



BILL RICHARDSON  
Governor

NEW MEXICO  
ENVIRONMENT DEPARTMENT

*Office of the Secretary*

Harold Runnels Building  
1190 Saint Francis Drive (87505)  
PO Box 5469, Santa Fe, NM 87502-5469  
Phone (505) 827-2855 Fax (505) 827-2836  
[www.nmenv.state.nm.us](http://www.nmenv.state.nm.us)



RON CURRY  
Secretary

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Contact: Marissa Bardino, NMED Communications Director  
(505) 827-0314 or (505) 231-0475

**Environment Department Reaches \$34.9 Million Settlement with Targa Midstream and Versado Gas Processors for Air Quality Violations in Southeastern N.M.**

*Settlement Requires Upgrades at Natural Gas Plants to Improve Air Quality in New Mexico*

(Santa Fe, NM) The New Mexico Environment Department reached a \$34.9 million settlement agreement with Targa Midstream Services and Versado Gas Processors for numerous air quality violations at three of the companies' natural gas plants in southeastern New Mexico.

The settlement addresses longstanding violations of air pollution laws at the companies' Eunice, Monument and Saunders plants, which were formerly owned by Dynegy. The violations included combustion of more than 13,000 tons of pollutants in excess of permit limits over a multi-year period.

"The Environment Department is making a strong effort to work with the state's natural gas plants in reducing their air pollution emissions," said Governor Bill Richardson. "This settlement represents an important step to furthering collaboration between the natural gas industry and the state in reducing the amount of air pollution and greenhouse gases through the use of better technologies. All gas plants in the state should be looking to upgrade their facilities to reduce air emissions as much as possible."

"This settlement is part our efforts to clean up gas plants that are major sources of air pollution and greenhouse gas emissions in New Mexico," said New Mexico Environment Department Secretary Ron Curry. "Eight of the thirteen sour gas plants in New Mexico are now operating under settlement agreements that require them to install new pollution control technology and to upgrade existing controls and operations to prevent future pollution events. Our continued work to address air quality issues at gas plants in New Mexico and this settlement exemplify our commitment to improve air quality in our state and the region surrounding us."

The settlement, which includes a \$1.495 million cash penalty and \$33.5 million for upgrades of pollution control technology at the three plants, requires the reduction of air pollutants, including carbon dioxide, sulfur dioxide, nitrous oxides, carbon monoxide, volatile organic compounds, particulate matter, and hydrogen sulfide gas. The cash penalty will be deposited into the state's general fund.

The settlement requires Targa and Versado to install acid gas injection wells at the Eunice and Monument plants. Those wells will eliminate the plants' flaring of toxic gases, except in emergency situations, and also reduce greenhouse gas emissions. The settlement also requires upgrades and the replacement of flares and more stringent monitoring requirements at all three facilities.

The agreement also requires Targa and Versado to pay stipulated penalties for future flaring events that exceed air quality permit limits and conduct root cause analyses on each event to ensure the causes of excessive emissions are evaluated and that they take appropriate actions to ensure those incidents do not recur.

For more information, call Marissa Bardino at (505) 827-0314.

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