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Western Refining to Pay \$1.95 Million for Microalgae Biofuels Project as Part of Past Settlement with Environment Department

(Santa Fe, NM) – Western Refining Co. will pay \$1.95 million to the Center for Excellence in Hazardous Material Management in Carlsbad for a biofuels project as part of a settlement agreement with the New Mexico Environment Department. The state and Western reached that agreement in February over prior air quality violations at two of the company’s refineries.

“This important project supports state efforts to reduce New Mexico’s and the nation’s dependence on imported oil through efforts to increase biodiesel production,” said New Mexico Environment Department Secretary Ron Curry. “This project was a result of a settlement that was beneficial for both the state and the refinery.”

“I am a strong supporter of this algae to biodiesel project because it can help to address our energy situation while also demonstrating how to create jobs in the clean energy industry in southern New Mexico,” said N.M. Rep. John Heaton, a board member of CEHMM.

CEHMM, which is located in Carlsbad and collaborates with New Mexico State University in Las Cruces, has successfully cultivated and harvested a wild-strain algae to produce a feedstock that can be converted to biofuel. CEHM conducted that work at its facilities and on the grounds of the Agricultural Experiment Station operated by NMSU near Artesia.

The benefits of the CEHMM’s algal biodiesel production include:

- The use of microalgae as a biodiesel feedstock has the potential to make biodiesel a viable replacement for large quantities of petrodiesel.
- Biodiesel, which contains no sulfur or aromatics, reduces unburned hydrocarbons, carbon monoxide and particulate matter when that fuel is used in conventional diesel engines.

The first payment of \$650,000 by Western to CEHMM will occur on Nov. 30, with equal payments submitted on March 1 and Sept. 1, bringing the total to \$1.95 million.

The Environment Department – as a result of the settlement it reached with Western earlier this year – revised a 2005 order issued to Western for state and federal air quality violations from crude oil operations at the company’s Bloomfield and Gallup refineries. The company shut down the Bloomfield refinery earlier this month, citing concerns with the global economic downturn. The revised order resolved claims in NMED’s 2005 order for the company.

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