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Immediate Release

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Environment Department Settles Air Disputes at Northwestern New Mexico Gas Facility; Company to Invest \$16 Million in Emission Reduction Upgrades

(Santa Fe, NM) — The New Mexico Environment Department (NMED) has entered into a settlement agreement with El Paso Natural Gas Company (EPNG) to resolve disputes at the company's Bluewater Compressor Station located near Thoreau.

As a part of the settlement, EPNG has agreed to replace 10 natural gas-fired compressor engines and two natural gas-fired electric generators at the facility with three natural gas-fired turbines and one low emission natural gas-fired electric generator. These changes will result in a 627 tons per year reduction in oxides of nitrogen (NO_x) emissions and a 140 tons per year carbon monoxide (CO) reduction. EPNG estimates its commitment to these upgrades will be approximately \$16 million.

"This agreement will have a direct, positive impact on the health and environment of northwestern New Mexico," said NMED Secretary Ron Curry. "What this Department tries to do, above all else, is protect New Mexicans' health from pollution. This settlement will do that by significantly reducing emissions and keeping pollution out of the air."

According to the U.S. Environmental Protection Agency, (EPA) NO_x causes a wide variety of health and environmental impacts including leading to respiratory problems, the formation of harmful ozone and acid rain. Carbon monoxide can cause harmful health effects by reducing oxygen delivery to the body's organs (like the heart and brain) and tissues.

This agreement settles EPNG's appeal to the New Mexico Environmental Improvement Board objecting to several testing requirements in Bluewater's operating permit. This agreement also settles issues raised in NMED's January 2004 notice of violation (NOV) to EPNG. In this NOV, the Department found that the company's permit application for this facility was untimely and proposed a civil penalty \$24,336.

Under the agreement, EPNG will commence and complete all upgrades by July 21, 2005. EPNG is also required to submit status reports to NMED on these upgrades beginning 60 days after this agreement and every 90 days thereafter until the required actions have been completed.

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“Environmental regulations, including permitting requirements, serve a very important purpose,” said Secretary Curry. “They protect us from substances that pose serious health risks. This agreement is good news for people throughout northwestern New Mexico.”

Deadlines in this agreement are enforced with stipulated penalties of \$500 per day. If EPNG fails to make these payments in a timely and complete manner, it will have to pay additional stipulated penalties and interest at the rate established by state law.

For further information contact Jon Goldstein, Communications Director, NMED at (505) 827-0314.

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