

Enforcement Alert



Watch That Routine Venting and Flaring!

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May 6, 2024

On April 29, the New Mexico Environment Department (NMED) [announced a \\$24.5 million settlement](#) with Ameredev II, LLC for violations of state air regulations. This is the largest NMED settlement ever for a civil oil and gas violation.

NMED's Environmental Protection Division first issued a \$40.3 million Administrative Compliance Order to Ameredev in June 2023 related to production at its facilities between October 2018 and April 2020 that did not transport the produced gas to downstream processors, instead flaring the gas. "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 NMED General Counsel, Zachary Ogaz.

NMED Secretary, James Kenney, made the following statement related to the penalty: "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."

In addition to the civil penalty, Ameredev also agreed to perform an independent, third-party compliance audit of its New Mexico operations; submit monthly reports of actual emission rates from each emissions unit operating under a New Mexico General Construction Permit; develop a mitigation project to conduct weekly Optical Gas Imaging (OGI) inspections for each facility operating under a General Construction Permit for two years or implement advanced leak and repair monitoring technology; and remove certain equipment from its operations.

This landmark settlement underscores NMED's use of flyover and remote sensing technologies for enforcement of air regs in the Permian Basin, and serves as a reminder to operators to inventory facilities in anticipation of more aggressive Clean Air Act enforcement at federal and state levels. For regulatory compliance and enforcement assistance, please contact Shareholder [Tim Sowecke](#) at tsowecke@gablelaw.com.



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