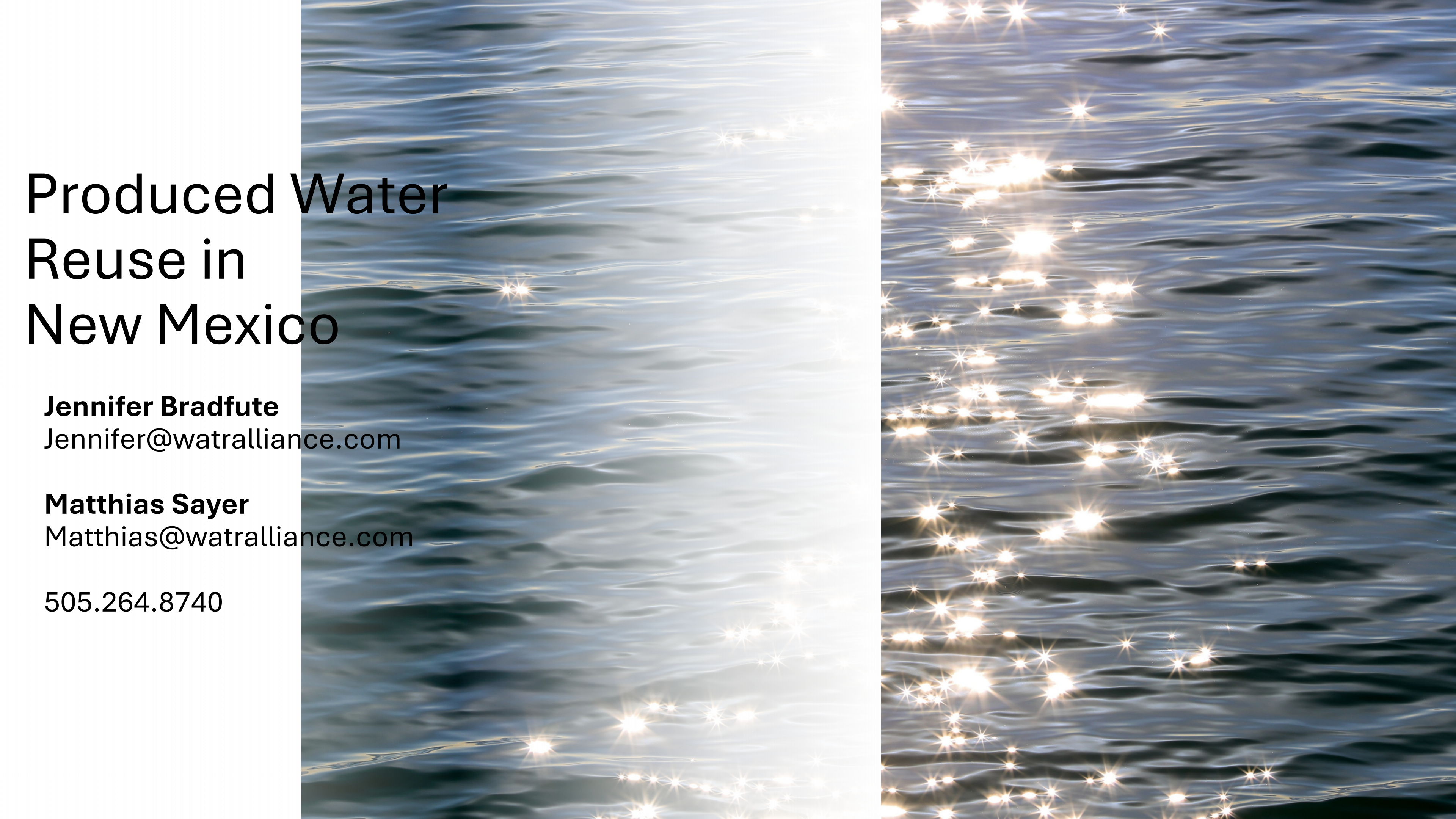




Produced Water Reuse in New Mexico

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Barriers to Scaling Reuse Outside Oil & Gas

No fit-for-purpose reuse standards (beyond pilots)



Treatment can increase regulatory burden



Fragmented state approaches (TX vs. NM vs. others)



Liability and public perception concerns



Infrastructure & permitting delays

Reuse of Treated Produced Water



Oil and Natural Gas Produced Water Governance
in the State of New Mexico—Draft White Paper



November 9, 2018

Produced Water Act (2019)

- Clarifies jurisdiction between, EMNRD and NMED
- Clarifies matters of ownership and control
- Encourages recycle
- Requires WQCC to adopt regulations for the discharge, handling, transport, storage, recycling or treatment for the disposition of treated produced water



Case Example: Permian Basin Scale

~22 million barrels/day of produced water generated

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graph TD; A[~22 million barrels/day of produced water generated] --> B[~6.5 million barrels/day reused in-field today]; B --> C[~15.5 million barrels/day still require management]; C --> D[Demonstrates volume and opportunity, not current off-field scale]; D --> E[Treatment already occurring — reuse pathways lag behind];
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~6.5 million barrels/day reused in-field today

~15.5 million barrels/day still require management

Demonstrates volume and opportunity, not current off-field scale

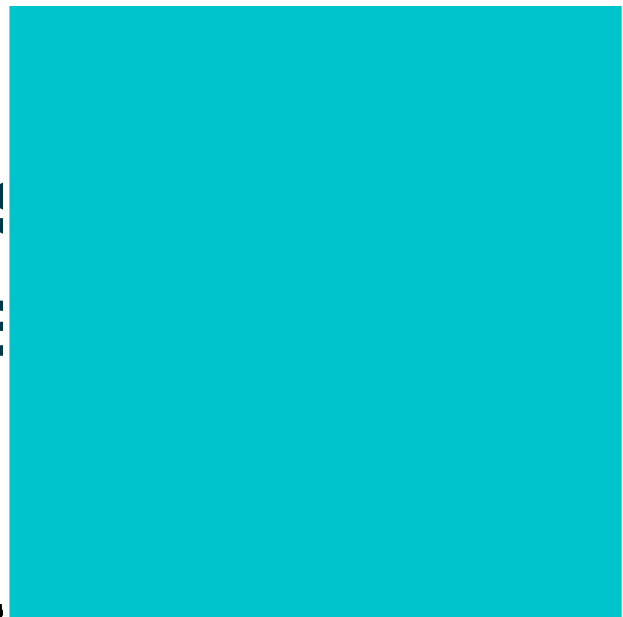
Treatment already occurring — reuse pathways lag behind

Core Issue: Regulatory Identity Shifts

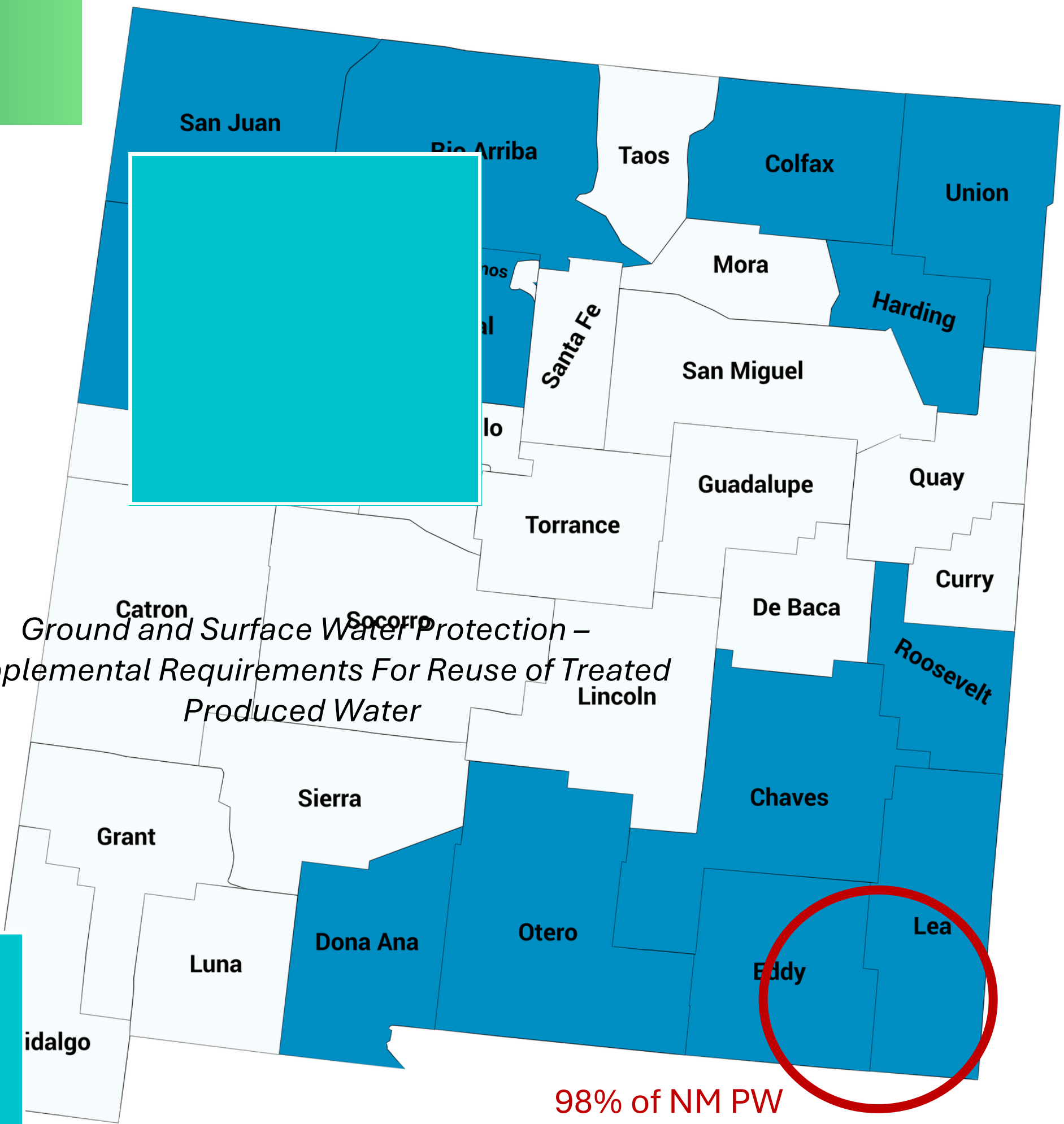
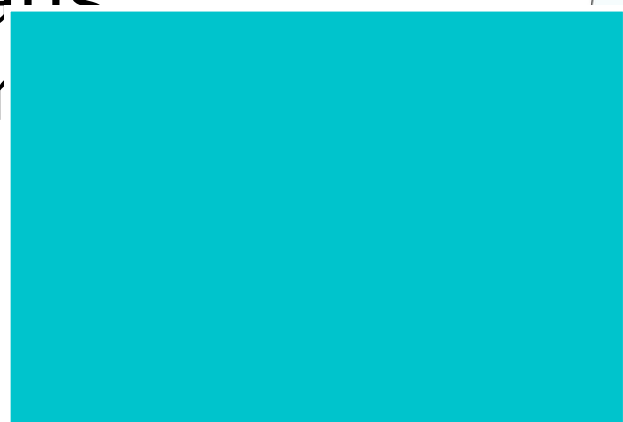
- Produced water is regulated differently based on use
- In oil & gas operations:
 - Managed under state oil & gas authority
- Outside oil & gas:
 - May trigger environmental and waste regimes
- Same water → different laws → different risk profiles
- Lack of a stable “handoff” point discourages reuse

Reuse of Treated Produced Water

Risk-based Reuse of Treated Produced Water Outside of the Oil Field



- Petition filed with the NMAC
- Petition proposes a robust reuse permitting framework:
 - Permit-specific water quality standards
 - Comprehensive water monitoring program
 - Whole effluent toxicity testing
 - Effluent & Control limits
 - Monitoring and closure plans
 - Financial assurance requirements



98% of NM PW



Petition 26-18: What the Petition Does

Filed March 3, 2026, the petition proposes amendments to 20.6.8 NMAC to establish a structured permitting framework for the non-potable reuse of treated produced water outside oil and gas operations. The framework is designed to evaluate reuse applications through clear standards, monitoring, and phased implementation rather than unrestricted authorization.

Permit classes proposed under the petition:

Class A — closed-loop, non-discharging industrial systems such as geothermal cooling or process heat exchange.

Class B — ground discharge uses such as road stabilization, dust suppression, and irrigation of non-food crops.

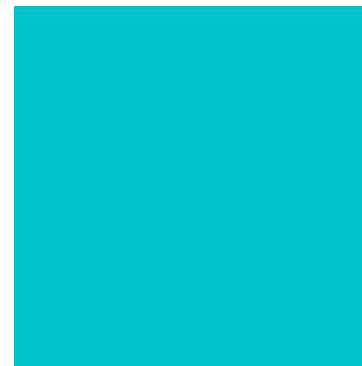
Class C — surface water discharge subject to staged demonstration periods, monitoring, and toxicity testing.

Class D — downstream non-discharge industrial uses such as concrete and asphalt production.

Become a Member or Support the Rulemaking



Contributions accepted



Water Future Fund coming soon



www.watralliance.org:

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