

# COMMITTEE REPORTS

## WATER COMMITTEE

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The PBPA Water Committee met on February 12th for their 2021 Q1 meeting. This meeting focused on water legislation in both New Mexico and Texas. The goal of this meeting was to give the committee an overview of the important water related bills in each state and the status of each bill. This meeting was held a week prior to the Permian Basin Water Management Council Q1 meeting in which water law experts for both TX and NM discussed specific legal implications of each bill. PBPA WC members were invited to this meeting as well.

This committee meeting was primarily focused on NM bills, as the Texas Legislature was still in its infancy. The first bill discussed was SB86 that would eliminate the use of fresh water in oil and gas operations and provide extreme produced water spill penalties. The significant financial implications of this bill were discussed. As an example, at a typical frac water transfer rate, the provided spill penalties would equate to \$1 million every 5 minutes for a leak on a recycled produced water frac water transfer job. HB 95 was also discussed. This bill would have provided anyone standing to protest water rights and add a significant burden on the state engineer when approving water right applications. This could have increased the backlog of permits and delayed applications significantly. Another bill that was discussed, HB30, would have the same implications as HB95 but for temporary water uses and water leases – which would have impacted oil and gas even more. SB 149 (anti-fracing bill) was also presented to the committee. The financial implications stated in the FIR were discussed as well as the complete irrationality of the bill. The final NM bill discussed was SJR 3 that would have revised the NM state constitution to create uncertainty over jurisdiction of environmental protection and provide any standing in environmental lawsuits against the state.

The PBPA Water Committee will be having another meeting soon to discuss current TX bills. A few bills were covered in the Q1 meeting but will be fleshed out in the Q2 meeting. The two important bills discussed were the Rule 8 bill and SB 601. The Rule 8 Bill, which was in draft but is now SB1335/HB3516, attempts to make commercial recycling facilities easier to permit. SB 601 would create a TX produced water consortium to study beneficial reuse of produced water.