



**NEWS RELEASE**

*For Immediate Release*

**April 29, 2024**

*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.*

**Contact:** Jorge Estrada, Public Relations Coordinator  
New Mexico Environment Department  
505.690.5326 | george.estrada@env.nm.gov

**New Mexico reaches \$24.5 million settlement with Ameredev**  
*Alleged air quality violations result in major settlement*

**SANTA FE** — The New Mexico Environment Department (NMED) announced today that oil and gas company Ameredev II, LLC (Ameredev) has agreed to pay \$24.5 million to settle alleged violations of state air regulations. This is the largest settlement the Department has ever reached for a civil oil and gas violation. Under state law, \$24.1 million of the penalty will be deposited into New Mexico's General Fund.

“This settlement makes one thing crystal clear - companies that pollute our air will pay for circumventing New Mexico's rules,” said **Gov. Michelle Lujan Grisham**. “Today's settlement is about penalizing the bad actors in an effort to protect communities from breathing harmful pollution.”



*An unauthorized flare at Ameredev's Nandina facility, photo by AQB inspectors taken on Dec. 31, 2019.*

NMED's Environmental Protection Division issued a \$40.3 million Administrative Compliance Order (ACO) to Ameredev on June 29, 2023. In the ACO, NMED identified five Ameredev facilities that actively extracted oil and natural gas between October 2018 and April 2020 but could not accept or transport the gas to downstream processors. During this time, Ameredev flared over 3,219,402 thousand cubic feet of natural gas, releasing an amount of CO<sub>2</sub> equivalent to heating 16,640 homes for one year. As a result of Ameredev's flaring, 3,219,402 thousand cubic feet of natural gas were emitted, resulting in over 7.6 million pounds of excess hydrogen sulfide, sulfur dioxide, nitrogen oxides, carbon monoxide and volatile organic compounds, being released into the air. These pollutants are known to cause serious health issues, including respiratory issues, impaired cognition, and convulsions, as well as contribute to climate change. Upon discovery of the compliance issues by NMED staff, Ameredev engaged a third-party contractor to review its compliance with New Mexico requirements and made the results available to NMED's Air Quality Bureau. The Air Quality Bureau is unaware of any ongoing non-compliance at Ameredev facilities in New Mexico.

"Let this serve as a wake-up call to the oil and gas industry – the Environment Department is using remote sensing technology, on-the-ground inspections, and responding to citizen complaints," said **Environment Department Cabinet Secretary James Kenney**. "The only option to avoid enforcement is to comply with state rules and permits."

"This settlement holds the company accountable for failing to follow the terms of their permit and improperly releasing a substantial amount of natural gas into the environment," said **General Counsel Zachary Ogaz**. "We will continue to strictly enforce NMED permits and New Mexico air regulations and show companies that cutting corners and violating the law won't save you any money in the long run."

In addition to the cash settlement, Ameredev also agreed to:

- Perform an independent, third-party compliance audit of their operations at all the New Mexico facilities that they own or operate.
- Calculate and submit monthly reports of actual emission rates from each emissions unit at each facility operating in New Mexico under General Construction Permits or notices of intent.
- Propose, subject to NMED approval, a mitigation project to conduct weekly Optical Gas Imaging inspections for each facility operating in New Mexico under a General Construction Permit-Oil & Gas for two years or implement an advanced leak and repair monitoring technology.
- Remove equipment from the Azalea Central Tank Battery and submit the appropriate permit application or registration to amend the permit.

If Ameredev fails to complete the above corrective actions in the time allotted in the settlement, the state will assess penalties of \$2,000 per day until the corrective actions are completed. These payments are to the State's General Fund.

"I am grateful to our dedicated and hard-working compliance and enforcement staff who worked diligently to bring this case to fruition," said **Compliance and Enforcement Section Chief Cindy Hollenberg**. "The Air Quality Bureau is committed to deterring noncompliance such as this and leveling the playing field for those companies that prioritize protecting the environment."

###

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](mailto: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.

###