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The Taxing Challenge of Produced Water

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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