

WATER REUSE FOR OIL & GAS INDUSTRY

Midstream Source Water Opportunity

“The Use of Municipality and Industrial Wastewater for Hydraulic Fracking”

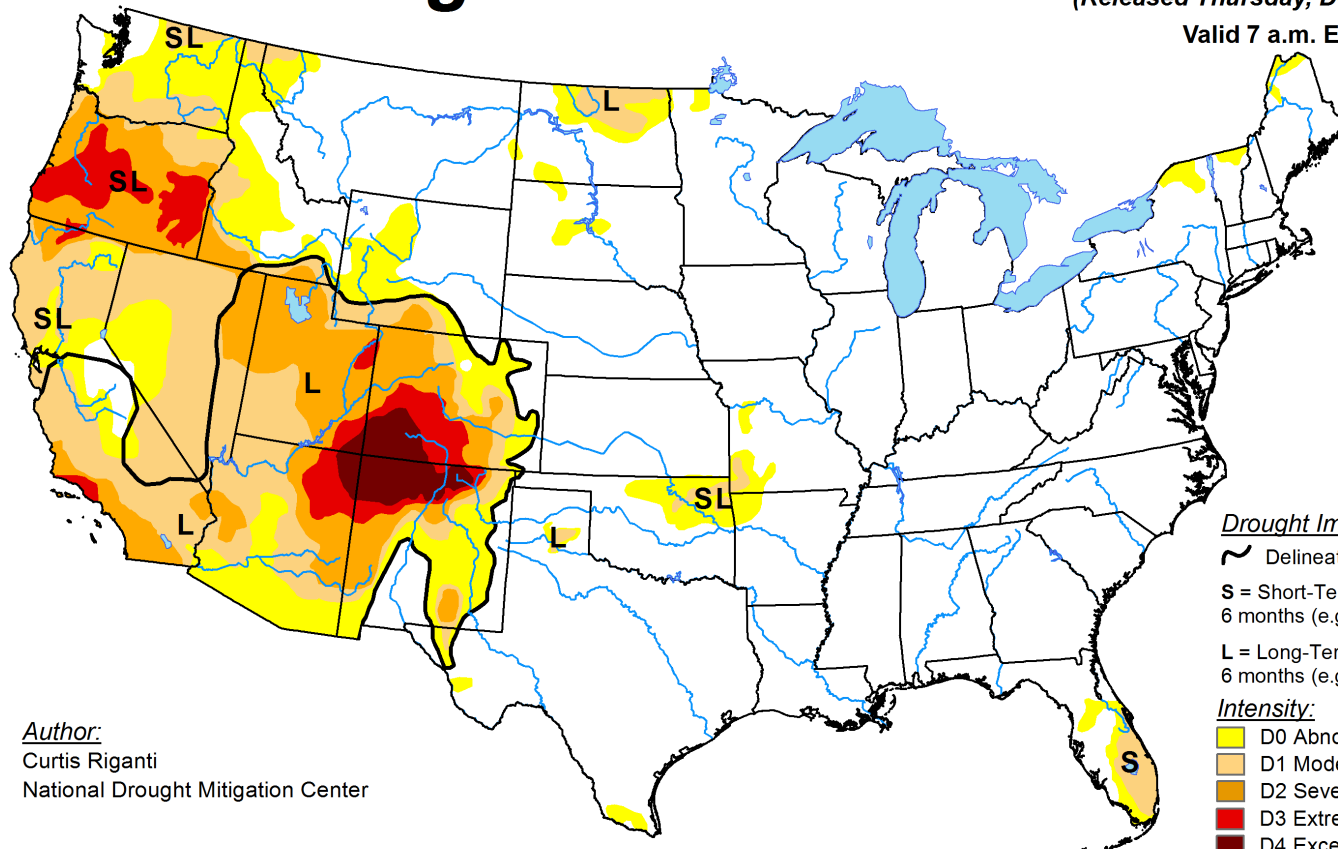
DEPARTMENT OF ENVIRONMENTAL QUALITY

OFFICE OF EXTERNAL AFFAIRS

LLOYD KIRK


U.S. Drought Monitor

December 11, 2018
(Released Thursday, Dec. 13, 2018)
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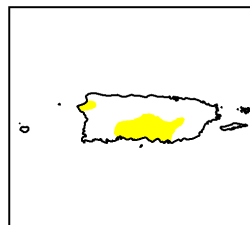
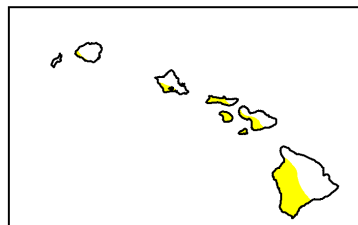
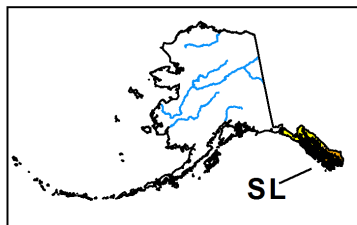
Drought Impact Types:

-  Delineates dominant impacts
- S** = Short-Term, typically less than 6 months (e.g. agriculture, grasslands)
- L** = Long-Term, typically greater than 6 months (e.g. hydrology, ecology)

Intensity:

-  D0 Abnormally Dry
-  D1 Moderate Drought
-  D2 Severe Drought
-  D3 Extreme Drought
-  D4 Exceptional Drought

The Drought Monitor focuses on broad-scale conditions. Local conditions may vary. See accompanying text summary for forecast statements.



<http://droughtmonitor.unl.edu/>


WATER REUSE

- **WATER REUSE** – *Because of the Drought, DEQ focused on how municipal or industrial wastewater could be reused in a beneficial matter.*
 - **Reuse of wastewater for fracking** – Rules passed (252:627-1-6), MOU revised with the Corporation Commission & Statute passed.
 - **Statewide Map** – Interactive map of all Industrial/Municipal Wastewater and Municipal Water Plant Discharge Points
 - It's a **Win, Win, Win** for the Energy company, the Environment and Municipality!

INDUSTRIAL WATER REUSE EXAMPLES

Industrial Water Reuse Examples [\(link\)](#)

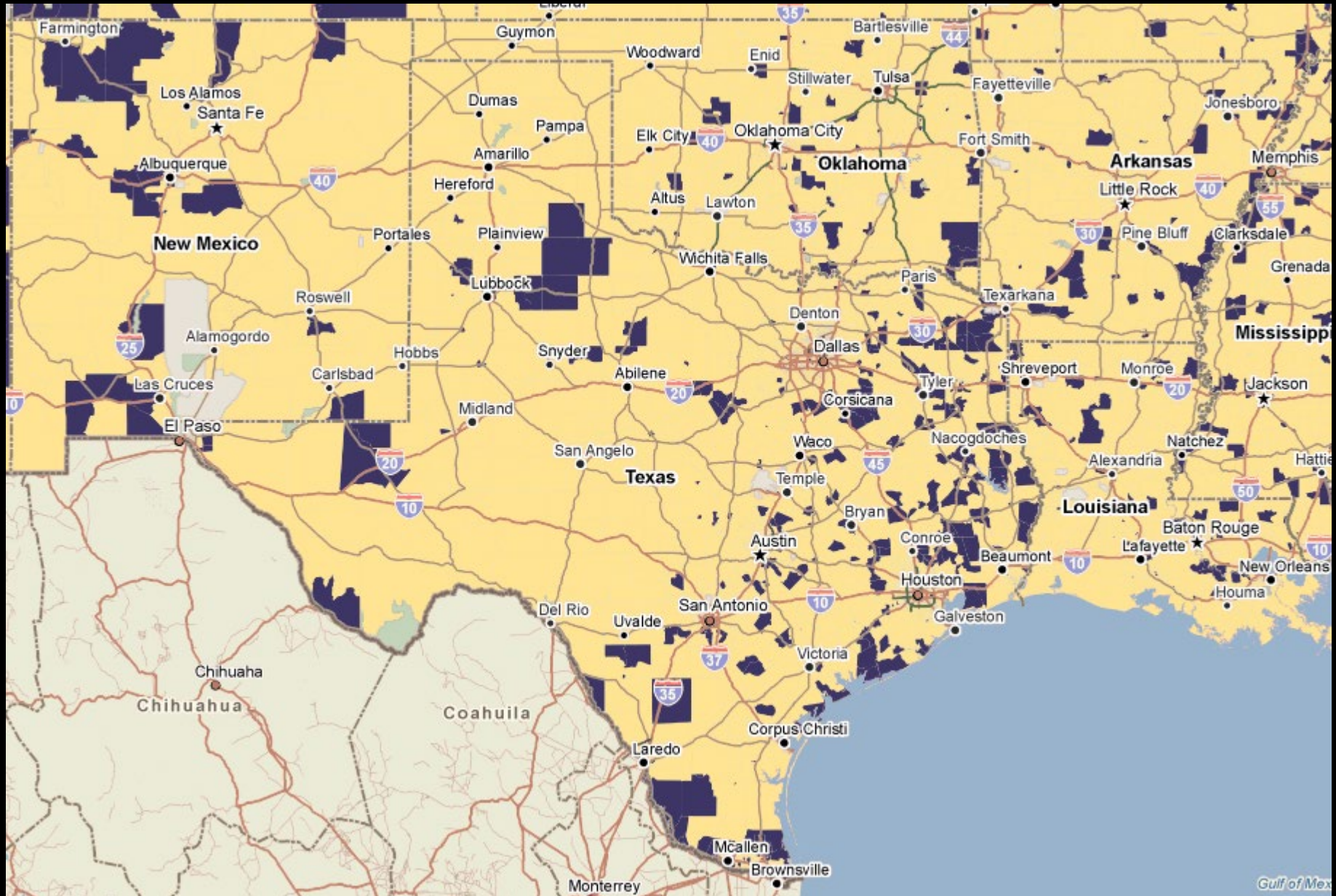
<u>Industrial User</u>	<u>Application</u>	<u>Reclaim Water Supplier Facility</u>	<u>Quantity</u>	<u>Reducing Burden On</u>	<u>Permitted by DEQ under 2012 Rules</u>
OG&EMcClain 500 MW Power Plant	Cooling Towers	City of OKC S. Canadian WWTP	2 MGD	City of OKC	No
OG&ERedbud 1200 MW Power Plant	Cooling Towers	City of OKC N. Canadian WWTP	10 MGD	City of OKC	No
Koch Industries Fertilizer Plant	Cooling Towers	City of Enid WWTP	8 MGD	City of Enid	Yes (In Draft)
PSO Comanche 270 MW Power Plant	Cooling Towers	City of Lawton WWTP	6 MGD	City of Lawton	No



TURN YOUR OBSTACLES INTO
OPPORTUNITIES
AND YOUR PROBLEMS INTO
POSSIBILITIES.

Roy T. Bennett, *The Light in the Heart*

Designating Opportunity Zones



Opportunity Zone Tax Incentives

- **Temporary Tax Deferral** – Taxable capital gains are deferred (until sale of equity share or December 31, 2026) if investors capitalize projects in designated Opportunity Zones
- **Step-Up in Basis** – Investors allowed to exclude 10% of original gain from taxation with 5-year Opportunity Zone investment and 15% exclusion with 7-year Opportunity Zone investment
- **Permanent Exclusion** – Any gains from an Opportunity Zone investment held at least 10 years are excluded from taxation

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