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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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## **Apache Corporation to Pay \$4 Million and Reduce Unlawful Air Pollution from Oil and Gas Wells in New Mexico and Texas, Eliminating More Than 10,000 Tons of Harmful Air Pollutants Annually**

*Company Also Will Spend \$5.5 Million for Preventative Measures and to Help Address Environmental Harm Caused by Its Violations*

**WASHINGTON** — Apache Corporation (Apache) has agreed to pay \$4 million in civil penalties and undertake projects expected to cost at least \$5.5 million to ensure 422 of its oil and gas well pads in New Mexico and Texas comply with state and federal clean air regulations and offset past illegal emissions.

Apache's agreement settles a civil suit – filed jointly by the United States, on behalf of the Environmental Protection Agency (EPA), and the New Mexico Environment Department (NMED) – alleging that Apache failed to comply with federal and state requirements to capture and control air emissions from 23 of its oil and gas production operations in New Mexico and Texas. EPA and NMED identified the alleged violations through field investigations and repeated flyover surveillance conducted in 2019, 2020 and 2022.

Compliance with this robust settlement will result in annual reductions of more than 9,650 tons of volatile organic compounds (VOCs) and 900 tons of methane, which equates to more than 25,000 tons of carbon dioxide (CO<sub>2</sub>). VOCs are a key component in the formation of ground-level ozone or smog, which irritates lungs, exacerbates diseases including asthma and can increase susceptibility to respiratory illnesses, such as pneumonia and bronchitis.

“Today's settlement will ensure compliance at hundreds of oil and gas facilities across New Mexico and Texas,” said **Assistant Attorney General Todd Kim of the Justice Department's Environment and Natural Resources Division**. “Under the settlement, over 400 Apache facilities will be required to take extensive steps to reduce emissions of volatile organic compounds – which contribute to smog – as well as methane gas, which is a significant contributor to climate change.”

“Robust enforcement of Clean Air Act violations at oil and gas facilities protects communities from harmful smog and reduces methane emissions that are major contributors to global climate change,” said **Assistant Administrator David M. Uhlmann of EPA's Office of Enforcement and Compliance Assurance**. “Today's agreement demonstrates EPA's commitment to working with our state partners to tackle climate change and improve air quality for everyone living in the United States.”

“Noxious pollutants directly threaten the health of neighboring communities while propelling our world toward climate disaster,” said **U.S. Attorney Alexander M.M. Uballez for the District of New Mexico**. “I applaud the tireless efforts of the Department of Justice’s Environment and Natural Resources Division, the U.S. EPA and the NMED to protect our lungs and our earth. Environmental justice is a top priority for the Department of Justice and the U.S. Attorney’s Office for the District of New Mexico.”

“This settlement shows that oil and gas operators deserve greater scrutiny because too many are failing to comply with federal and state rules,” said **New Mexico Environment Cabinet Secretary James Kenney**. “As a result, bad actors will cause greater federal and state regulation of the entire oil and gas industry as ozone levels rise and public health suffers.”

The \$4 million fine outlined in the settlement will be shared equally by the United States and the State of New Mexico, with New Mexico’s portion going to the state’s general fund. The settlement document (consent decree) was filed together with the complaint in the U.S. District Court for the District of New Mexico and requires the company to take numerous steps to ensure that 422 well pads covered by the consent decree and located in New Mexico and Texas are operated lawfully.

In addition to the \$4 million fine, Apache will also spend at least \$4.5 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. Apache will also spend over \$1 million to offset the harm caused by the alleged violations by replacing, on an accelerated schedule, more than 400 pollutant-emitting pneumatic devices with non-emitting devices.

Pound for pound, methane is approximately 28 times more powerful than carbon dioxide in terms of its impact on global warming. Accordingly, a reduction of 900 tons of annual methane reductions equates to more than 25,000 tons of carbon dioxide (CO<sub>2</sub>) and is akin to eliminating the use of more than 2.5 million gallons of gasoline annually. Greenhouse gases from human activities are a primary cause of climate change and global warming. This enforcement settlement furthers EPA’s commitment to deliver public health protections against climate-impacting pollution and other pollutants for communities across America and helps deliver on EPA’s top commitment in its strategic plan, which is to tackle the climate crisis.

The Clean Air Act 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 VOCs react in the atmosphere. VOCs and NO<sub>x</sub> are emitted by oil and gas production facilities, such as those operated by Apache. During the timeframes of Apache’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.

Apache Corporation is a wholly owned subsidiary of APA Corporation, which is engaged in the exploration and development of oil and natural gas resources in the United States. Apache Corporation 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.

This settlement is part of EPA’s National Enforcement and Compliance Initiative, [Mitigating Climate Change](#).

The Justice Department’s Environmental Enforcement Section lodged today’s proposed consent decree in the U.S. District Court for the District of New Mexico. The settlement is subject to a 30-day public comment period and final court approval. The consent decree is available for viewing on the NMED Enforcement Watch webpage under “Active Matters” at [www.env.nm.gov/enforcement-watch](http://www.env.nm.gov/enforcement-watch). The Federal Register notice will also include instructions for submitting public comment.

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