

June 3, 2025

The Honorable Greg Abbott
Governor of Texas
POB 12428
Austin, TX 78711

Subject: Support HB 49 relating to the treatment and beneficial use of fluid oil and gas waste

Dear Governor Abbott:

We are writing to respectfully ask you to sign HB 49 by Representative Drew Darby and Senator Charles Perry. The bill was heavily negotiated and agreed to by stakeholders during the 89th session, including industry organizations, business organizations, and landowner groups.

The Texas oil and gas industry produces 25 million barrels of produced water statewide every day. 76% of that produced water (19 million barrels a day) is currently disposed of by industry through underground injection into saltwater disposal wells and is not available for any beneficial use. As treatment technology continues to improve and expand in scope, reclaiming all or a substantial part of this 1.05 billion gallons of produced water would go a long way toward meeting our domestic needs, which currently run to 2.3 billion gallons per day. But in order for this expansion to occur as quickly as possible, two things are necessary: an efficient regulatory policy and a stable, predictable liability climate. HB 49 accomplishes both objectives.

In view of technological advances in beneficial recovery of water produced in the oil & gas process, the time has come to update Chapter 122 of the Natural Resources Code to ensure that it continues to serve its original purpose. HB 49 specifies that a person, including a surface owner, who takes possession of fluid oil and gas waste, produces from that waste a treated substance, and either puts it to a beneficial use or contractually transfers it to another person for beneficial use is not liable in tort for a consequence of subsequent use of that product by any person. The liability limitation, however, does not apply to gross negligence, an intentional, wrongful act or omission, or the negligence if the transferee did not treat, use, or dispose of the waste in compliance with its permit. The bill further limits recovery for negligence based solely on regulatory non-conformity to actual damages and protects a surface owner from liability for exposure to waste, treated waste, or a byproduct of treated waste. Exemplary damages would still be available, as they are in any civil lawsuit, for the defendant's gross negligence, malice, or fraud.

We appreciate your consideration of this important technology.



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