

A wide-angle photograph of a desert landscape, likely in the southwestern United States. The foreground shows a rocky, sandy slope with sparse desert vegetation, including several large, rounded cholla cacti and some low-lying shrubs. The middle ground is a vast, flat expanse of desert floor covered in low, scrubby plants. The background shows a distant, hazy horizon under a clear sky. The entire image has a warm, orange-brown color cast.

UNIVERSITY LANDS

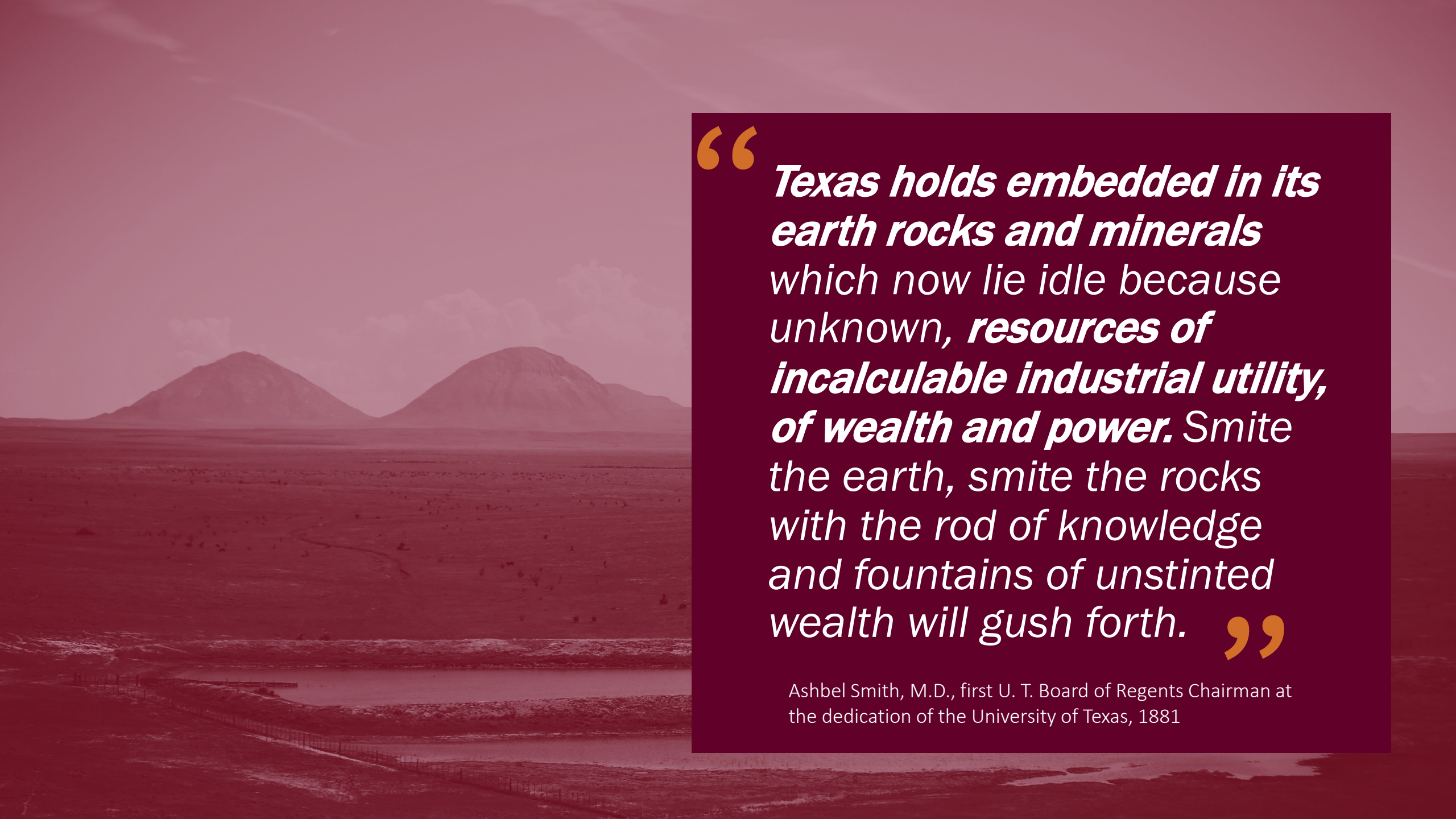
WATER MANAGEMENT ON PUF LANDS

Presented by

William R. (Billy) Murphy, Jr.

Chief Executive Officer

March 6, 2025



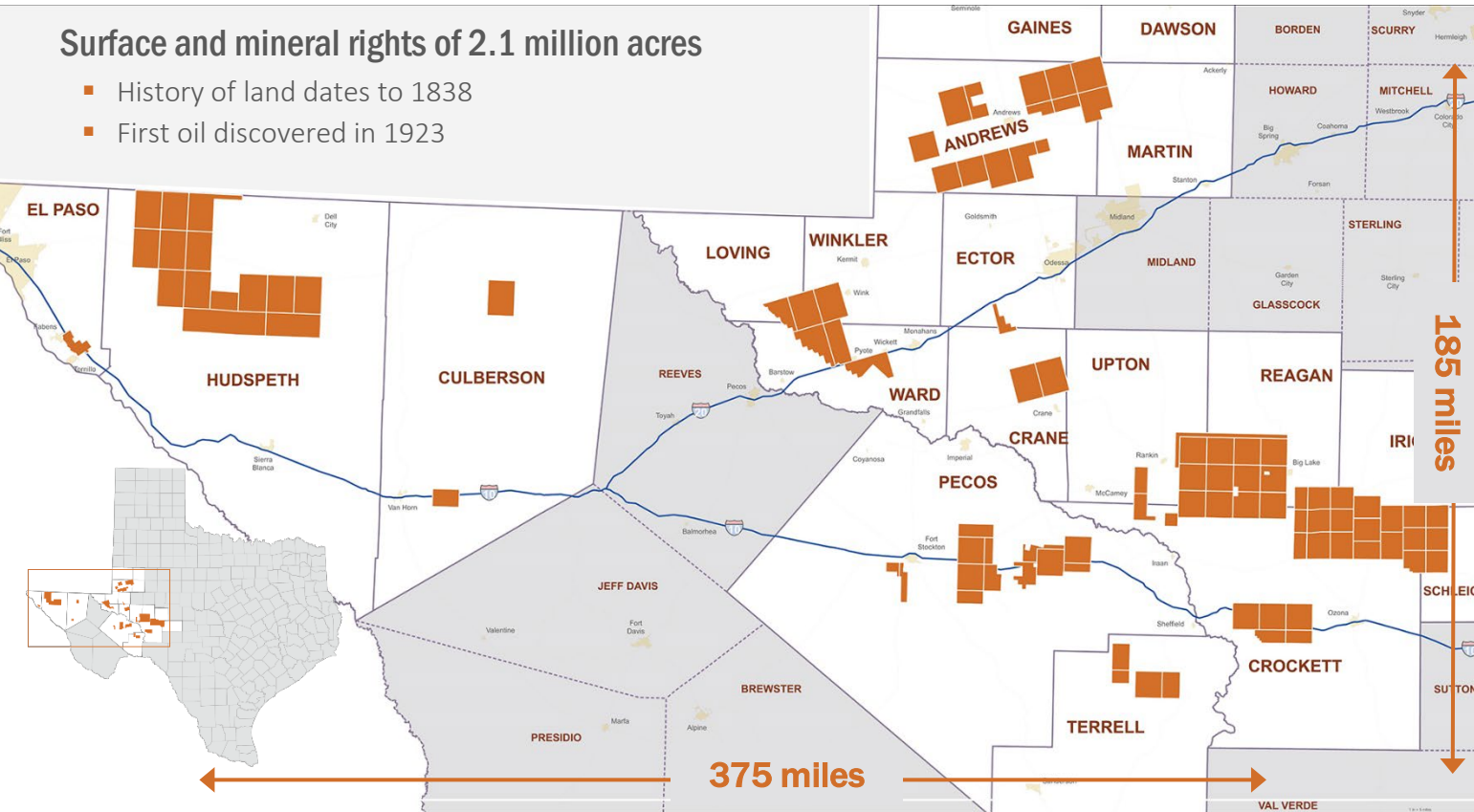
“*Texas holds embedded in its earth rocks and minerals which now lie idle because unknown, **resources of incalculable industrial utility, of wealth and power.*** Smite the earth, smite the rocks with the rod of knowledge and fountains of unstinted wealth will gush forth.”

Ashbel Smith, M.D., first U. T. Board of Regents Chairman at the dedication of the University of Texas, 1881

Permanent University Fund (PUF) Lands Overview

UNIVERSITY LANDS

3



2.1MM

Acres of grazing lands

1.3MM

Acres leased for mineral development

74,500

Acres of renewable energy leases

23,600

Oil & gas wells drilled

23,800

Miles of pipelines & powerlines

11,500

Producing oil & gas wells

20,100

Acres of surface leases

Primary revenue driver is mineral royalty revenue.

Surface Leases

■ Pipelines and power lines

■ Grazing and ranching

■ Renewables – wind and solar

■ Groundwater sales

■ Environmental programs

The Permanent University Fund

Benefits **22** institutions, **6** agencies and
~**397,000** students within UT and A&M Systems

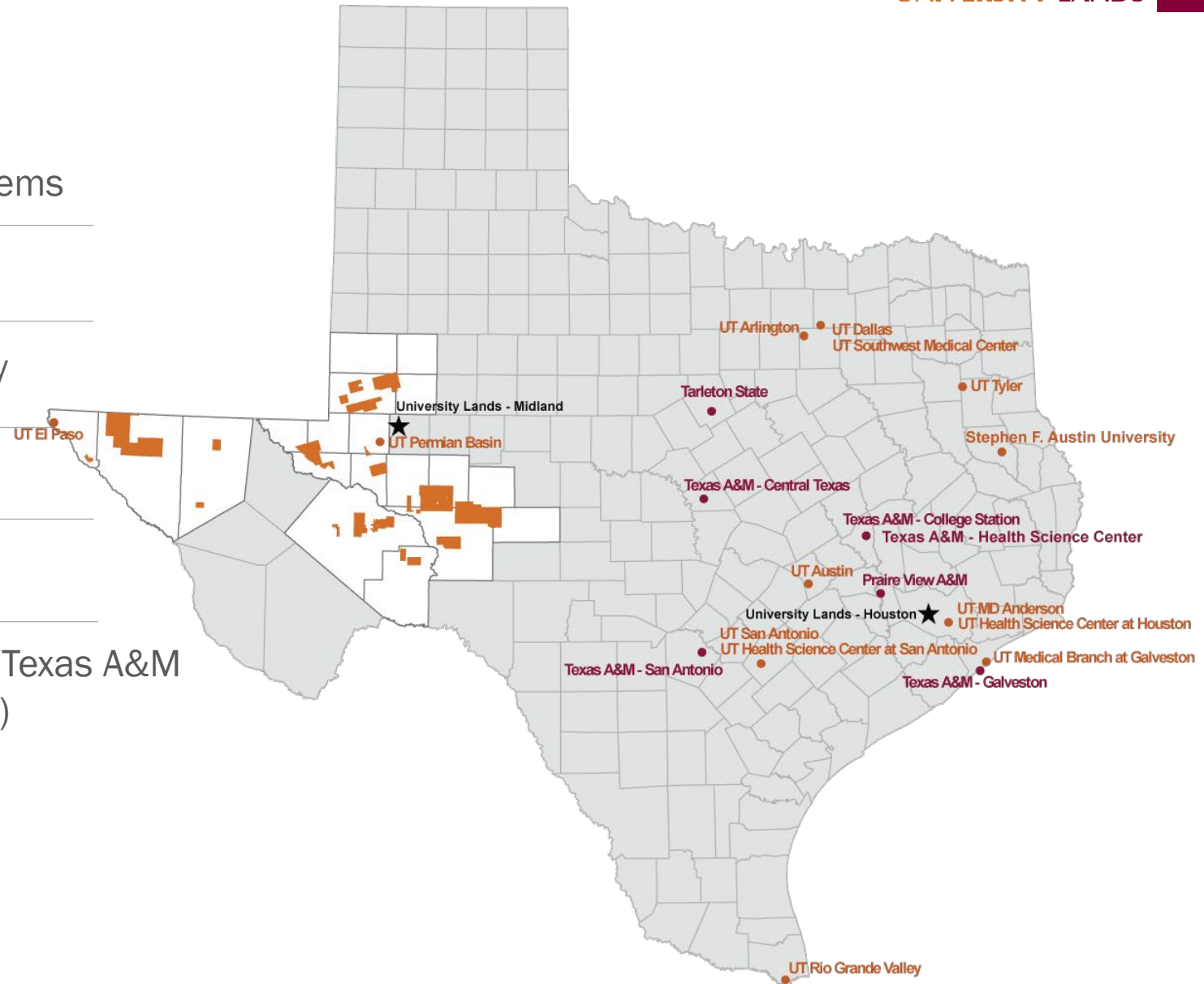
~**\$37B** in Market Value

4 - 7% of total PUF value distributed annually

2/3 of distribution to UT System

1/3 of distribution to A&M System

Fund is managed by The University of Texas/Texas A&M
Investment Management Company (UTIMCO)



PUF Lands Impact

Revenue (2014- 2024)

\$12.8 BILLION
PUF Revenue Generated

\$867.7 MILLION
AUF Revenue Generated

Net Total Resource

1.67 BILLION
BOE Remaining

14,630
Future Drilling Locations

11,500
Producing Oil & Gas Wells

FY 2024 Daily Production (59% oil)

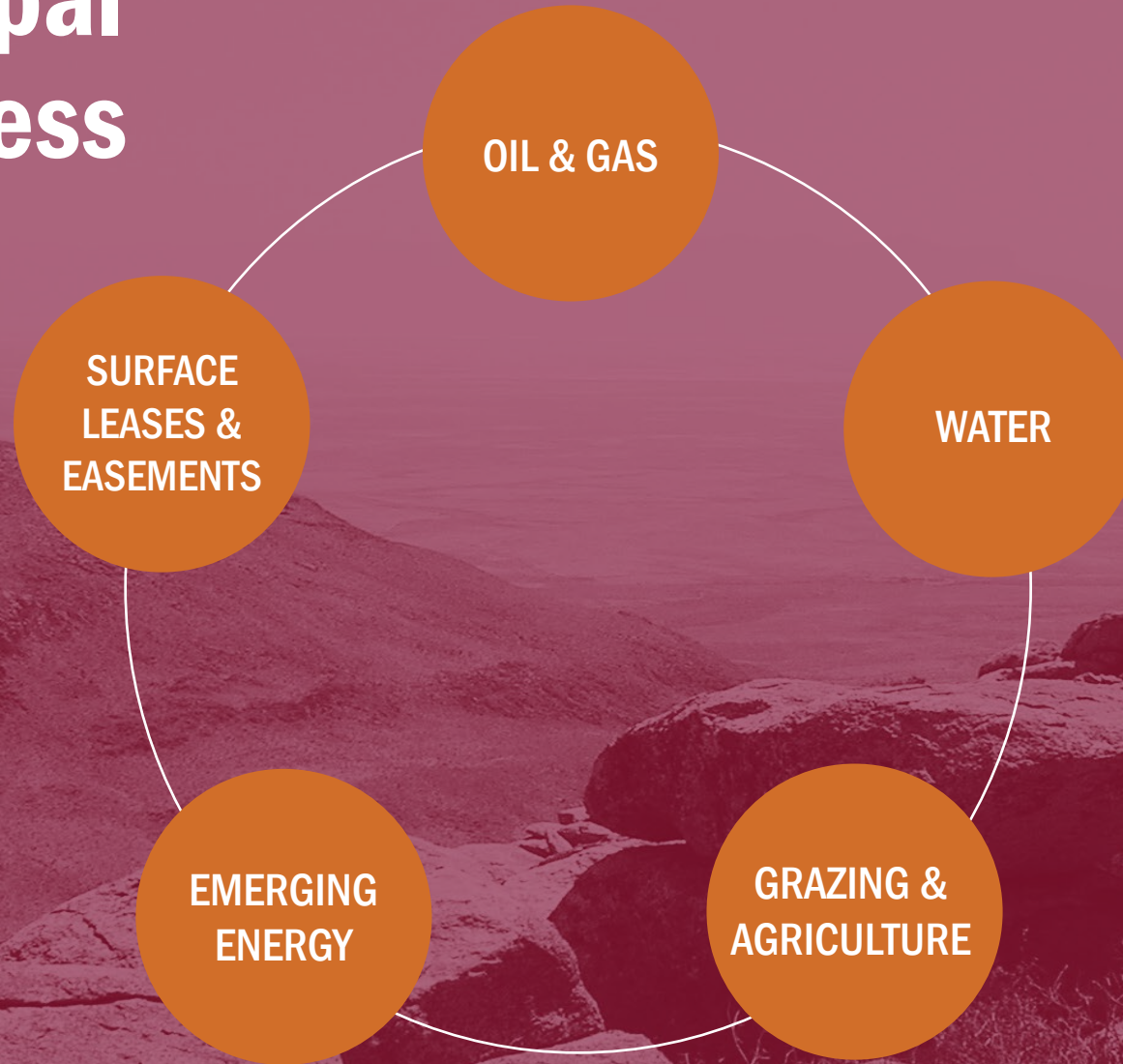
431,500
BOE Gross Per Day

92,400
BOE Net Per Day (21.4% royalty)

99%
Horizontal Wells

~4.5% Texas' oil
produced on
PUF Lands

Principal Business Lines



Mission

To maximize the revenue for the Permanent University Fund (PUF) Lands, protect the interests of The University of Texas System and promote awareness and sensitivity for the environment.

Water “In the News”



Large earthquake strikes West Texas, among strongest ever in state

The 5.0 magnitude earthquake is tied for the sixth strongest in state history. Scientists have warned for years that increased fracking in West Texas is causing higher earthquake activity.

BY PAVAN ACHARYA FEB. 15, 2025 1 PM CENTRAL

SHARE REPUBLISH ↗

Recycled oilfield water could aid drought-stricken West Texas

Oilfield wastewater injected underground is causing earthquakes and blowouts. Now, pilot projects are exploring whether this water could be treated and used to grow crops.

BY MARTHA PSKOWSKI, INSIDE CLIMATE NEWS DEC. 10, 2024 5 AM CENTRAL

SHARE REPUBLISH ↗



TEXAS

Texas’ growth at risk due to water shortages, urgent action needed

by: Ryan Chandler
Posted: Sep 24, 2024 / 06:35 PM CDT
Updated: Sep 24, 2024 / 06:35 PM CDT

Inside Climate News

Fossil Fuels

New Mexico Lawmakers to Decide Whether Oil and Gas Wastewater Could Be Reused on Wide Scale

If new rules are approved, treated “produced water” could be used for agriculture, growing trees and manufacturing.

By Carrie Klein
December 27, 2024

HOUSTON★CHRONICLE

BUSINESS // ENERGY

The oil industry's trash could become desert riches as wastewater recycling gains traction

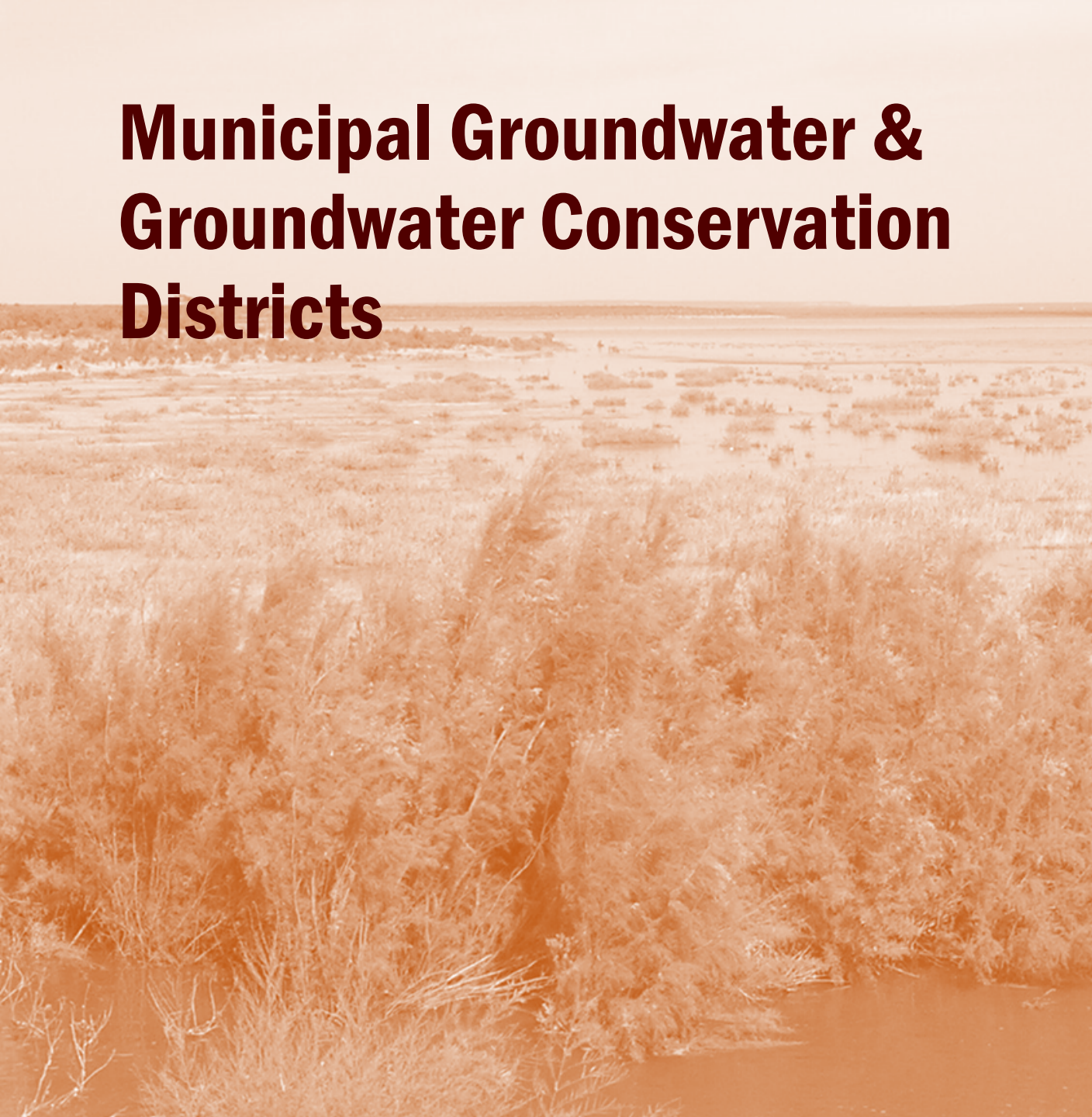
By Amanda Drane, Staff writer
April 5, 2024



WATER MANAGEMENT

Water is a critical resource on the PUF Lands, essential for oil and gas development, grazing, agriculture, and other surface activities. Recognizing its importance, University Lands is dedicated to safeguarding groundwater through comprehensive management strategies that encompass the entire water cycle.

Municipal Groundwater & Groundwater Conservation Districts



Municipal Groundwater Sales:

- City of Midland
- City of Andrews
- Colorado River Municipal Water District
- City of Pyote
- Upton County Water District

Groundwater Conservation Districts:

13 Individual groundwater conservation districts encompass parts of UL

2024 Groundwater on PUF Lands

Groundwater Wells
Utilized by Operators

449

Groundwater Sourced
from UL

10 MM

Barrels

Permanent Freshwater
Source Pipelines

10

Groundwater
Transferred onto UL

153 MM

Barrels

Temporary Lay-Flat
Line Deployed

700

Miles

2024 Saltwater Disposal on PUF Lands

UNIVERSITY LANDS

11

Contract SWD Wells

227

Lease Service SWD Wells

37

Water Disposed in UL SWDs

(excludes lease service)

236 MM

Barrels



2024 Frac Pits and Recycling on PUF Lands

Freshwater Pits

117

Produced Water Pits

16

Recycling Facilities

9

Produced Water Recycled

120 MM

Barrels



Future of Water

■ Beneficial Reuse

- Agriculture
- Industrial cooling
- Hydrogen generation

■ Test Locations and Projects

- Open for proposals

■ Evolving Groundwater Management

- Balanced utilization of fresh water



THANK YOU

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