



State of New Mexico
ENERGY, MINERALS and NATURAL RESOURCES DEPARTMENT
and the
ENVIRONMENT DEPARTMENT

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CERTIFIED MAIL – RETURN RECEIPT REQUESTED

December 8, 2014

Armando Martinez
Environmental Manager
Chevron Mining, Inc.
P.O. Box 469
Questa, NM 87556

RE: Joint Agency Response to Chevron's Draft Building Demolition and Cleanup Plan, Phase 2 Activities, Tailing Facility Area

Dear Mr. Martinez,

The New Mexico Environment Department (NMED) and the Mining and Minerals Division of the Energy, Minerals, and Natural Resources Department (MMD) received via email on November 11, 2014, a draft of the *Building Demolition and Cleanup Plan, Phase 2 Activities, Tailing Facility Area* (Plan), prepared by Tetra Tech, Inc. for Chevron Mining, Inc. (Chevron). The Plan describes the proposed Phase 2 surface facilities decommissioning and demolition at the Chevron Tailing Facility. Phase 2 includes decommissioning and demolition of the following facilities:

- Tailing Area Guard Shack/Admin/Dry Building
- Old Maintenance Shop ('The Burn Building')
- Water Tanks near well house
- Ion Exchange Treatment Building

Decommissioning and demolition activities are taking place as a result of the Chevron Questa Mine closing that was announced on June 2, 2014. Closure activities are permitted under MMD's Mine Permit TA001RE Revision 96-1 and NMED's Discharge Permit (DP) 933. NMED and MMD (Agencies) are submitting this letter jointly to Chevron to provide a summary of comments on the draft proposed Plan. The Agencies request that Chevron address the following comments in the submittal of the final proposed Plan for Agency approval.

General Comments

1. If tailing is encountered during demolition or earth-moving/site grading activities associated with Phase 2 activities, it is unclear what, if any, site investigation will be performed. Furthermore, if tailings are encountered, the Agencies will require the tailings to be removed and disposed of accordingly or covered with a minimum of 36 inches of cover pursuant to the MMD and NMED permits.

Specific Comments

1. In Section 1.0, Paragraph 2, Chevron states that the removal of the Tailing Pipeline and any remaining cleanup of spilled tailing are beyond the scope of the Plan and will be addressed through separate actions. The Agencies recognize that the Tailing Pipeline will not be removed until the water treatment plant at the Mine Site is fully operational; however, removal of the Tailing Pipeline and any residual tailings are closure requirements under Condition 45 in DP-933 and Condition 6 in Permit No. TA001RE Revision 96-1, which should be noted in this section.
2. In Section 1.0, Paragraph 3, please indicate that the updated reclamation schedule submitted to MMD in August 2014 is under review as a modification of Permit No. TA001RE and is subject to further amendment.
3. In Section 1.1.1, Paragraph 3, Chevron states that the results of the inventory work will be made available to the Agencies, but it is not clear when and under what circumstances this document will be made available. Please clarify.
4. In Section 1.1.1, Paragraph 6, Chevron states that inert demolition debris will be hauled off site for disposal. Please indicate where this material will be taken (i.e. municipal landfill). It is the Agencies understanding that this material was potentially going to be taken to the open pit for disposal based on discussions with Chevron.
5. In Section 2.1.1, Chevron states that a closeout plan was approved by MMD for the existing Tailing Facility and that the approved closeout plan is currently being reevaluated to comply with CERCLA requirements. The closeout plan was approved in 2001 rather than 1998, as indicated. As well, while ongoing negotiations may result in some changes to state permits or the remedy selected by the ROD, it is speculative on the part of Chevron to assume that these negotiations will result in substantive changes to the approved closeout plan. Please modify the language in this section to correct these inaccuracies.
6. In Section 2.1.2, Chevron states that Condition 43 of DP-933 requires submittal of a structure removal plan, which the Plan is intended to satisfy. Condition 44 of DP-933 addresses chemical cleanup requirements under closure, but it is not referenced in this Plan. Please also reference this condition in this section.


7. In Section 2.3.4, Chevron states that liquids in the wastewater unit will be drained and/or allowed to evaporate. Conditions 35 (E) and (G) of DP-132 require that septic tanks shall be pumped, and that pumping and disposal of wastewater shall be done in accordance with all local, state, and federal regulatory requirements. Wastewater in the septic tanks cannot be drained and/or allowed to evaporate without a change to the existing DP-132 conditions. Please revise this section to reflect the current regulatory requirements.
8. In Section 3.2.1, Paragraph 3, please differentiate between “Other materials” (as described in 3.2.2) and tailing, the latter being regulated by state permits and the CERCLA remedy.
9. In Section 3.2.2, Radioactive materials, Paragraph 1, any radioactive wastes exceeding a threshold level of emissions (please identify level) that require special treatment should be reported to the appropriate state agencies including the MMD and NMED.
10. In Section 3.2.2, Refrigerants CFCs, HFs, and Halons, Paragraph 1, Chevron states that refrigerant will be disposed of properly. Please specify how this material will be disposed.
11. In Section 3.2.2, Universal Wastes, Paragraph 1, Chevron states that during Phase 1 activities, it is expected that the quantity of universal waste accumulated will not exceed 5,000 kg at any time. Identification of these materials is described as a Phase 1 activity in this Plan. Was this a part of work previously described for the Mill Area described in the Phase 1 Decommissioning and Demolition Project, Building Demolition and Cleanup Plan or is this work actually a part of this Phase 2 Plan? Please clarify.
12. In Section 4.1, please add reagents, chemicals, explosives, and fuels to the waste stream list, as some of these likely will be found in the Ion Exchange Treatment Building.
13. In Section 4.2, please include a discussion of what regulatory standards may apply to Table-1 wastes or refer to an appropriate section in the work plan. It may be appropriate to include these standards as part of Table 1 and identify waste categories that are exempt from regulation.
14. In Section 4.3 and Section 4.2 - Table 1, please describe Chevron’s Third-Party Waste Stewardship Standard and how it pertains to regulatory standards for waste management and this Plan.
15. In Section 5.1.2, Chevron states that potentially contaminated soil discovered during demolition or earth-moving/site grading will be subjected to screening or sampling based on observed visual or olfactory evidence of contamination. This methodology may be effective for identifying hydrocarbon contamination, but likely will not identify metals contamination in soils. The Plan does not address identification of potential metals contamination, with the exception of discussing the Remedial Investigation (RI) findings, although in Section 5.2, Chevron states that remediation for metals (or other CERCLA COPCs) impacted soil may include capping or placement of a soil cover in accordance with Mining Act permit or CERCLA requirements. The Plan must include a discussion

of what additional investigation will be conducted to determine if metals contamination in soils exists.

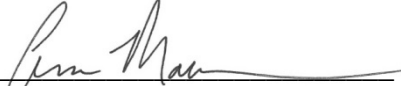
16. Please add the date of imagery in Figure 1-2.
17. Please identify the contour interval in Figure 3-4.

If you have any questions please feel free to contact Anne Maurer at (505) 827-2906 or Joe Vinson at (505) 476-3414.

Regards,



Joe Vinson
Mining and Minerals Division
Mining Act Reclamation Program



Anne Maurer
Mining Environmental Compliance Section
New Mexico Environment Department

cc: Holland Shepherd, Program Manager, MMD – via email (holland.shepherd@state.nm.us)
Kurt Vollbrecht, Program Manager, NMED – via email (kurt.vollbrecht@state.nm.us)
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Sarah Holcomb, SWQB NMED – via email (sarah.holcomb@state.nm.us)