

## **Environment Department**

MICHELLE LUJAN GRISHAM, GOVERNOR

James C. Kenney, Cabinet Secretary

**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.

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## Environment Department bolsters efforts to crack down on oil and natural gas violations

Six months of intensive space-based, aerial, and ground-level monitoring efforts begin this month

**SANTA FE** — The New Mexico Environment Department (NMED) will significantly increase compliance assurance activities in the Permian and San Juan Basins for the next six months. The increased compliance assurance activities will rely on space-based, aerial, and on-the-ground monitoring of oil and natural gas operations to determine compliance with applicable federal and state air quality rules and operating permits.

"Despite record fines levied and collected against the oil and natural gas industry – many operators are not taking compliance with federal and state air quality rules and permits seriously," said **Environment Department Cabinet Secretary James Kenney**. "From July 2022 through July 2023, the Environment Department found a dismal 50.0% compliance rate for air quality requirements."



Over the next several months, NMED will collect compliance data on oil and natural gas operators' compliance. Once the data is collected and analyzed, NMED may refer additional enforcement matters to the U.S. Department of Justice and the U.S. Environmental Protection Agency for civil enforcement to supplement state enforcement resources. In addition, NMED may directly enforce against oil and natural gas operators. Civil penalties collected by the U.S. Department of Justice and the U.S. Environmental Protection Agency are paid to the U.S. Treasury while civil penalties collected by NMED are reverted to the state general fund for appropriation by the New Mexico Legislature. Suspected criminal violations will be referred to New Mexico's Environmental Crimes Task Force for further investigation and prosecution.

"Using innovative technologies to monitor oil and natural gas operations along with more conventional boots on the ground will prove effective in holding polluters accountable," said **Air Quality Bureau Compliance & Enforcement Section Chief Cindy Hollenberg**. "While many oil and natural gas operators operate in compliance with state rules and permits – too many are undercutting the industry's efforts to reduce emissions."

While a company may elect to conduct a self-audit and disclose possible or known violations to NMED, such audits and disclosures must occur prior to the commencement of an investigation. Oil and natural gas operators that wish to take advantage of NMED's voluntary disclosure policy must do so in accordance with our policy located <u>here</u>. Once NMED initiates its remote or in-person compliance assurance activities, the use of this policy is no longer available to oil and natural gas operators. An oil and natural gas operator actively engaged in a self-audit or planning a self-audit this fall should notify NMED's Air Quality Bureau in writing as soon as possible.

"Given the poor compliance rates and rising ozone levels, there are far too few company audits and selfdisclosures occurring within the oil and natural gas industry in New Mexico," said **Compliance and Enforcement Director Bruce Baizel**. "An oil and natural gas company looking to audit and disclose violations must do so prior to our comprehensive investigations commencing this fall."

In prior years, NMED's increased focus on oil and natural gas compliance assurance activities led to the initiation of multiple civil enforcement matters, including: <u>Ameredev II</u>, <u>Davis Gas Processing</u>, <u>DCP</u> <u>Operating Company LP</u>, <u>Matador Production Company</u>, <u>Mewbourne Oil Company</u>, <u>Targa Northern</u> <u>Delaware LLC</u>, and others. NMED maintains a publicly available list of active and resolved oil and natural gas enforcement matters on its <u>Enforcement Watch</u> webpage.

Volatile organic compounds (VOCs) and nitrogen oxides (NO<sub>x</sub>) 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 U.S. Environmental Protection Agency to set National Ambient Air Quality Standards (NAAQS) for criteria pollutants that are considered harmful to public health and the environment. The largest source of VOC and NO<sub>x</sub> emissions in New Mexico comes from the oil and natural gas facilities. Air quality monitors in the relevant counties in New Mexico registered rising ozone concentrations exceeding 95% of the NAAQS for ozone or 0.066 parts per million (ppm). In counties where ozone levels reach 95% of the federal standard, state law requires NMED to take action to reduce ozone pollution.

Air Quality Monitor	Air Quality Standards and Monitoring Data		
Location	2020	2021	2022
Federal Standard	0.070 ppm	0.070 ppm	0.070 ppm
State Standard	0.066 ppm	0.066 ppm	0.066 ppm
Bernalillo	0.071 ppm	0.073 ppm	0.073 ppm
Dona Ana	0.078 ppm	0.080 ppm	0.081 ppm
Eddy	0.078 ppm	0.077 ppm	0.077 ppm
Lea	0.068 ppm	0.066 ppm	0.066 ppm
Rio Arriba	0.065 ppm	0.064 ppm	0.064 ppm
Sandoval	0.070 ppm	0.068 ppm	0.070 ppm
San Juan	0.068 ppm	0.068 ppm	0.070 ppm
Santa Fe	0.068 ppm	0.066 ppm	0.067 ppm
Valencia	0.069 ppm	0.066 ppm	0.066 ppm

Chart: Ozone levels in parts per million (ppm) by county (Source: U.S. EPA)

"Unhealthy air quality is on the rise in the throughout New Mexico which jeopardizes human health," said **Air Quality Bureau Chief Elizabeth Bisbey-Kuehn**. "The communities throughout the oil and gas regions of our state deserve the basic human right of breathing clean air."

Report suspected violations of environmental regulations to the Environment Department here.

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NMED does not discriminate on the basis of race, color, national origin, disability, age or sex in the administration of its programs or activities, as required by applicable laws and regulations. NMED is responsible for coordination of compliance efforts and receipt of inquiries concerning non-discrimination requirements implemented by 40 C.F.R. Parts 5 and 7, including Title VI of the Civil Rights Act of 1964, as amended; Section 504 of the Rehabilitation Act of 1973; the Age Discrimination Act of 1975, Title IX of the Education Amendments of 1972, and Section 13 of the Federal Water Pollution Control Act Amendments of 1972. If you have any questions about this notice or any of NMED's non-discrimination programs, policies or procedures, you may contact: Kate Cardenas, Non-Discrimination Coordinator | NMED | 1190 St. Francis Dr., Suite N4050 | P.O. Box 5469 | Santa Fe, NM 87502 or (505) 827-2855 or nd.coordinator@env.nm.gov. If you believe that you have been discriminated against with respect to a NMED program or activity, you may contact the Non-Discrimination Coordinator.

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