

**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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## **United States orders Mewbourne Oil Company to pay \$5.5 million and reduce unlawful air pollution from oil and gas wells in New Mexico and Texas, eliminating more than 11,000 tons of harmful air pollutants annually**

*Company also agrees to spend \$4.6 million for preventative measures and to help address environmental harm caused by its violations*

**WASHINGTON** — Mewbourne Oil Company has agreed to pay a \$5.5 million penalty and to spend at least \$4.6 million for projects to ensure 422 of its oil and gas battery pads in New Mexico and Texas comply with state and federal clean air regulations. These terms are in settlement of claims of unlawful operations alleged in a civil complaint filed today under the federal Clean Air Act and New Mexico state law. Mewbourne's actions taken pursuant to the deal will eliminate more than 11,000 tons of harmful pollutants from the air each year.

“Good air quality is essential to the health of our communities, and we need to ensure that oil and gas facilities are properly designed, maintained and monitored in order to meet national standards,” said **Assistant Attorney General Todd Kim of the Justice Department's Environment and Natural Resources Division**. “We will continue to work to improve air quality and public health, including by holding oil and gas production operations like Mewbourne accountable for their violations of federal and state law.”

“Today's settlement will eliminate 11,000 tons of harmful air pollutants annually and ensure that Mewbourne complies with the Clean Air Act,” said **Principal Deputy Assistant Administrator Larry Starfield of the Environmental Protection Agency's (EPA) Office of Enforcement and Compliance Assurance**. “The result will be cleaner, healthier air for communities in New Mexico and Texas.”

“Compliance with air quality regulations is essential to ensure the health of our people and the protection of our environment,” said **New Mexico Environment Cabinet Secretary James Kenney**. “We will continue to conduct oil and gas investigations and aggressively enforce violations.”

The complaint, filed jointly by the United States, on behalf of the Environmental Protection Agency (EPA), and the New Mexico Environment Department (NMED), alleges that, at more than 100 of its oil and gas production operations in New Mexico and Texas, Mewbourne failed to obtain required state and federal permits, failed to capture and control air emissions from storage vessels, and failed to comply with inspection, monitoring and recordkeeping requirements. EPA and NMED identified the alleged

violations through field investigations and repeated flyover surveillance conducted in 2019, 2020 and 2022.

In addition to paying a \$5.5 million fine – to be shared equally by the United States and the State of New Mexico – the consent decree, filed together with the complaint, requires the company to take numerous steps to ensure that 422 battery pads covered by the Decree and located in New Mexico and Texas are operated lawfully. New Mexico's portion of the fines will be sent to the State of New Mexico's general fund.

Mewbourne will also spend at least \$3.6 million to 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.

The company's compliance with the consent decree will result in annual reductions of more than 9,900 tons of volatile organic compounds (VOCs) and 1,300 tons of methane.

VOCs are a key component 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. In addition, as a co-benefit of these reductions, the consent decree will result in significant reductions of greenhouse gas emissions. This includes reduction of methane – a powerful greenhouse gas – by more than 33,000 tons per year, measured as carbon dioxide (CO<sub>2</sub>) equivalent, which would be like eliminating the consumption of over 3.4 million gallons of gasoline. Greenhouse gases from human activities are a primary cause of climate change and global warming.

In addition to more immediate reductions in VOCs, Mewbourne has committed to spending at least \$1 million to replace over 2,000 pollutant-emitting pneumatic devices with non-emitting devices on an accelerated schedule. This offset project will reduce VOC emissions over 15 years by approximately 4,500 tons beyond that required by existing regulation.

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 is a criteria pollutant that is created when oxides of nitrogen (NO<sub>x</sub>) and VOC react in the atmosphere. VOC and NO<sub>x</sub> are emitted by oil and gas production facilities, such as those operated by Mewbourne. During the timeframes of Mewbourne'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.

Mewbourne 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 Permian Basin, which is a shale oil and gas producing area located in southeast New Mexico and West Texas.

The Environment and Natural Resources Division's Environmental Enforcement Section is prosecuting this case in conjunction with the New Mexico Environment Department and EPA Region 6.

This settlement is part of EPA's National Enforcement and Compliance Initiative, Creating Cleaner Air for Communities by Reducing Excess Emissions of Harmful Pollutants.

The consent decree is available for public viewing on NMED's 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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