

Air Enforcement: New Mexico Environment Department and Farmington Natural Gas Plant Enter into Settlement Agreement



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The New Mexico Environment Department (“NMED”) and CCI San Juan LLC (“CCI”) entered into a November 6th Settlement Agreement and Stipulated Final Compliance Order (“Settlement”) addressing alleged violations of the New Mexico Air Quality Control Regulations. See No. AQB CCI-1252-1801-R1 (NOV).

The Settlement provides that CCI operates the San Juan River gas plant (“Plant”) near Farmington, New Mexico.

The Plant is described as a natural gas processing facility operating under an air permit. Certain allowable emissions and limits as specified in the air permit are described in the Settlement.

Events described in the Settlement include:

- Reporting of two excess emission events
- NMED’s issuance of Notice of Violation
- Determination by NMED and CCI that the excess emission events totaled, over a two-year period:
 - 17,103 pounds of carbon monoxide
 - 348 pounds of nitrogen oxides
 - 1 pound of volatile organic compounds
 - 11,291 pounds of hydrogen sulfide
 - 1,598,019 pounds of sulfur dioxide
- CCI undertaking a voluntary audit of the Plant, along with voluntary environmental disclosures describing the potential violations and that they had been corrected
- NMED’s issuance of a revised Notice of Violation

CCI is stated to have not demonstrated that it satisfied certain excess emission events were caused by startup, shutdown, or maintenance.

The alleged excess emissions are stated to have been caused by flaring emissions over a period of 761 days.

CCI does not admit any of the allegations in the Notice of Violation.

The Settlement requires that CCI permanently cease operations at the facility. This is stated to include surrendering all existing air quality permits and withdrawing all pending permit or permit renewal applications within 30 days after the effective date of the Settlement.

A civil penalty of \$950,000 is assessed.

A copy of the Settlement Agreement can be downloaded [here](#).