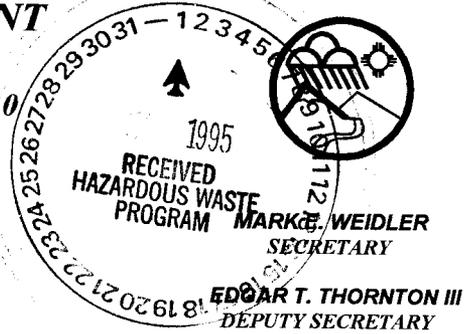




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M E M O R A N D U M

TO: Phillip Solano, HW&RMB  
FROM: Tracy M. Hughes, General Counsel *Tracy*  
DATE: February 28, 1995  
RE: **Rinchem's Certificate of Liability**

This memo responds to your December 13, 1994 memo, attached, concerning Rinchem Company, Inc.'s Certificate of Liability Insurance. I will respond correspondingly to your numbered paragraphs.

1. The minor differences between Rinchem's instrument and that in the regulations are of no significance. I would not require the changes.

2. At the amounts Rinchem has insured, it is not "eligible" for both sudden accidental (SAO) and nonsudden accidental occurrences (NSAO), but only SAO. We should write them back and give them the choice of only SAO or up the \$\$\$ to \$4 million per occurrence and \$8 million aggregate. No wiggle room here.

3. If the non-permitted Chaparral facility needs to be permitted, then get a separate instrument for that facility pursuant to 40 CFR 265. Assuming that the non-permitted Chaparral facility does not need a permit, then it should be taken off the SAO instrument.<sup>1</sup>

I hope this helps in your response to Rinchem. If you would like to discuss this matter further, please feel free to call me at 2834. Sorry it took so long.

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<sup>1</sup> It is tempting for us, as it was for Rinchem, to have this transfer facility covered in case something happens. However, that is not a regulatory requirement and we must not be tempted.