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CERTIFIED MAIL – RETURN RECEIPT REQUESTED

May 6, 2016

Armando Martinez (amarti@chevron.com)
Chevron Mining, Inc. (CMI)
PO Box 469
Questa, NM 87556

RE: Discharge Permit Amendment, Change in Financial Assurance, DP-1055, Conditions 33 through 35, Chevron Mining, Inc.

Dear Mr. Martinez:

The Ground Water Quality Bureau of the New Mexico Environment Department (NMED) received a letter dated April 27, 2016 (amendment request) from Chevron Environmental Management Company (Chevron) requesting to amend Discharge Permit 1055 (DP-1055), and to revise the financial assurance currently held jointly by NMED and the Energy, Minerals and Natural Resources Department (collectively termed “the Agencies”).

The facilities covered under DP-1055 are located approximately five miles east of Questa in Sections 1, 2, 3, 4, 11, 12, T28N, R13E, Sections 25, 26, 33, 34, 35, 36, T29N, R13E, Section 6, T28N, R14E, and Section 3, T29N, R14E in Taos County. DP-1055 regulates discharges associated with the Questa Mine Site.

NMED issues this Discharge Permit Amendment pursuant to the New Mexico Water Quality Act (WQA), NMSA 1978 §§74-6-1 through 74-6-17, and the New Mexico Water Quality Control Commission (WQCC) Regulations, 20.6.2 NMAC. This Discharge Permit Amendment does not result in significant changes in the quantity or quality of effluent or the location of the discharge. This Discharge Permit Amendment changes specific terms and/or conditions contained in the Discharge Permit, DP-1055, issued to Chevron on November 15, 2000. In issuing this Discharge Permit Amendment, NMED has determined that the requirements of Subsection C of 20.6.2.3109 NMAC have been met.

Amendment Description

This amendment removes the specific conditions associated with financial assurance (Conditions 33 and 34) and the general financial assurance condition (Condition 35) and replaces them with an amended financial assurance condition.

DP-1055 Amended Condition

Conditions 33 through 35 are hereby removed from DP-1055 and replaced with a new Condition 33.

Replacement Condition 33

33. The amount of financial assurance currently held by NMED and MMD for work required at the Questa Mine Site will be reduced by \$55,510,187. This amount (\$55,510,187) will be transferred to a separate financial assurance held jointly by NMED, MMD and EPA. Chevron shall maintain joint financial assurance in the amounts referenced in the amendment request. Any proposed revisions to the cost estimate or the financial assurance amount held for work required at the Questa Mine Site shall require an amendment of this Discharge Permit.

Other Requirements

Chevron shall comply with the terms and conditions contained herein and those in DP-1055 that remain unchanged which are enforceable by NMED pursuant to Section 20.6.2.3104 NMAC and NMSA 1978 §74-6-5 and §75-6-10. Please be advised that this Discharge Permit Amendment does not relieve Chevron of liability should its operation result in actual pollution of surface or ground water which may be actionable under other laws and/or regulations.

Period of Approval

Pursuant to 20.6.2.3109.H.4 NMAC, the term of this Discharge Permit Amendment for the DP-1055 shall be the same as the term of DP-1055. The timely submission of the Discharge Permit renewal application on July 15, 2005 and again on August 2, 2010 keeps the existing permit and associated amendment(s) effective until the renewal process is complete. [Subsection F of 20.6.2.3106 NMAC]

Issuance of this Discharge Permit Amendment does not relieve Chevron of the responsibility to comply with the WQA, WQCC Regulations, and any other applicable federal, state and/or local laws and regulations, such as zoning requirements and nuisance ordinances.

If at any time in the future Chevron intends to change the disposition of any discharge relating to DP-1055, Chevron is required to notify NMED prior to changing the discharge.

Armando Martinez, DP-1055
May 6, 2016
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Please contact Anne Maurer of the Mining Environmental Compliance Section at 505-827-2906 with any questions.

Sincerely,



Trais Kliphuis, Division Director
Water Protection Division

TK:AM

cc: Cynthia Gulde, Project Manager, Chevron Environmental Management Company (signed PDF copy sent via electronic mail to: CGulde@chevron.com)
Joseph Zupan, Executive Director, Amigos Bravos (signed PDF copy sent via electronic mail to: jzupan@amigosbravos.org)
Joe Vinson, EMNRD-MMD, (signed PDF copy sent via electronic mail to: joseph.vinson@state.nm.us)
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