a result of the acquisition.

Nuverra common stockholders received 0.2551 shares of Select Class A common stock for each share of Nuverra common stock, and Nuverra’s outstanding warrants to purchase Nuverra common stock were converted into warrants to purchase Select Class A common stock. Additionally, Select expects to repay approximately \$19 million of Nuverra debt in conjunction with closing.

The acquisition strengthens Select’s geographic footprint with a unique set of water logistics and infrastructure assets, particularly in the Bakken, Haynesville and Northeast, while continuing to expand Select’s production-related revenues. Select added more than 300,000 barrels per day of permitted daily disposal capacity in Texas, Louisiana, North Dakota, Montana and Ohio. When combined with Select’s existing assets and other recent acquisitions, this brings Select’s company-wide permitted daily disposal capacity to more than 2 million barrels per day. These newly acquired fixed infrastructure assets provide additional opportunities to develop recycling facilities as well as gathering pipeline systems to transport water more sustainably and economically.

Select also acquired a 60-mile underground twin pipeline network in the Haynesville Shale in Texas and Louisiana for the collection of produced water for transport to interconnected disposal wells and the delivery or re-delivery of water from water sources to operator locations for use in well completion activities. More than 60% of Nuverra's disposal volumes in the Haynesville are currently delivered via the pipeline network, with the ability to handle disposal volumes of more than 100,000 barrels per day. Additionally, Nuverra operates a landfill facility in North Dakota located on a 50-acre site. The facility provides a unique opportunity for Select to expand its logistics capabilities into a new service offering. With current remaining available permitted capacity of approximately 1.3 million cubic yards, we believe the facility has the potential to be expanded up to a total of 5.8 million cubic yards of available capacity with additional permitting.

John Schmitz, Select's Chairman, President and CEO, stated, "We are excited to close on the acquisition of Nuverra and welcome its more than 350 employees into the Select family. We believe this acquisition further expands Select's leading sustainable water services and infrastructure footprint with additional service offerings, comprehensive infrastructure and geographic breadth. Additionally, we expect to capture revenue synergies and cost savings through the elimination of its public company costs. This acquisition represents a continuation of our strategic effort to improve and bolster our base business, advance our technology and diversification efforts, and execute on value-creating consolidation opportunities.

"We believe the acquisitions of Nuverra, in conjunction with our other recent acquisitions of Complete, Agua Libre, HB Rentals and UltRecovery, position us to see meaningful revenue and earnings growth in the year ahead. Ultimately, we look forward to realizing the benefits of these acquisitions across our scalable platform, and further developing and building upon this diversified portfolio of assets for our shareholders, employees, customers and other partners," concluded Mr. Schmitz.

Additional information and commentary regarding this acquisition may be found in Select's fourth quarter 2021 earnings announcement released yesterday as well as on Select's earnings call to review its fourth quarter 2021 results.

Fourth Quarter 2021 Conference Call

Select has scheduled a conference call on Wednesday, February 23, 2022 at 11:00 a.m. Eastern time / 10:00 a.m. Central time. Please dial 201-389-0872 and ask for the Select Energy Services call at least 10 minutes prior to the start time of the call, or listen to the call live over the Internet by logging on to the website at the address <http://investors.selectenergyservices.com/events-and-presentations>. A telephonic replay of the conference call will be available through March 9, 2022 and may be accessed by calling 201-612-7415 using passcode 13726211#. A webcast archive will also be available at the link above shortly after the call and will be accessible for approximately 90 days.

About Select Energy Services, Inc.

Select Energy Services is a leading provider of sustainable full life cycle water and chemical solutions to the unconventional oil and gas industry in the United States. Select provides for the sourcing and transfer of water, both by permanent pipeline and temporary hose, prior to its use in the drilling and completion activities associated with hydraulic fracturing, as well as complementary water-related services that support oil and gas well completion and production activities, including containment, monitoring, treatment and recycling, flowback, hauling, gathering and disposal. Select also develops and manufactures a full suite of specialty chemicals used in the well completion process and production chemicals used to enhance performance over the producing life of a well. Select currently provides services to exploration and production companies and oilfield service companies operating in all the major shale and producing basins in the United States. For more information, please visit Select's website, <http://www.selectenergy.com>.

Advisors

Vinson & Elkins LLP acted as legal counsel to Select in connection with the Nuverra acquisition. Energy Capital Solutions, LLC acted as financial advisor to Select in connection with the Nuverra acquisition.

Cautionary Statement Regarding Forward-Looking Statements

All statements in this communication other than statements of historical facts are forward-looking statements which contain current expectations about future results. Statements using words such as "believe," "expect," "will," "estimate" and other similar expressions help identify forward-looking statements. Although Select and Nuverra believe that the expectations reflected, and the assumptions or bases underlying our forward-looking statements are reasonable, Select and Nuverra can give no assurance that such expectations will prove to be correct. Such statements are not guarantees of future performance or events and are subject to known and unknown risks and uncertainties that could cause actual results, events or financial positions to differ materially from those included within or implied by such forward-looking statements. Forward-looking statements are subject to a variety of risks, uncertainties and assumptions. These risks and uncertainties include the risks that the benefits contemplated from the transaction may not be realized. Additional risks include: the ability of Select to successfully integrate Nuverra's operations and employees and realize anticipated synergies and cost savings, the potential impact of the consummation of the transaction on relationships, including with employees, suppliers, customers, competitors and credit rating agencies, and volatility in the price of oil, natural gas, and natural gas liquids. Factors that could materially impact such forward-looking statements include, but are not limited to: the severity and duration of world health events, including the COVID-19 pandemic; actions by the members of OPEC+ with respect to oil production levels and announcements of potential changes in such levels, including the ability of the OPEC+ countries to agree on and comply with supply limitations; operational challenges relating to the COVID-19 pandemic and efforts to mitigate the spread of the virus, including logistical challenges, protecting the health and well-being of employees, remote work arrangements, performance of contracts and supply chain disruptions; the level of capital spending and access to capital markets by oil and gas companies in response to changes in commodity prices or reduced demand; any new or additional measures required by national, state or local governments to combat COVID-19, such as a COVID-19 vaccine mandate, which if enacted, could reduce labor availability or add additional operational costs; trends and volatility in oil and gas prices, and the ability to manage through such volatility; and other factors discussed in more detail in filings made by Select and Nuverra with the U.S. Securities Exchange Commission (the "SEC"). Actual results and outcomes may differ materially from those expressed in such forward-looking statements. Investors should not place undue reliance on forward-looking statements. Any forward-looking statement speaks only as of the date on which such statement is made, and Select and Nuverra undertake no obligation to publicly update or revise any forward-looking statement, whether as a result of new information, future events, changed circumstances or otherwise, unless required by law.
