



Blue Paydirt:

The Importance of Water to Texas' Energy Development

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“When the well is dry, we know the worth of water.”
– Benjamin Franklin

“If the wars of this century were fought over oil, the wars of the next century will be fought over water” – Ismail Serageldin, World Bank Vice President, 1995.

“Water promises to be to the 21st century what oil was to the 20th century: the precious commodity that determines the wealth of nations.” –*Fortune* magazine, May 2000.

Overview:

- Water Supplies:
 - Importance to Energy Development
 - Sources
- Planning, Politics, and Suing Neighbors
 - Proposition 6
 - Legislative efforts
 - Suing neighbors (including New Mexico/Oklahoma!)
 - Rule of Capture/Trespass Law Comparisons
- Legal Framework: Contracts and Regulations
 - Contracting for Water
 - Water Regulation

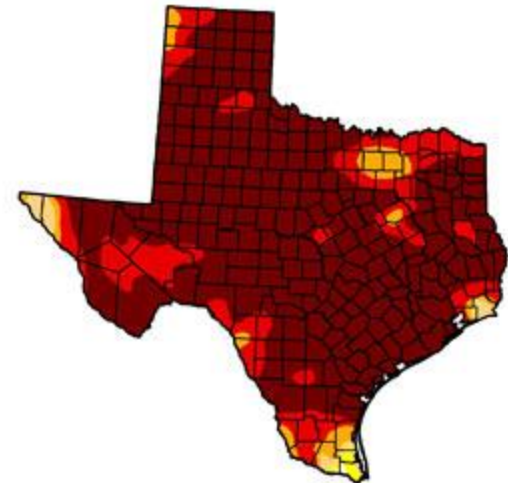
Water Supplies

- Why should I care about water (and Texas Water law?)
 - Storage
 - Supplies
 - Exploration and Production
 - Disposal of wastewater
 - Underground injection
 - Discharge



Drought

- Impact of current drought upon water planning



Water Supplies

- Sources of Water Supplies
 - Surface Water
 - Chapter 11 of the TWC
 - TCEQ Authority
 - Water Rights Permits
 - Groundwater
 - Chapter 36 of the TWC
 - Ownership of Groundwater
 - Role of GCD
 - Other sources:
 - Reuse
 - Desalination



Planning, Politics, and Suing Neighbors

- Water Planning
 - Texas Water Development Board
 - Regional Water Plans
 - State Water Plan
- Proposition 6
 - Supporters
 - Impact



Planning, Politics, and Suing Neighbors

- Suing Neighbors
- Texas vs. Neighbors:
 - Who's taking our water?



Texas v. New Mexico, 141, ORIG., 2014 WL 273246 (U.S. Jan. 27, 2014).

Planning, Politics, and Suing Neighbors

- Who's taking our water? Where can Texas obtain more water?



- *Tarrant Reg'l Water Dist. v. Herrmann*, 133 S. Ct. 2120 (2013)

Planning, Politics, and Suing Neighbors

- Suing private neighbors:
 - Rule of Capture
 - *Edwards Aquifer Auth. v. Day*, 369 S.W.3d 814 (Tex. 2012), reh'g denied (June 8, 2012)



Planning, Politics, and Suing Neighbors

- Suing private neighbors:
 - Trespass
 - *FPL Farming* meets *Coastal v. Garza*



Planning, Politics, and Suing Neighbors

- Suing private neighbors:
 - *FPL Farming LTD., v. Env'tl. Processing Systems*, 383 S.W.3d 274 (Tex. App.—Beaumont 2012, pet. granted)
 - Lawsuits against injection well operators for fluid migration
 - Potential impacts



Legal Framework

- Legal Framework
 - Contracting for Water
 - Water Supply Contracts
 - TCEQ Requirements
 - Contracting for Water



Legal Framework

- Regulations
 - TCEQ, Railroad Commission, EPA, et al.

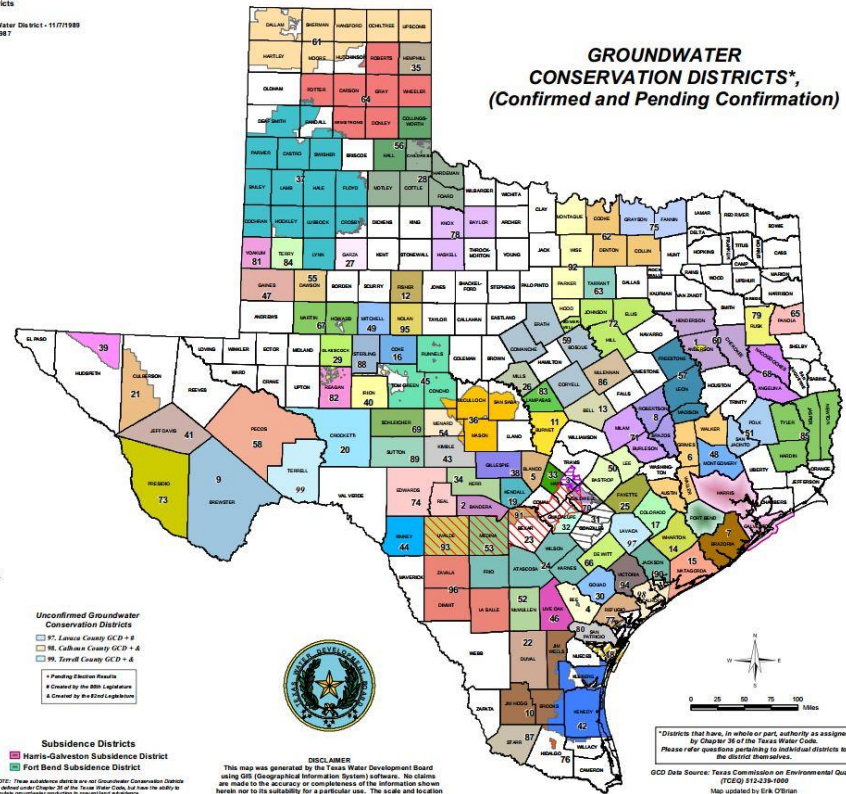




Legal Framework

- Regulations
 - Groundwater Conservation Districts

- Confirmed Groundwater Conservation Districts**
1. Anderson County UWCD - 10/17/1987
 2. Bandera County River Authority & Ground Water District - 11/07/1988
 3. Banta Springs/Edwards Aquifer GCD - 8/13/1987
 4. Bee GCD - 1/25/2006
 5. Blanco-Pedernales GCD - 1/23/2001
 6. Brazos River GCD - 11/05/2002
 7. Brazos Valley GCD - 11/08/2005
 8. Brazos Valley GCD - 11/08/2005
 9. Brazos Valley GCD - 11/08/2005
 10. Brazos Valley GCD - 11/08/2005
 11. Central Texas GCD - 9/24/2005
 12. Clear Fork GCD - 11/05/2002
 13. Clearwater UWCD - 8/21/1993
 14. Coastal Bend GCD - 11/05/2002
 15. Coastal Plains GCD - 11/02/2001
 16. Cook County UWCD - 11/06/1986
 17. Colorado County GCD - 11/02/2007
 18. Corpus Christi Area GCD - 8/17/2003
 19. Cow Creek GCD - 11/05/2002
 20. Crockett County GCD - 1/25/1991
 21. Cullman Co. County GCD - 5/21/1998
 22. Dallas County GCD - 11/05/2002
 23. Edwards Aquifer Authority - 7/28/1996
 24. Everglades UWCD - 8/28/1985
 25. Fayette County GCD - 11/05/2001
 26. Fox Crossing Water District - 4/4/1996
 27. Garza County UWCD - 11/05/1996
 28. Goliad County GCD - 11/05/1996
 29. Glasscock GCD - 8/21/1981
 30. Goliad County GCD - 11/05/2001
 31. Gonzales County UWCD - 11/21/1994
 32. Guadalupe County GCD - 11/14/1999
 33. Hays Trinity GCD - 5/23/2003
 34. Henderson GCD - 11/05/1991
 35. Hemphill County UWCD - 11/41/1997
 36. Hill Country UWCD - 11/14/1999
 37. Hill Country UWCD No. 1 - 8/23/1951
 38. Hill Country UWCD - 8/23/1951
 39. Hockley County UWCD No. 1 - 10/5/1957
 40. Hon County GCD - 8/21/1981
 41. Jack County UWCD - 11/21/1993
 42. Kendall County GCD - 11/22/2004
 43. Kinney County GCD - 5/29/2002
 44. Kinney County GCD - 11/22/2004
 45. Lipscomb GCD - 11/05/1987
 46. Live Oak UWCD - 11/07/1989
 47. Live Oak UWCD - 11/07/1989
 48. Lone Star GCD - 11/02/2001
 49. Lone Star GCD - 8/22/2002
 50. Lost Pines GCD - 11/05/2002
 51. Lower Trinity GCD - 11/07/2006
 52. McLallen GCD - 11/02/2001
 53. Medina County GCD - 8/28/1991
 54. Menard County UWCD - 8/14/1999
 55. Mesa UWCD - 1/25/1991
 56. Mesquite GCD - 11/41/1988
 57. Middle East Texas GCD - 11/05/2002
 58. Middle Texas GCD - 11/05/2002
 59. Middle Trinity GCD - 11/05/2002
 60. Naches & Trinity Valleys GCD - 11/05/2001
 61. North Plains GCD - 11/05/2002
 62. North Plains GCD - 12/11/2009
 63. Northern Trinity GCD - 5/15/2007
 64. Panhandle GCD - 1/21/1956
 65. Panhandle GCD - 11/05/2002
 66. Pecos Valley GCD - 11/02/2001
 67. Pecos Valley GCD - 9/21/1988
 68. Playwoods GCD - 11/02/2001
 69. Pecos Valley GCD - 11/02/2001
 70. Plain County GCD - 11/05/2002
 71. Post Oak Savannah GCD - 11/05/2002
 72. Priddy GCD - 8/10/2009
 73. Presidio County UWCD - 8/21/1999
 74. Reed-Schwartz C and R District - 5/20/1959
 75. Red River GCD - 11/02/2001
 76. Red River GCD - 11/02/2001
 77. Red River GCD - 11/02/2001
 78. Rolling Plains GCD - 11/08/1999
 79. Rock County GCD - 6/10/2004
 80. San Antonio GCD - 5/12/2007
 81. Sandy Land UWCD - 11/07/1989
 82. Santa Rita UWCD - 8/17/1989
 83. Saratoga UWCD - 11/07/1989
 84. South Plains UWCD - 11/02/2004
 85. Southeast Texas GCD - 4/10/2009
 86. Southern Trinity GCD - 4/10/2009
 87. Starr County GCD - 11/02/2001
 88. Sterling County UWCD - 11/01/1987
 89. Subson County UWCD - 4/5/1986
 90. Tarrant County GCD - 11/05/2002
 91. Trinity Clear Fork GCD - 11/02/2002
 92. Upper Trinity GCD - 11/02/2002
 93. Uvalde County UWCD - 8/17/1989
 94. Uvalde County UWCD - 8/17/1989
 95. West-Texas GCD - 11/05/2002
 96. Winkler-Giddens GCD - 11/17/1989



Legal Framework

- Regulations (EPA)
 - Clean Water Act
 - Safe Drinking Water Act

The logo for the Clean Water Act 40th Anniversary. It features a large, stylized blue water droplet shape. Inside the droplet, the text "Clean Water Act" is written in a bold, blue, sans-serif font, and "40th Anniversary" is written in a smaller, white, sans-serif font below it. In the bottom right corner of the droplet, there is a circular inset containing a stylized landscape with a white sun or moon, a green horizon line, and a dark blue body of water.

Clean Water Act
40th Anniversary

Conclusions

- Water Supplies as Major Policy and Private Enterprise Challenge
- “Blue Paydirt”
- Regulatory Environment: Compliance with current regs; anticipation of future requirements.
- Planning for the future.



Questions



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