



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

SUSANA MARTINEZ
GOVERNOR

John A. Sanchez
Lieutenant Governor

CERTIFIED MAIL – RETURN RECEIPT

May 8, 2015

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

RE: Joint Agency Conditional Approval of Chevron Mining, Inc. Draft Building Demolition and Cleanup Plan, Phase 3 Activities, Mill and Mine Areas; Balance of Facilities

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 hardcopy on March 20, 2015, a draft of the *Building Demolition and Cleanup Plan, Phase 3 Activities, Mill and Mine Areas; Balance of Facilities* (Plan), prepared by Tetra Tech, Inc. for Chevron Mining, Inc. (Chevron). The Plan describes the balance of facilities to be decommissioned and demolished at the Mill and Mine Site.

The Agencies hereby approve the Plan contingent upon Chevron providing adequate response to the items and questions raised below. Please submit a revised final Plan that incorporates the following within 30 days of receipt of this letter.

1. The Agencies request that formal written progress updates of demolition activities be provided on a monthly basis. The progress updates shall include brief, but specific narratives about Plan progress and shall include and reference updates to Figures 2 and 3 that would identify those facilities with work under way and/or where demolition has been completed. Chevron shall submit monthly progress updates by the 15th of each month.
2. During the last Mill Area inspection on April 23rd, the Tetra Tech project manager referred to an additional Phase 4B demolition plan that included some of the facilities slated for demolition under this Plan. The Agencies are not aware of an additional phase of demolition. Please explain.
3. In Section 1.1.1, Page 2, there is a list of facilities that Chevron plans to retain at the Mill and Mine areas "to support ongoing site activities." Please address whether Chevron intends for these facilities to remain indefinitely, or if these facilities will be demolished

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City, State, ZIP+4	Chevron Mining, Inc.
	PO Box 469
	Questa, NM 87556
PS Form 3800, June 2002	
See Reverse for Instructions	

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at some point following the completion of closure work. In addition, the Agencies understand that Sump 5000 and possibly other associated facilities will be retained until the Water Treatment Plant is operational. Is demolition of these facilities considered in the overall schedule shown in Section 7.0? Please explain.

4. In Section 1.1.1, Page 2, Table 1-1, the Mill Well #1A is included on the list of affected facilities to be removed. Please explain if this well will be replaced or simply plugged and abandoned.
5. In Section 1.1.1, Page 2, Table 1-1, the #2 Shaft Hoist House is included in the list of affected facilities to be removed. The Agencies understand that although the #2 Shaft may be used as the groundwater extraction point for the surface-based mine dewatering system, other dewatering systems are currently being evaluated including installation of extraction wells. Please discuss how removal of this facility will be integrated into the plans for the surface-based mine dewatering system if this is still the preferred option.
6. In Section 1.1.1, Page 3, it is indicated that inert demolition debris consisting of masonry, lumber, and miscellaneous building materials is planned to be disposed of at the landfill in Taos. There is a Mining Act permit modification currently being processed and a DP-1055 Permit Amendment issued by NMED on January 23, 2015 that allows for disposal of select demolition debris in the open pit that could include some of the inert materials discussed. Does Chevron anticipate that any of this material, other than concrete/rebar noted on Page 4, will go to the open pit? Please explain.
7. In Section 3.1, Page 6, it is indicated that residual material remaining in thickeners and other process-related equipment such as flotation cells, launders, and vessels within the Mill Area will be removed and transported to the open pit. The DP-1055 Permit Amendment issued by NMED on January 23, 2015, approved the placement of tailing and demolition debris associated with the 175 Thickener, Decline Maintenance Shop, and the Moly Storage Building in the open pit. The Agencies will consider the information provided in the Plan as an update to the original request and approve the placement of this material in the open pit as long as it is geochemically similar to tailing material. If the material is dissimilar to tailing material, please provide the Agencies with a description of the material and a formal request to place it in the open pit.
8. The Plan addresses requirements within Questa Mine Mining Act Permit Revision 96-2, Section 9.M for demolition. MMD views this Plan and schedule for activities as an extension of the Permit. Work described in the Plan and the schedule for demolition activities in Section 7 is subject to enforcement under the Permit.


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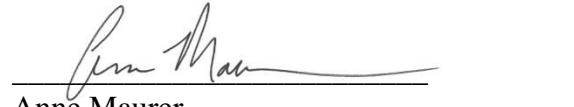
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If you have any questions please feel free to contact Anne Maurer at (505) 827-2906 or Joe Vinson at (505) 476-3414.

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)
Joe Fox, AOC Team Leader, NMED – via email (joe.fox@state.nm.us)
Gary Baumgarten, Project Manager, USEPA – via email (baumgarten.gary@epa.gov)
Steven Archuleta, Taos County Manager – via email (stephen.archuleta@taoscounty.org)
Sarah Holcomb, SWQB NMED – via email (sarah.holcomb@state.nm.us)