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New Mexico Announces New Crack Down on O&G Operations



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Citing low compliance rates with air quality requirements, the New Mexico Environmental Department (NMED) has announced it is ramping up compliance assurance and enforcement activities at oil and gas operations within the Permian and San Juan Basins over the next six months. This new initiative follows a surge of enforcement activities against oil and gas operators in New Mexico, including a historic $40 million penalty assessment for air quality violations, as well as EPA's recent announcement prioritizing the enforcement of methane emissions from the oil and gas industry to tackle climate change.

NMED plans to assess compliance with state and federal requirements by using innovative technologies, including aerial and satellite monitoring, as well as conventional on-the-ground monitoring. After analyzing the data, it will then either refer enforcement matters to the U.S. Department of Justice and U.S. Environmental Protection Agency or directly undertake enforcement action against the operators. Data indicating potential criminal violations will be sent to New Mexico's Environmental Crimes Task Force.

In the announcement, NMED's Compliance and Enforcement Director noted that there are “far too few” internal audits and self-disclosures within New Mexico's oil and natural gas industry, despite the fact that New Mexico's voluntary disclosure policy provides for the elimination of gravity-based penalties when a company self discloses and promptly corrects violations discovered during the course of an audit. NMED has warned that oil and gas operators who want to take advantage of the voluntary disclosure policy should notify NMED in writing as soon as possible, because once NMED initiates its compliance assurance activities this fall, use of the voluntary disclosure policy will no longer be available to operators.

Given NMED's compliance assurance monitoring will begin soon, oil and natural gas facilities operating in New Mexico that are either undertaking a self-audit or planning a self-audit should promptly notify NMED.

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