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**Environment Department Files Major, Multi-Million Dollar Legal
Action against Marathon Oil for Numerous Air Emission Violations**

Action Seeks Penalties for Harmful Pollution Released into New Mexico's Air

(Santa Fe, NM) – The New Mexico Environment Department today filed a major legal action seeking, multi-million dollar fines from Marathon Oil Corporation of Houston, Texas for thousands of state Air Quality Control Act, permit and regulation violations at the firm's Indian Basin Gas Plant located approximately 20 miles west of Carlsbad in Eddy County. The 14 claim suit encompasses more than 4,000 violations. Under New Mexico state law each violation can be punishable with a civil penalty of up to \$15,000 per day.

At the Indian Basin Natural Gas Processing Plant natural gas is processed to remove impurities. This plant is considered a major source of air pollution and is therefore required to meet strict air emission limits to protect air quality and the health of local citizens. The plant is also required to operate pollution control equipment including a Sulfur Recovery Unit, flares to burn off toxic gasses, and a Continuous Emission Monitoring System.

The suit filed today in New Mexico's First Judicial District Court in Santa Fe includes excess emission violations during at least 191 flaring events and more than 2,000 violations for failing to maintain proper calibration of required emission control equipment (the legal document is attached). The action also includes sulfur dioxide and sulfur emission limit violations as well as failure to comply with required standards for storage of volatile organic liquids.

“By failing to properly operate and calibrate required emission control equipment, Marathon has put air quality and the health of local residents at undue risk,” said New Mexico Environment Department Secretary Ron Curry. “Emission monitors are

specifically designed to detect pollution problems and to keep local air clean. Operating a gas plant without calibrating your monitors is like driving a car with a broken speedometer, you don't know to what extent you are putting the welfare of others at risk."

When pollution control equipment is not operated or calibrated properly, excess emissions of harmful air pollutants including sulfur dioxide can result. Sulfur dioxide is known to cause and aggravate respiratory diseases such as asthma and is also a major cause of acid rain.

NMED's action follows a Notice of Violation issued to Marathon in February 2008. Marathon recently decided to end settlement negotiations on this issue without agreement, forcing NMED to take this court action to preserve its ability to enforce against these violations.

"We remain committed to sitting down with Marathon and seeking a fair settlement of this issue that improves the operation of the plant and better protects local air quality," Secretary Curry said. "We hope Marathon will reconsider its position."

Marathon Oil is an integrated international energy company engaged in exploration and production, oil sands mining, integrated gas, and refining, marketing and transportation. Marathon, which is based in Houston, Texas, has principal operations in the United States, Angola, Canada, Equatorial Guinea, Gabon, Indonesia, Ireland, Libya, Norway and the United Kingdom. Marathon is the fourth largest United States-based integrated oil company and the nation's fifth largest refiner.

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