



MICHELLE LUJAN GRISHAM
GOVERNOR

JAMES C. KENNEY
CABINET SECRETARY

February 21, 2025

Sent by Certified Mail

Naomi Montoya
Administrative Assistant
El Rancho Escondido, LLC
PO Box 78
Mora, New Mexico 87732

Re: Denial of Air Quality Permit Application No. 10487 (Agency Interest No. 41232 - PRN20250001)
- El Rancho Escondido

Dear Naomi Montoya:

This letter is in response to your air quality permit application dated February 1, 2025, to construct the El Rancho Escondido facility located in Cleveland, New Mexico. The Department received the application on February 4, 2025.

The Department has completed a review of the application for the proposed project and has determined that the permit cannot be issued for several reasons.

First, the Department has determined that the applicant commenced construction prior to the Department's issuance of the permit in violation of 20.2.72.200(E) NMAC.

Specifically, 20.2.72.200(E) NMAC states that:

[A]pplications for permits shall be filed prior to the commencement of the construction, modification, or installation. Regardless of the anticipated commencement date, no construction, modification, or installation shall begin prior to issuance of the permit.

Second, the application stated that "construction has not occurred," however a Department inspector visited the site the week of February 10, 2025 and found that the site is completely constructed and has been operating for testing purposes.

NMSA 1978, Section 74-2-7(P) of the Air Quality Control Act states that:

The department or local agency may deny any permit application or revoke any permit issued pursuant to the Air Quality Control Act if, within ten years immediately preceding the date of submission of the permit application, the applicant or permittee has: (1) knowingly misrepresented a material fact in an application for a permit.

Under 20.2.72.208(F) NMAC, the Department may deny a permit if: "any provision of the Air Quality Control Act [is] violated."

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Third, based on the above, the Department does not have confidence that the applicant will conduct operations in accordance with the required regulations. Pursuant to 20.2.72(208)(A) NMAC, the Department may deny a permit if: *"it appears that the construction, modification or permit revision will not meet applicable regulations adopted pursuant to the Air Quality Control Act."*

Therefore, for the reasons set forth above, and in accordance with 20.2.72.208(A) and 20.2.72.208(F) NMAC, the application for a permit is denied.

Appeal Procedures

20.2.72.207 NMAC provides that any person who participated in a permitting action before the Department and who is adversely affected by such permitting action, may file a petition for hearing before the Environmental Improvement Board. The petition shall be made in writing to the Environmental Improvement Board within thirty (30) days from the date notice is given of the Department's action and shall specify the portions of the permitting action to which the petitioner objects, certify that a copy of the petition has been mailed or hand-delivered and attach a copy of the permitting action for which review is sought. Unless a timely request for hearing is made, the decision of the Department shall be final. The petition shall be copied simultaneously to the Department upon receipt of the appeal notice. If the petitioner is not the applicant or permittee, the petitioner shall mail or hand-deliver a copy of the petition to the applicant or permittee. The Department shall certify the administrative record to the board. Petitions for a hearing shall be sent to:

Secretary, New Mexico Environmental Improvement Board
1190 St. Francis Drive, Runnels Bldg. Rm N2153
PO Box 5469, Santa Fe, New Mexico 87502

Sincerely,

DocuSigned by:

Cindy Hollenberg

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Cindy Hollenberg
Air Quality Bureau Chief

cc via email: Paul Wade, Montrose Air Quality Services LLC