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October 3, 1991

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Ms. Judy A. Flynn-O'Brien
Institute of Public Law
University of New Mexico
1117 Stanford NE
Albuquerque, New Mexico 87131-1446

RE: Hazardous Waste Fee Regulations

Dear Ms. Flynn-O'Brien:

Bloomfield Refining Company is appreciative of the opportunity that you and Mr. Horst provided in the meeting yesterday in Farmington to discuss the fee proposal for hazardous waste activities. It was an excellent forum for hearing our concerns early in the rule-making process.

We recognize that fees are probably an unavoidable reality with our future hazardous waste activities, but believe that careful consideration of the hazardous waste generating process is necessary to provide an equitable balance of charges among the hazardous waste generators. Recent hazardous waste regulations have substantially increased the quantity of material considered a hazardous waste. Of particular significance were the new toxicity characteristic wastes that became regulated in September 1990. For refineries this meant that wastewater streams containing benzene concentrations in excess of 0.5 ppm would be considered a hazardous waste. Wastewater management in most refineries is exempt from RCRA because of an exclusion for holders of NPDES permits.

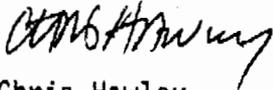
Our particular refinery, because of location and environmental goals, has a zero discharge policy. This means our wastewater stream must be treated and disposed on-site. We do this by utilizing aggressive biological treatment in the form of high-rate aeration and subsequent solar evaporation from lined ponds. Our wastewater stream totals about 37,000,000 gallons per year, a relatively low amount. At \$0.04 per pound, our hazardous waste generator fee would be over \$12,000,000 per year, an obviously ludicrous amount. Benzene concentrations exceeding 0.5 ppm (our discharge from our oil/water separator, the influent to the wastewater treatment system, is about 10 ppm) are very likely in most wastewater streams in the petroleum industry. However, these pollutants are easily removed by on-site treatment technologies.

We would suggest that wastewater streams affected by hazardous waste regulations that are being managed at facilities which are not commercial hazardous waste disposal facilities, be exempted in calculating fees. We would further suggest that a more equitable method of fee collection be based on off-site disposal (from manifest records). This would encourage facilities to manage their wastes on-site. The regulations are also sufficient to further encourage facilities to reduce waste streams and provide adequate treatment with their on-site operations.

A second suggestion for the fee calculating process would be to put a reasonable cap on the total fee that can be charged a specific facility. This would preclude extraordinary fee assessments caused by particular waste management methods (i.e., without exempting loopholes) and new regulations that hammer a specific industry.

Please feel free to call me if you would like to discuss this with me.

Sincerely,



Chris Hawley
Environmental Manager

CH/jm

cc: Dave Roderick
Joe Warr
John Goodrich