

**MICHELLE LUJAN GRISHAM, GOVERNOR**

James C. Kenney, Cabinet Secretary

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The Environment Department's mission is to protect and restore the environment and to foster a healthy and prosperous New Mexico for present and future generations.

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In settlement with the United States and New Mexico, Matador Production Company to resolve Clean Air Act violations from oil and gas wells

Settlement valued at \$6.2 million includes civil penalties, supplemental environmental projects to reduce emissions of pollutants that contribute to ozone formation and climate change

SANTA FE — Matador Production Company has agreed to pay a penalty and ensure compliance with both state and federal clean air regulations at all 239 of its New Mexico oil and gas well pads to resolve liability alleged in a civil complaint filed today under the Clean Air Act and state regulations.

The complaint, filed jointly by the United States, on behalf of the U.S. Environmental Protection Agency (EPA), and the New Mexico Environment Department (NMED), alleges that Matador failed to capture and control air emissions from storage vessels; comply with inspection, monitoring, and recordkeeping requirements; and obtain required state and federal permits at 25 of its oil and gas production operations in New Mexico. These alleged violations resulted in significant excess emissions of volatile organic compounds (VOC), nitrogen oxide (NOx) and carbon monoxide (CO) into the atmosphere. NMED and EPA identified the alleged violations through flyover surveillance and field investigations conducted in 2019.

The consent decree, filed together with the complaint, requires Matador to ensure that all 239 of its tank batteries in New Mexico are operated properly and in compliance with the law. Under the settlement, Matador will implement extensive design, operation, maintenance and monitoring improvements, including installing new tank pressure monitoring systems that will provide advance notification of potential emissions and allow for immediate response action by the company. Under the settlement agreement, Matador will be the first producer to implement measures that will serve as a model in future resolution of violations by other producers.

“This settlement begins to hold the ninth largest oil and gas producer in our state accountable and mitigate the harmful impacts to our communities and ability to breathe clean air,” said **New Mexico Environment Department Cabinet Secretary James Kenney**. “We are committed to holding companies accountable when they violate our air quality regulations.”

“Air quality in the Permian Basin is at risk of not meeting national standards,” said **Assistant Attorney General Todd Kim of the Justice Department’s Environment and Natural Resources Division**. “We will continue to work with the State of New Mexico to ensure that oil and gas production operations are operating within the law to improve air quality and public health in surrounding communities.”

Matador's compliance with the consent decree will result in a reduction of more than 16,000 tons of oxides of nitrogen (NO_x), volatile organic compounds (VOCs), and carbon monoxide (CO) combined. In addition, as a co-benefit of these reductions, the consent decree will result in significant reductions of greenhouse gas emissions, such as methane – a powerful greenhouse gas – in an amount equating to over 31,000 tons of carbon dioxide (CO₂). Greenhouse gases from human activities are a primary cause of climate change and global warming.

As part of the \$6.2 million-valued settlement, Matador will pay a civil penalty of \$1.15 million, to be split between the United States and the State of New Mexico. In addition, Matador will spend no less than \$1.25 million on a supplemental environmental project involving diesel engine replacements, which will result in significant reductions of both NO_x and CO₂. Matador will also spend another \$500,000 to conduct aerial monitoring of its New Mexico facilities for leaks of methane and other pollutants and to address any problems identified. Finally, Matador will spend an estimated \$2.5 million in injunctive relief and \$800,000 in mitigation costs to offset the harm caused by the alleged violations by reducing emissions from pneumatic devices and vapor recovery units used in its oil and gas operations.

VOCs and NO_x are key components in the formation of ground-level ozone, a pollutant that irritates the lungs, exacerbates diseases such as asthma, and can increase susceptibility to respiratory illnesses, such as pneumonia and bronchitis. The Clean Air Act (CAA) requires the EPA to set National Ambient Air Quality Standards (NAAQS) for criteria pollutants that are considered harmful to public health and the environment. Ozone, CO and nitrogen dioxide (NO₂, a component of NO_x) are criteria pollutants emitted by oil and gas production facilities, such as those operated by Matador where the alleged violations occurred. During the timeframes of Matador's alleged violations, air quality monitors in the relevant counties in New Mexico registered rising ozone concentrations exceeding 95% of the NAAQS for ozone. In counties where ozone levels reach 95% of the NAAQS, NMED is required by New Mexico state statute to take action to reduce ozone pollution.

Matador is an independent oil and gas producer engaged in the exploration, development, production and acquisition of oil and natural gas resources in the United States. The company is a large producer in the New Mexico portion of the Permian Basin, which is a shale oil and gas producing area located in southeast New Mexico and west Texas.

The consent decree is available for public viewing on the NMED Enforcement Watch webpage under "Resolved Matters" at <https://www.env.nm.gov/enforcement-watch>. The United States will publish a notice of the consent decree's lodging with the U.S. District Court for the District of New Mexico in the Federal Register and will accept public comment for 30 days after the notice is published. The Federal Register notice will also include instructions for submitting public comment.

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