

GRCB 04



From: Chavez, Carl J, EMNRD
Sent: Wednesday, January 25, 2006 3:48 PM
To: randys@giant.com
Cc: OConnor, Cheryl, EMNRD
Subject: OCD Assessment, Remediation and Contingency Plan Comments and Concerns
RE: OCD Concerns with the "Assessment, Remediation and Contingency Plan" dated December 22, 2005

Dear Mr. Schmaltz:

The Oil Conservation Division (OCD) has completed its review of the "Assessment, Remediation and Contingency Plan" (draft plan) in the area north of the barrier wall submitted on December 22, 2005 in compliance with the proposed Administrative Compliance Order. Giant shall submit a redraft of the plan by February 3, 2006, addressing the OCD's concerns and comments. Giant shall submit a "North Barrier Wall Work Plan" (work plan) with details for additional work north of the barrier wall on or before February 15, 2006. Once approved, the drill work needs to be completed by March 8, 2006, due to the construction of an overhead power line by the City of Bloomfield across the area. The OCD's comments and concerns are as follows:

- 1) In general, the opening paragraph of the draft plan states that phase separated hydrocarbons (PSH) in shallow soil north of the barrier wall pose a threat to the San Juan River. However, while soils in the area are of interest, the main pathway of concern is in the shallow water table, which probably contains free product as indicated by PSH and dissolved phase organic contamination detected in the shallow water table north of the barrier wall and in seep oil staining along the bluff. OCD recommends that Giant include the "shallow water table" in combination with soils for the final draft to accurately identify potential pathways of exposure that are critical to establishing objectives for a future work plan(s).
- 2) The draft plan prescribes an evaluation with recommendations to the current collection system as necessary, and an action plan for remediation of contamination north of the barrier wall. Giant is proposing remediation in the form of additional wells to be installed as early as mid-February, although there are no details on the well construction, location, etc. OCD recommends a sump recovery well design and construction for the wells in order to control contaminant hydrogeology by lowering the water table. This will induce groundwater flow north of the barrier wall toward the sump recovery wells, effectively capturing dissolved phase and any PSH contamination to prevent uncontrolled seepage along the bluff and overland flow into the San Juan River. If PSHs are anticipated and are present, care shall be taken and equipment, i.e., pumps, etc., will need to be intrinsically safe to avoid fire and/or explosion. Based on the local hydrogeology observed through Giant's investigation, well construction may require continuous pumping to effectively lower the water table. For the installation of the sump wells, the OCD prefers that the hollow-stem auger drill method be implemented instead of the air rotary method (USGS: Guidelines & Standard Procedures for Studies of Ground-Water Quality). Air rotary may induce fractures in the formation and alter ground water chemistry. Assuming no unforeseen circumstances, Giant could drill the wells by mid-February.
- 3) OCD is concerned with Giant's references or defaults to a 6-month evaluation report and scrutiny of existing catch basins. Specifically, the OCD is concerned about whether Giant will actually install the wells. The OCD recommends that Giant submit a "North Barrier Wall Work

Plan” with objectives, locations with rationale, sump recovery well design, drill method, estimated pump rate, routing of effluent for treatment, date of installation, and sampling and monitoring schedule(s) to the OCD for approval.

4) A contingency is mentioned in the event of a “free-flowing liquid” event. The OCD recommends that the contingency plan should state that it is being implemented north of the barrier wall to actively remediate ground water contamination, prevent its uncontrolled migration to the bluff area, and eliminate the potential for overland flow from seeps along the bluff area (Nacimiento and Jackson River Terrace Formations interface) to discharge into the San Juan River.

5) Bluff inspections should be performed weekly at a minimum, and semi-weekly during precipitation events, until the contaminant hydrogeology is brought under control north of the barrier wall. The treatment system should be inspected and maintained weekly for operation, maintenance records, and to verify that the treatment system is working. Giant proposes every two weeks, which severely underscores the urgency of the situation near a sensitive watershed area.

6) Under the "hydrocarbon fluids have not reached the San Juan River" section of the draft plan, it is imperative that Giant maintains an appropriate number of booms and/or absorbent devices to enable immediate response and prevent the illegal discharge of contamination into the river. Giant should have either, or both, staff trained as first responders and/or hire a professional environmental service company to develop or follow an emergency response plan under short notice. Also, any containerized contaminated soils shall be characterized for proper treatment and/or disposal.

7) Under the "hydrocarbon fluids have reached the waters of the San Juan River" section of the draft plan, the term “emergency response” should be amended to be "mitigation and emergency response." A sufficient supply of floating booms, types, with rapid restock shall be available for immediate emergency response in the event of a worse case scenario. Giant should have an emergency response plan in place with trained personnel in emergency response and site-specific safety considerations and/or have advance contracts in place with a environmental professional service construction and emergency responder(s) familiar with Giant's emergency response plan and be prepared for immediate response to releases at or near the San Juan River. During our conference call, Giant committed to heavy equipment being on site within 24 hours of a worse case scenario.

8) Giant does not propose access from the bottom of the bluff to mitigate and/or remediate seepage from the bluff via overland flow toward the San Juan River. This raises the question of whether it is included in an emergency response plan? Giant needs to acquire the necessary means to access contamination from the bottom of the bluff with minimal disturbance to the river. Larger containment devices for soil removal operations will likely be needed, since single drum containerization would not be efficient in a worse case scenario. This should be discussed and planned with emergency response contractors in advance of a worse case scenario. An emergency response plan should be shared with contractors to ensure that a rapid response time can be achieved. Prospective emergency responders, who cannot immediately respond, should be removed from consideration.

9) Properly positioned sump recovery wells should help to eliminate the possibility of an uncontrolled discharge(s) into the San Juan River.

Sincerely,

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(Pollution Prevention Guidance is under "Publications")

Please be advised that NMOCD approval of this plan does not relieve Giant Refining Company of responsibility should their operations fail to adequately investigate and remediate contamination that pose a threat to ground water, surface water, human health or the environment. In addition, NMOCD approval does not relieve Giant Refining Company of responsibility for compliance with any other federal, state, or local laws and/or regulations.