The Taxing Challenge of Produced Water

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As produced water volumes grow across the Permian Basin, Texas faces increasing pressure on disposal capacity, rising costs, and seismic risks.

In an article for *The Texas Lawbook*, FBT Gibbons partner Ray Guy, based in the firm's Dallas office, examines these challenges and explores whether a state tax on produced water disposal could help address them.

"A Texas state tax on produced water disposal — with a higher rate for out-of-state water — is worth considering," Guy writes.

He discusses how such a tax could generate state revenue, preserve disposal capacity, and encourage recycling and beneficial reuse.

Read the full article in *The Texas Lawbook.*

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