



Bill Richardson
Governor

**NEW MEXICO
ENVIRONMENT DEPARTMENT**

Office of the Secretary

Harold Runnels Building
1190 Saint Francis Drive (87505)
PO Box 26110, Santa Fe, NM 87502
Phone (505) 827-2855 Fax (505) 827-2836
www.nmenv.state.nm.us



Ron Curry
Secretary
Jon Goldstein
Deputy Secretary

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

Environment Department Negotiates Settlement with Western Refining Requiring \$2.25 Million in Environmental Improvements in northwestern New Mexico

Requirement is Part of NMED's Revision to Company's Final Order Detailing Past Environmental Violations

(Santa Fe, NM) – New Mexico Environment Department Secretary Ron Curry today announced his agency has reached a settlement with Western Refining Company that requires the refinery to pay for \$2.25 million in projects to improve the environment in northwestern New Mexico and across the state.

As a result of the settlement, the Environment Department has revised a 2005 order issued to Western Refining for state and federal air quality violations from crude oil operations at the company's Bloomfield and Gallup refineries. Western Refining acquired the refineries from Giant industries in May 2007 and since then has worked cooperatively with the state to address those issues.

“This settlement will mean the people of New Mexico will enjoy cleaner air sooner than under the 2005 agreement while allowing Western the flexibility to implement more cost effective measures ,” said New Mexico Environment Department Secretary Ron Curry. “This settlement is an excellent example of the positive results that occur when businesses and environmental regulators sit down and strike a deal that works for all involved.”

Under the terms of the settlement Western will implement a catalyst program at both refineries by the end the year, allowing the company to reduce emissions more quickly and in a more cost-effective way than under the 2005 order.

The revision resolves claims in NMED's 2005 order for the company. Western, which can not deduct the \$2.25 million from its taxes, will be liable for stipulated penalties if it violates the revised order.

The department issued a final order to Western in 2005 for environmental violations at the Bloomfield and Gallup refineries. The company violated the New Mexico Hazardous Waste Act by failing to clean up releases of hazardous and solid waste from process areas storage tanks, pipes and other areas of diesel, gasoline crude oil and other products into the soil, surface water and groundwater.

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

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