



ENTERED *Plateau Reclamation* ✓

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MEMORANDUM

TO: STEVE REYNOLDS, STATE ENGINEER

FROM: RICHARD HOLLAND, DEPUTY DIRECTOR
ENVIRONMENTAL IMPROVEMENT DIVISION *RH*

DATE: 15 MAY 1985

RE: WATER-RELATED ISSUES AT BLOOMFIELD REFINERY

Overview

The Bloomfield Refinery (formerly Plateau) sits atop a bluff over the San Juan River. Beneath the site is the relatively impermeable Nacimiento formation. This is overlain by a cobble bed, which is in turn overlain by loess. Ground water exists within the cobble bed. Probably none of this water is natural, but is instead due to infiltration from the Hammond Ditch and from the refinery's raw water and effluent ponds. Past practices have clearly contributed contaminants to the ground water. This is evidenced by the presence of hydrocarbons in seeps along the bluff beneath the refinery and in water that seeps into the Hammond Ditch after the irrigation season.

Water Supply; Bureau of Reclamation

Bloomfield Refining obtains its process water from the San Juan River. The water is purchased from the Bureau of Reclamation Navajo Project. Since October 1982, USBR has conditioned their water sales contracts with the refinery to require cooperation with EPA and the State (OCD and EID). The latest contract, for 340 acre-ft, was made on February 14, 1985. It is a one-year contract with quarterly review and gives USBR the right to terminate upon two-week notice. USBR has participated in recent meetings between EPA and the refinery regarding compliance with RCRA. They feel it is their responsibility under NEPA to be sure that

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the refinery is in compliance with EPA and State environmental requirements, and they are concerned about the pollution which has occurred.

CONTACT: Thomas Scoville, Bureau of Reclamation, Salt Lake City, 801-524-6097

Discharge Plan; Oil Conservation Division

Since 1978, the refinery has had a Discharge Plan in conformance with Part III of the WQCC Regulations. An application for renewal and an updated Discharge Plan were submitted to OCD on June 2, 1982; these were approved, with conditions, on June 7, 1984. The Plan is for a discharge of 50 gpm from the API separator. The effluent goes into two lined "oily water" ponds, then into two lined "surface evaporation" ponds, and is then sprayed onto a plot of land. There is evidence of seepage from the evaporation ponds.

The Discharge Plan includes monitoring of three wells placed around the property. One of these wells clearly has free-floating hydrocarbon product in it.

Currently, the refinery is in compliance with their Discharge Plan. OCD is working with the refinery to upgrade the Plan (new wells, additional sample parameters). OCD is awaiting the outcome of hydrologic investigations done in response to EPA enforcement (see below) before defining and implementing these modifications to the Discharge Plan.

CONTACT: Dave Boyer, Oil Conservation Division, 827-5812

Hammond Ditch; Hammond Conservancy District

Hammond Ditch runs along the northern edge of the refinery. After the irrigation season, hydrocarbon-contaminated water seeps back into the ditch. About three years ago, this oily water seeped into the irrigation system of the downstream Sanchez Subdivision. In response to complaints by the subdivision residents, the Hammond Conservancy District requested remedial action. In response, the refinery has, for the past two seasons, put dikes across the ditch (after the irrigation season) to contain the oily seepage. They then pump out the oil.

CONTACT: Harry Hotter, Hammond Conservancy District, 632-3043

Hazardous Waste Management; EPA and EID

In 1980, Plateau notified EPA that they were a treatment/storage/disposal (TSD) facility for the management of hazardous waste. This meant that they were subject to regulation under RCRA, including ground-water monitoring. Later, Plateau informed EPA that they were in fact a generator only (i.e. not a TSD), in which case they are not subject to ground-water monitoring. Also, in case they were a TSD,

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Plateau submitted documentation to support their contention that they should have a waiver of ground-water monitoring requirements.

In October 1983, New Mexico received Interim Authorization to administer the RCRA program via the Hazardous Waste Management Regulations (HWMR-2). In January 1985, we received Final Authorization from EPA.

In March 1984, EID denied Plateau's right to a waiver and required that they install ground-water monitoring. Plateau responded that they were not a TSD and so not subject to the ground-water monitoring requirements. As EPA was planning to take enforcement action, EID decided to defer further action until EPA's issues were resolved.

Later in March of 1984, EPA and EID conducted a joint inspection (EPA lead) at the refinery. A large number of samples were taken by EPA. The purpose of the sampling was to determine whether any treatment, storage, or disposal units at the refinery contained hazardous waste. Units that might be hazardous waste management units (and thus subject to ground-water monitoring requirements) included the oily water ponds, the surface evaporation ponds, the spray irrigation area, and the landfill.

On 29 March 1985, EPA issued a 3008 Order against Plateau and Bloomfield Refining (Gary Energy). 3008 is that section of RCRA which gives EPA authority to order compliance with RCRA regulations and to fine facilities for violations. The 3008 assumed the refinery to be a TSD and cited both Plateau and Bloomfield Refining for a number of violations of regulations applying to TSD facilities, including failure to implement ground-water monitoring. The 3008 also cites Plateau for illegally shipping a load of hazardous waste off-site to an unpermitted facility. A fine of nearly \$200,000 is proposed. Plateau has responded with a request for a hearing to contest the 3008. They contend that the refinery is not, and never was, a TSD.

Also on 29 March 1985, a 3013 Order was issued to Bloomfield Refining. 3013 is a section of RCRA under which EPA may require a facility to conduct investigations of the nature and extent of hazardous wastes which have been released from a TSD. The 3013 cited sampling evidence of hazardous constituents in the ground water, in the oily water ponds, and in Hammond Ditch, and the potential for these contaminants to affect downstream users of Hammond Ditch and of the San Juan River. The 3013 orders Bloomfield Refining to characterize the geohydrology at their site, to determine the extent and rate of migration of hazardous constituents, and to determine the impact of those constituents on Hammond Ditch and San Juan water.

Bloomfield Refining protested EPA's right to issue them the 3013. However, they chose, in a spirit of cooperation, to submit a plan that would substantially meet the requirements of the 3013. This plan is under EPA and EID review.

These two enforcement actions (3008 and 3013) were initiated by EPA even though New Mexico now has the program, because EPA had initiated action prior to us receiving authorization. The State does, however, have the authority to issue our own enforcement action if we so choose.

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To summarize: the compliance status of the refinery rests on the determination of whether or not they are a TSD. If yes, then the facility is in violation of major requirements of RCRA and HWMR-2. Ground-water monitoring must be installed, and the results of such monitoring will probably lead to a extensive remedial action program for ground water at the site. If no, then EPA and EID have little leverage under these regulations to require clean-up of the ground water or surface water at the site. Future action by OCD and USBR will be correlated with the outcome of enforcement under RCRA/HWMR-2.

EID CONTACTS: Ann Claassen, Jack Ellvinger, 984-0020 ext. 340

EPA CONTACTS: Jim Turner, Attorney, 214-767-6552
Steve Schwartz, Hazardous Waste Enforcement, 214-767-9729

NPDES Permit; EPA

At the recommendation of the Surface Water Bureau of EID, EPA notified Plateau that they should file an application for an NPDES permit. The discharge to be permitted is hydrocarbon-contaminated water which seeps out along the bluff beneath the refinery. According to EPA, no response was received from the refinery, so that EPA plans to soon send another letter requiring a response.

CONTACT: Rob Franke, EPA Region VI, 214-767-9817

*The above information is provided in response to your phone request.
If you have further questions, please call.*
RH

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xc: Dave Boyer, Oil Conservation Division
Jim Turner, EPA Region VI