



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

SUSANA MARTINEZ
GOVERNOR

John A. Sanchez
Lieutenant Governor

Ryan Flynn
SECRETARY, NMED

Dave Martin
SECRETARY, EMNRD

CERTIFIED MAIL – RETURN RECEIPT REQUESTED

February 6, 2015

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

RE: Joint Agency Conditional Approval of Chevron's Final Building Demolition and Cleanup Plan, Phase 2 Activities – Tailing Facility Area

Dear Mr. Martinez,

The New Mexico Environment Department and the Mining and Minerals Division of the Energy, Minerals, and Natural Resources Department (collectively referred to as the "Agencies") received via hardcopy on January 26, 2015, the Draft *Building Demolition and Cleanup Plan, Phase 2 Activities – Tailing Facility Area* (Plan) and the *Responses to Joint Agency Comments, Phase 2 Building Demolition and Cleanup Plan – Tailing Facility Area, Transmittal of Phase 2 Soil Sampling and Analysis Plan* (Response), dated January 21, 2015 prepared by Chevron Mining, Inc. ("Chevron"). The Plan describes proposed Phase 2 surface facilities decommissioning and demolition at the Chevron Tailing Facility. The Response addresses Agency comments on the Draft Plan submitted to Chevron on December 8, 2014.

The Agencies hereby approve the Plan contingent on Chevron meeting the following conditions:

1. In General Comment No. 1 of the Response, Chevron does not adequately address the Agencies comment as to whether or not a site investigation will be performed if tailing is encountered during demolition or earth moving/site grading activities. Chevron states that the plan is not intended to address final site reclamation and that if significant tailing material is encountered, the handling or disposal of this material will be deferred to future reclamation or closure activities. The Agencies will allow a tailing site investigation to be deferred if Chevron specifically states and commits to future site investigation if tailings are encountered during demolition or earth moving/site grading activities or upon request by the Agencies prior to final reclamation. Please add this language to Section 1.1.1 of the Plan.
2. In Specific Comment No. 9 of the Response, Chevron was non-responsive to the Agencies request that radioactive wastes beyond an unspecified emission level be described and reported to appropriate NMED and MMD agencies. The action level for

Mr. Armando Martinez, Environmental Manager
February 6, 2015
Approval, Phase2 Demolition Plan

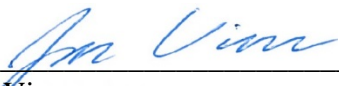
emissions or radionuclide content was not specified by Chevron in the Response. The NMED Radiation Control Bureau was listed for reporting, but not MMD. Please specify the action level for emissions or radionuclide content and add MMD to the agency reporting list in Section 3.2.2 of the Plan.

3. In Section 1.0, Paragraph 2 of the Plan, please replace the sentence “The Plan is designed to meet the demolition requirements of CMI’s Mining Act Permit (TA001RE) issued by [EMNRD-MMD] under the New Mexico Mining Act (EMNRD 2002)” with “The Plan is designed to meet the demolition requirements of CMI’s Mining Act Permit (TA001RE) issued by [EMNRD-MMD] as revised by Permit Revision 96-1 (2001) for the Tailing Facility...”.
4. In the Plan, Figures 1, 2, 3 and 4 are printed on 8.5” x 11” sheets and are nearly or completely illegible. Please furnish these figures in a large-enough format as to be clearly legible (i.e. on sheets that are at least 11” x 14” in size).
5. In the *Building Demolition and Cleanup Plan, Phase 1 Activities* (Phase 1 Plan) and the Draft Phase 2 Plan, Chevron does not include a reporting section that addresses submittal to the Agencies of the results from sampling events including, but not limited to sampling associated with facility characterizations or soil investigations. Currently, all data is retained internally by Chevron. Within 60 days of completion of each investigation, please summarize and report all sample locations, test protocols and test results to the Agencies for all Phase 2 Plan and Phase 2 Sampling and Analysis Plan activities. Completed results of investigation for Phase I Demolition Plan and Sampling and Analysis Plan activities should also be reported to the Agencies within 60 days of completion of each investigation.

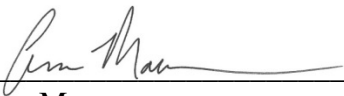
The Agencies are completing their review of the Phase 2 Soil Sampling and Analysis Plan Preliminary Draft (Phase 2 SAP) and will provide initial comments to Chevron by the end of February of 2015. The Agencies may require different sampling methodologies than what are described in the Plan, based on the review of the Phase 2 SAP.

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)
Gary Baumgarten, Project Manager, USEPA – via email (baumgarten.gary@epa.gov)
Stephen Archuleta, Taos County Manager – via email (stephen.archuleta@taoscounty.org)