Feedback on New Recycling Rules



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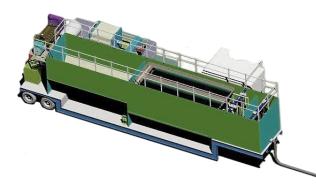
General Comments on New Rules

RRC Score: <u>A++</u>

- ① <u>Permit by Rule</u>. Allows us the flexibility needed.
- 2 <u>Multi-Lease, Multi-Operator</u>. Allows us to gather water from multiple areas to make recycling cost effective.
- ③ No Conflict With Other Agencies (TCEQ, Fish & Wildlife, etc.).
- ④ Common Sense Rules. RRC sought input from recyclers and industry.

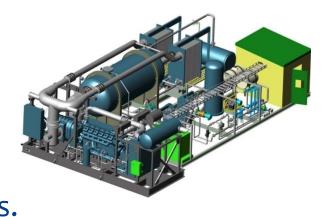
Fountain Quail – Pioneers in TX Recycling





- ✓ Experience.
- ✓ Reputation.
- ✓ Flexible and Adaptable.
- ✓ Practical Oilfield Solutions.
- ✓ Saltwater or Freshwater options.





Freshwater Since 2004:

21,480,000 bbls



Clean Saltwater Since 2004:

22,035,000 bbls



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Permian Basin – "Perfect Storm" for Recycling...

- Oil play with overlapping pay zones.
- 2 Limited freshwater availability.
- 3 Abundant produced water (old production).

Produced Water is now a RESOURCE





texas water recycling association

Water is a precious resource. The TWRA is committed to developing positive, sustainable solutions to Texas' water challenges. The TWRA seeks to:

- Encourage water reuse and recycling.
- Protect water without adversely impacting industry.
- Maintain and advance Texas as a global economic leader.

The TWRA supports all viable water recycling technologies and their vendors. www.txwra.org

Texas Innovates







> Texas started the shale revolution.

- > Recycling is now mainstream.
- Texas is blessed with abundant mineral wealth.
- > Water is a challenge, however...

We can innovate & meet the challenge.

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Oil & Gas are key to our economy. Water is key to our way of life. Balance is the key to success.