SANTA FE, N.M. — The Village of Questa in Taos County will construct $2.3 million of water and wastewater infrastructure improvements using money from a settlement with Chevron Mining.

“This is a perfect example of what the natural resources law was intended to do, which is hold responsible parties accountable and compensate communities that have been injured by contaminations,” said Maggie Hart Stebbins, trustee of the New Mexico Office of Natural Resources. “Those dollars are actually going to work for people living in the community.”

Hart Stebbins said the money will pay for a new drinking water well, and will extend sewer service to several properties.

The $2.3 million is part of a $4 million settlement between New Mexico, Chevron Mining, the Forest Service and the Interior Department. The company’s molybdenum mine near Questa, now an Environmental Protection Agency Superfund site, permanently closed in 2014.

A pipeline transporting mine waste to several tailing ponds west of Questa saw about 230 spills along the Red River floodplain from the 1960s to the 1990s, according to a 2018 remediation plan prepared by the Department of the Interior and New Mexico.

“Contaminated water has seeped downgradient from the tailing ponds to the aquifer,” the plan reads. “Hazard substances released from the site have affected surface water, groundwater, terrestrial habitat and resources, as well as riparian habitat, aquatic invertebrates, and fish populations.”

EPA reports show about 1,000 people live within a mile of the waste ponds.

The Village of Questa built an emergency water well in 2016 after one of its two wells failed. But the remediation plan states that the emergency well is limited in its capacity, and production at the other existing municipal well continues to drop. The new well paid for with the settlement money will help the village keep up with residents’ water needs.

The settlement also funds river cleanup and wildlife habitat restoration in and near Questa.