



Emily Schilling

Partner
801.799.5753
Salt Lake City
ecschilling@hollandhart.com



Adam Rankin

Partner
505.954.7294
Santa Fe
agrarkin@hollandhart.com



Aaron Tucker

Partner
303.295.8369
Denver
abtucker@hollandhart.com

New Mexico Announces New Crack Down on O&G Operations

Insight — October 26, 2023

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.

Subscribe to get our Insights delivered to your inbox.

This publication is designed to provide general information on pertinent legal topics. The statements made are provided for educational purposes only. They do not constitute legal or financial advice nor do they necessarily reflect the views of Holland & Hart LLP or any of its attorneys



Alyssa Diel

Associate
801.799.5910
Salt Lake City
ajdiel@hollandhart.com



Sydney Sell

Associate
801.799.5899
Salt Lake City
sjsell@hollandhart.com

other than the author(s). This publication is not intended to create an attorney-client relationship between you and Holland & Hart LLP. Substantive changes in the law subsequent to the date of this publication might affect the analysis or commentary. Similarly, the analysis may differ depending on the jurisdiction or circumstances. If you have specific questions as to the application of the law to your activities, you should seek the advice of your legal counsel.