PERMIAN BASIN UNDERGROUND WATER CONSERVATION DISTRICT

Excerpt of RULES

Proposed Amendments of Certain Rules
(Set for Public Hearing on December 1, 2026)

FOR CONVENIENCE OF REVIEW, ONLY THOSE RULES THAT ARE PROPOSED TO BE AMENDED OR REPEALED OR THAT ARE HELPFUL AND PROVIDE CONTEXT TO THE PROPOSED AMENDMENTS OR REPEAL HAVE BEEN INCLUDED IN THIS EXCERPT.

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PERMIAN BASIN UNDERGROUND WATER CONSERVATION DISTRICT
PROPOSED RULES REVISIONS TO BE CONSIDERED
AT A PUBLIC HEARING ON DECEMBER 1, 2026

The proposed repeal of language is reflected in text that is struck through, and the proposed new language is reflected in text that is **bold and underlined**.

RULE 4A WELL DRILLING AND COMPLETION

All wells shall be drilled, completed, and recompleted in accordance with the standards set out in the Texas Administrative Code, Title 16, Chapter 76 ("Water Well Drillers and Water Well Pump Installers rules of the Texas Department of Licensing and Regulation"). **This rule incorporates Chapter 76 only as to the manner of well construction, completion, and recompletion. Well location and spacing within the District are governed exclusively by District Rule 6, and no provision of Chapter 76, including 16 TAC §76.100(b)(2), authorizes any well location or setback that does not comply with Rule 6. In the event of conflict between Chapter 76 and these Rules, these Rules control.**

Each well drilled, recompleted, or reequipped on or after January 1, 2027, shall be equipped with a check valve that prevents the backflow of water or any other substance into the well. An air gap or other backflow prevention method allowed under Chapter 76 does not satisfy this requirement unless the well is also equipped with a check valve.

RULE 6 LOCATION OF DRILLING AND SPACING OF WELLS

(a) An exempt water well, subject to registration, drilled subsequent to the Effective Date of this rule shall be located at least fifty (50) feet from all property lines.

(b) A water well, subject to permitting and drilled subsequent to the Effective Date of this rule, shall be located **(1)** at least one hundred fifty (150) feet from all property lines and three hundred (300) feet from any other existing well**; or (2) if the well is located on a tract of ten (10) acres or less and is equipped so that it is incapable of producing more than forty (40) gallons per minute, at least fifty (50) feet from all property lines and one hundred (100) feet from any other existing well. If more than one well is located on the same tract under Paragraph (2), the wells must be equipped so that their combined production cannot exceed forty (40) gallons per minute.**

(c) After an application for a well permit has been granted, the well, if drilled, must be drilled within 30 feet of the location specified in the permit, and not elsewhere. If the well should be commenced or drilled at a different location, the drilling or operation of such well may be enjoined by the Board pursuant to Chapter 36, Texas Water Code.

(d) Wells drilled prior to the Effective Date of these rules are not subject to spacing requirements of this rule.

(e)(1) Uncontested Waiver to Permitted Well Spacing Requirements **Contingent on Board Approval** – If an exception to spacing rules is desired the District requires a notarized waiver **application**. The waiver form, provided by the District, must be signed by each

landowner whose property would be located within the applicable minimum distance ~~(150')~~ established under these Rules. Each landowner must agree to the proposed location of the new well site. ~~The District spacing requirements will then be waived for the proposed well location.~~ **Landowner consent is a prerequisite to consideration of a waiver under this subsection but does not entitle the applicant to a waiver. Upon receipt of a complete waiver application, the Board may grant the waiver, grant the waiver subject to special conditions, or deny the waiver, in the Board's sole discretion.** The requirements of the Texas Administrative Code, Title 16, Chapter 76.100(b)(2) apply **to any waiver granted under this subsection as a condition of the waiver, and compliance with §76.100(b)(2) is not a substitute for a waiver**.

(e)(2) Contested Waiver to Permitted Well Spacing Requirements - For property line distance reduction, the potential well owner shall be required to:

(i) at the potential well owner's expense, drill and install an observation well at the nearest property boundary of each potentially affected property or an existing well that meets the requirements for such an observation well may be used, with prior District approval, and;

(ii) conduct an aquifer evaluation based on the desired production. The aquifer evaluation shall be subject to the following criteria:

a. the aquifer evaluation shall be performed by a Texas-licensed professional geoscientist or a Texas-licensed professional engineer with experience in aquifer testing to establish the maximum potential production;

b. the calculated effect will be based on a drawdown in the observation wells at one year of production from the proposed well not to exceed 15% of the total saturated thickness at each of the potentially affected property boundaries, and;

c. the results of the evaluation shall be submitted to the District for review by the District hydrogeologist and shall be kept on file at the District office for public viewing upon request.

(iii) On tracts of less than 10 acres, the Groundwater Availability Certification study provided with a certified plat may be used as credible evidence to grant a spacing exception.

(e)(3) Each granted well spacing exception waiver shall be filed and recorded at the District office and county clerk's office of the county where the well is located.

~~(f) New non-exempt wells installed on a tract of ten (10) acres or less may reduce the one hundred fifty (150) feet property line setback spacing distance required under Rule 6(b) to a distance of fifty (50) feet from a property line and one hundred (100) feet from any other existing well so long as the well is equipped to not exceed a production rate greater than 40 gallons per minute. If multiple wells are to be installed on the same tract of ten (10) acres or less utilizing the reduced setback provision of this rule, wells within the reduced setback area must be equipped to ensure a cumulative production rate not to exceed 40~~

~~gallons per minute. Alternatively, a potential well owner may refer to section (e)(1) or section (e)(2) of this rule for additional spacing and production options.~~

RULE 7 REPLACING OF A WELL

(a) No person shall drill a replacement well without a permit from the Board. A replacement well, in order to be considered as such, must be drilled within one hundred fifty (150) feet of the old well and not elsewhere. Provided, however, that the Board may grant an exception without notice or hearing in any instance where the replacement well is placed farther away from any existing wells or authorized well sites.

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(b) A replacement well that meets the requirements of Subsection (a) may be located closer to a property line or another well than the minimum distances required by Rule 6, provided that the replacement well is no closer to any property line or any other well than the well it replaces.

RULE 13 FINAL ORDERS AND DECISIONS OF THE BOARD

The orders and decisions of the Board in any uncontested application or proceeding shall become final on the day action is taken by the Board. All orders and decisions of the Board in contested applications, appeals or other proceedings shall contain a statement that the same was contested. In such event the order will become final after fifteen (15) days from the entry thereof and be binding on the parties thereto unless a motion for rehearing is filed under ~~Rule 15~~ **Rule 14** hereof.

RULE 24 SHOW CAUSE ORDERS AND COMPLAINTS

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(c) REMEDIES:

(1) The Board shall consider the appropriate remedies to pursue against an alleged violator during the show cause hearing, including assessment of a civil penalty, injunctive relief, or assessment of a civil penalty and injunctive relief. In assessing civil penalties, the Board may determine that each day that a violation continues shall be considered a separate violation. The civil penalty for a violation of any District rule is hereby set at the lower of ~~$10,000.00~~ **$25,000.00** per violation or a lesser amount determined after consideration, during the enforcement hearing, of the criteria in subsection (2) of this rule.

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RULE 27 GROUNDWATER EXPORT FEE

(a) For purposes of this rule, "export" means pumping, transferring, or transporting groundwater out of the District. The terms "transfer," "transport," and "export" of groundwater are used interchangeably within Chapter 36 of the Texas Water Code and these Rules.

(b) The District may impose an export fee or surcharge, established by Board resolution, for the export of groundwater out of the District using one of the following methods:

(1) a fee negotiated between the District and the exporter; or

(2) a rate not to exceed twenty (20) cents for each thousand gallons of groundwater exported from the District.

(c) An exporter shall report the volume of groundwater exported and pay the export fee at the time negotiated under Subsection (b)(1), or no later than the deadline established by the General Manager.

(d) The maximum rate the District may impose under Subsection (b)(2) increases each calendar year in accordance with Section 36.122(e-1) of the Texas Water Code. An export fee, or an increase in an export fee, is not valid unless it is approved by the Board after a public hearing. The District may use funds obtained from a rate increase under this subsection only for costs related to assessing and addressing impacts associated with groundwater development, as provided by Section 36.207 of the Texas Water Code, including:

(1) maintaining operability of wells significantly affected by groundwater development;

(2) developing or distributing alternative water supplies; and

(3) conducting aquifer monitoring, data collection, and aquifer science.