

Environment Department

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NEWS RELEASE

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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.

Environment Department issues civil penalty to Davis Gas Processing for permit violations

Texas company with former operations in New Mexico to pay \$150k

SANTA FE — Davis Gas Processing, a company based in Midland, Texas, will <u>pay a civil penalty of</u> \$150,243 for <u>air quality violations</u> at their Denton Gas Plant, located in Lea County, New Mexico in accordance with a settlement agreement, effective July 20, 2023.

A 2020 inspection by the New Mexico Environment Department (NMED) showed that the facility had violated its permit requirements by failing to notify the Department regarding engine testing and using an unapproved testing method.

Although Davis Gas Processing is no longer operating in New Mexico, NMED continued to pursue violations even after they left the state.

"This penalty sends a strong message to this company and to the entire oil and gas industry that NMED takes compliance seriously," said **NMED Air Quality Bureau Chief Liz Bisbey-Kuehn**. "We will continue to pursue enforcement actions against companies, even after they shutter their operations in New Mexico."

Pursuant to state law, the \$150,243 penalty reverts to the State of New Mexico's general fund. The general fund is the primary state fund from which the ongoing expenses of state government are paid.

NMED tracks compliance with air quality regulations in the department's <u>Quarterly Performance Report</u>. This enforcement action follows other recent high-profile actions taken by the department's Air Quality Bureau to hold polluters accountable, including a <u>\$40M</u> fine to Ameredev II, <u>LLC</u> and a <u>\$6.2M</u> <u>settlement with Matador Production Company</u>.

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