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CERTIFIED MAIL – RETURN RECEIPT REQUESTED

July 25, 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 1 Activities

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 July 18, 2014, a draft of the *Building Demolition and Cleanup Plan, Phase 1 Activities* (Plan), prepared by Tetra Tech, Inc. for Chevron Mining, Inc. (Chevron). The Plan describes the proposed Phase 1 surface facilities decommissioning and demolition at the Chevron Questa Mine. Phase 1 includes decommissioning and demolition of the following facilities:

- Thickener 175 and pump house
- Mill warehouse complex
- Mill maintenance shop
- Decline maintenance shop
- Moly storage building
- Mill administration building/assay lab
- Guard house (potential relocation)

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 and NMED's Discharge Permit 1055. 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. In Section 5.0, Chevron only proposes to abate PCB and petroleum contaminated soils (PCS). Based on the sampling and analyses performed in the *Molycorp Remedial Investigation* (RI), the Phase 1 area proposed in the Plan contains soils that are contaminated with metals including arsenic, iron, lead, molybdenum and vanadium that exceed the human health screening level criteria determined in the RI. Furthermore, soil samples collected and analyzed in the RI that are within the Phase 1 area contain lead, molybdenum and vanadium that exceed the industrial/occupational soil screening levels based on the *Risk Assessment Guidance for Investigations and Remediation, Volume I* (2012). Please include these metals as part of the investigation or provide the rationale for their omission and a discussion of Chevron's plan for abatement of metals contamination in soils.
2. In Section 5.0, Chevron states that "Sampling will be conducted and abatement (remediation) will be performed where there is a visual or olfactory evidence of soil contamination exposed or encountered through removal of foundations or site grading and earth moving activities." This is not a systematic or scientific method of determining the nature and extent of potential PCS. A more thorough investigation to detect PCS including the use of a photoionization detector (PID) with the appropriate PID lamp or similar instrument for field detection should be utilized to more accurately characterize the nature and extent of any potential petroleum contamination.
3. The Plan is lacking a discussion regarding characterization of borrow materials and the proposed borrow area identified in Figure 3, as well as the intended use of these borrow materials. Other available borrow sources should be identified, quantified and characterized as necessary. The Agencies recognize these details may be included in the forthcoming Sampling and Analysis Plan, although some preliminary discussion should be included with the final proposed Plan.
4. Section 5.0 includes a discussion that Chevron is not anticipating or planning for offsite soil material disposal. This should be modified for PCBs at a minimum, and for other COCs, depending on what is encountered during the soil investigation, quantity of impacted soil, and location of contamination.
5. The list of analytes as potential COCs that are discussed in Sections 3 through 5 is focused on organic chemicals (i.e PCBs and PCS) and waste streams generated from materials or products expected within buildings. As stated in Comment 1 above, the Agencies may require an additional suite of metals to be analyzed at locations within the Phase 1 area. At a minimum, pH, electrical conductivity and where appropriate (eg. Historic Tailing), static ABA analysis will need to be conducted. All analytes and general locations for their sampling should be listed in an appendix table or the

Sampling and Analysis Plan. Other considerations (i.e. reduced number of metals sampling locations) may be given if the final reclamation plan is to regrade and cover the area with 3 feet of clean cover material.

Specific Comments:

6. Phase I activities described in Sec. 1.1.1 include activities that should be included in later submittals (e.g. waste inventories). The description of Phase I seems broad and the scope is not well defined. Please clarify and differentiate between later phases leading to anticipated completion of demolition activities, including any at the administration and Dry areas of the Mine Site.
7. Figure 3 shows a utility corridor to be constructed through the Historic Tailings area that lies parallel to the southern edge of the Mill Area. The Agencies have no previous information about the qualities or quantities of tailing within this deposit. The Plan should include any available information and/or propose a plan to characterize these materials and provide plans to stabilize the materials remaining in place after the construction of the utility corridor.

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 Shepard, Program Manager, MMD – via email (holland.shepherd@state.nm.us)
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