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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 08-04, Change in Financial Assurance, DP-933,
Conditions 74 through 78, 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 933 (DP-933), 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-933 are located approximately one mile west of Questa in Sections 25, 26, 35, and 36, T29N, R12E in Taos County. DP-933 regulates discharges associated with the Questa Tailing Facility.

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 Renewal/Modification, DP-933, issued to Chevron on February 29, 2008. 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 74 through 76) and the general financial assurance conditions (Conditions 77 through 78) and replaces them with an amended financial assurance condition.

DP-933 Amended Condition

Conditions 74 through 78 are hereby removed from DP-933 and replaced with a new Condition 74.

Replacement Condition 74

74. The amount of financial assurance currently held by NMED and MMD for work required at the Questa Tailing facility will be reduced by \$5,789,596. This amount (\$5,789,596) 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 Tailing Facility shall require an amendment of this Discharge Permit.

Other Requirements

Chevron shall comply with the terms and conditions contained herein and those in DP-933 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 shall be the same as the term of DP-933. The timely submission of the Discharge Permit renewal application on November 5, 2012 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-933, Chevron is required to notify NMED prior to changing the discharge.

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)
Kurt Vollbrecht, Program Manager, GWQB-MECS (signed PDF copy sent via electronic mail to: kurt.vollbrecht@state.nm.us)
Joe Fox, AOC Team Leader, GWQB-MECS (signed PDF copy sent via electronic mail to: joseph.fox@state.nm.us)
Gary Baumgarten, EPA Region 6 (signed PDF copy sent via electronic mail to: Baumgarten.gary@epa.gov)
Anne Maurer, Chevron Permit Lead, GWQB-MECS (signed PDF copy sent via electronic mail to: anne.maurer@state.nm.us)

Summary of DP-933 Permit and Amendment Chronology:

Document Name	Effective/Issuance Date
Discharge Permit Renewal and Modification, Chevron Mining, Inc. Tailing Disposal Facility, DP-933	February 29, 2008
Discharge Permit Amendments 08-01, DP-933; Installation of a Concentrated Photovoltaic Solar Facility and Cover Depth Demonstration Test Plots at the Chevron Mining, Inc. Tailing Facility	December 3, 2009
Discharge Permit Amendment 08-02, DP-933; Removal of Condition 33, Requirement to Operate Mill at the Chevron Mining Inc. Questa Mine Site and Tailing Facility	September 25, 2012
Discharge Permit Amendment 08-03, DP-933; Removal of Condition 70, Monitoring and Reporting on the Storage Cover Test Plots	March 30, 2015