

**SUSANA MARTINEZ, GOVERNOR**Ryan Flynn, *Cabinet Secretary-Designate*Butch Tongate, *Deputy Secretary***NEWS RELEASE****July 16, 2013**

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Environment Department Settles Air Pollution Enforcement Action

Hobbs, NM- The New Mexico Environment Department has entered into a settlement agreement, with a total monetary value of \$920,482, with Occidental Permian Limited Partnership to resolve alleged violations at the company's North Hobbs Reinjection Compression Facility, a natural gas processing facility.

“Occidental Permian understands the Environment Department takes alleged violations seriously, and has agreed to abide by mandatory emissions reporting from flaring events in the future,” said NMED Secretary-Designate Ryan Flynn. “Our emphasis in handling alleged violations is to work to find a solution that protects the environment in the future. Occidental Permian will now install state-of-the-art field gas controls that will significantly reduce emissions in the future. Instead of simply fining Occidental Permian into compliance, we are ensuring monetary penalties go towards pollution controls at their North Hobbs facility. This is win-win for the environment and the taxpayers of New Mexico.”

The allegations include matters Occidental self-reported and others identified during a Department inspection in September 2010 and subsequent investigation. The alleged violations primarily involve the failure to fully report emissions from flaring events that exceeded permit limits for carbon monoxide, hydrogen sulfide, sulfur dioxide, volatile organic compounds, and nitrogen oxides. Occidental has taken corrective action to prevent the recurrence of such violations. Under the terms of the agreement, Occidental specifically denies violating any laws, regulations or the facility's permit but will pay a cash penalty of \$95,000 to the state general fund, and will spend at least \$825,482 to install additional field gas controls which are not otherwise required by law. Occidental anticipates that the total cost of installing these controls will exceed \$2 Million. (Only a percentage of these costs count towards the \$920,482 settlement.) The additional controls are expected to enable the facility to reduce emissions from flaring events by approximately 94%, with respect to volatile organics and 87% with respect to the other pollutants.

This is the second major air emissions violation case settlement with the New Mexico Environment Department announced in recent months. On April 23, 2013, the New Mexico Environment Department announced that Enterprise Products Operating, LLC, a natural gas processing company near Farmington, entered into a settlement agreement assessing a civil penalty of \$838,413. In that case, the bulk of the penalty assessed went towards improved pollution controls at their facilities.

For more information call the Communications Director, Jim Winchester, at (505)231-8800.

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