

COMMITTEE REPORTS

WATER COMMITTEE

Tyler Hussey, Apache Corporation

The PBPA Water Committee had one primary Q4 meeting that was held virtually on November 10th. The committee hosted Phil Laughlin, founder and president, and Reagan Kneese, EVP of operations, of Palisade Pipeline, LLC. Palisade has worked a deal with the City of Lubbock to purchase and transport treated municipal effluent from Lubbock, TX, to Eddy and Lea County, New Mexico. With such a large project crossing various stakeholders, counties, and even states, the goal of this meeting was for the committee to learn about the background effort that goes into such a large project and the lessons learned from Phil and Reagan. They discussed the overarching vision, that groundwater is a precious resource that we need to conserve, and how this played a key role in gaining support from state and city officials and regulatory entities.

Phil and Reagan talked about working with the city and ensuring that purchasing water fits into the city's 100-year water plan. They also explained the permitting process and how working with state entities varies significantly across state boundaries. In Texas, Palisade worked with Texas Commission on Environmental Quality and were able to amend Lubbock's 210 permit (reuse of municipal reclaimed water in O&G operations) to include Palisade. They will be subject to water quality reporting like any other wastewater entity. In New Mexico, Palisade had to work with four state agencies that were all stakeholders in various degrees: Office of the State Engineer (OSE), State Land Office (SLO), New Mexico Environmental Department (NMED), and the Oil Conservation District (OCD). The OSE is the authority over surface and groundwater supervision, measurement, appropriation and distribution. As this is not a water originating in NM, Palisade is not necessarily governed by OSE. However, Palisade has worked with them on reporting and compliance should jurisdictions change. The SLO oversees state lands and funds public education and other institutions. Palisade has worked with the SLO to obtain ROW and propose a groundwater-alternative to state land farming and wildfire suppression. The NMED oversees surface and ground water use quality. Palisade has worked with the NMED to obtain support and a surface discharge permit that extends across the state to various approved location. Finally, the OCD regulate oil and gas activity, including fracing and produced water. Palisade has worked with the OCD to ensure compliance and support as the OCD increases its jurisdiction over water. Through all of this work, Palisade has learned the importance of having good relationships with state entities. Palisade plans to transmit up to 190,000 barrels per day of non-potable water into New Mexico. They are targeting powerplants, agriculture, and industrial applications in addition to oil and gas.

In addition to the committee Q4 meeting, members were also invited to attend the New Mexico Water and Natural Resources Committee interim meeting. This meeting covered topics such as state climate impacts, policy recommendations for achieving climate targets, and decarbonization policies. Water committee members were also invited to participate in the Permian Basin Water Management Council's first annual fall fellowship. This was a charity sporting clay shoot organized by local oil and gas water professionals that raised \$40k for the local Salvation Army.

The PBPA Water Committee is planning for an exciting 2021 as hopefully society can return to a new normal and meetings can be held in person. Future meeting topics include covering water legislation as state legislatures go into session, hearing from the Big Bend Conservation Alliance to determine how the committee members could get more involved, and learning lessons learned from midstream companies and operators that have purchased or divested assets.