

GRCB



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Monzeglio, Hope, NMENV

From: Chavez, Carl J, EMNRD
Sent: Friday, February 22, 2008 3:47 PM
To: Randy Schmaltz
Cc: Price, Wayne, EMNRD; Monzeglio, Hope, NMENV; Cobrain, Dave, NMENV; Frischkorn, Cheryl, NMENV
Subject: OCD Discharge Plan Application for Modification (July 2007)

Mr. Schmaltz:

Good afternoon. The New Mexico Oil Conservation Division (OCD) has reviewed Western Refining Southwest, Inc.'s (WRSW) letter (letter) dated January 29, 2008 regarding the above subject associated with EPA ID# NMD089416416 (HWB-GRCB-07-003). WRSW's letter indicates that it is their intent for the Facility-Wide Groundwater Monitoring Plan (FWGWMP) to be accepted by both the New Mexico Environment Department (NMED) and OCD as the prevailing document for comprehensive groundwater monitoring at the Bloomfield Refinery. The OCD regards WRSW's letter with attachments dated January 29, 2008 to the NMED as the updated version of Appendix D from the report in the paragraph below.

Previously, WRSW submitted a letter dated July 30, 2007 with a report (Report) entitled, "OCD Discharge Plan Application For Modification" (July 2007) to the OCD. The report was developed to address OCD Administrative Compliance Order (ACO) and Stipulated Final Order (SFO) No. NM-OCD 2006-100, and an EPA Administrative Order on Consent (Docket No. VI-303-H). Section 9 of the report contained proposed modifications to resolve contamination issues associated with the refinery. A FWGWMP was developed in Appendix D of the report along with Section 10 (Inspection, Maintenance & Reporting) to address state and federal requirements.

OCD comments and/or recommendations on the report and letter aforementioned are as follows:

- 1) The OCD will continue to work with the NMED and WRSW to complete a FWGWMP before the discharge permit renewal date in order to include it as part of the discharge permit renewal with the understanding that the OCD may modify the monitoring requirements as specified under its WQCC discharge plan or permit at any time based on inspections or additional inspection requirements. A finalized version of the FWGWMP in the form of a table (electronic file requested) will assist the OCD with the incorporation of the FWGWMP into the OCD discharge permit. According to OCD records, the existing discharge permit is set to expire on June 7, 2009.
- 2) The OCD notices the on-site landfill disposal provisions for Fluid Catalytic Cracking Unit (FCCU) Catalyst and Sulfur Byproducts. The OCD is aware of Discharge Permit Items #21 (Active Landfill) and 22 (In-Active Landfill), and the closure plans requested under the permit by December 1, 2005. The OCD is concerned about the proximity of the landfills to the San Juan River; the RCRA ramifications (SWMU vs. AOC) of the landfills; and will likely seek to phase out the existing active landfill at the facility during the discharge permit renewal application process. The permit is set to expire on June 7, 2009. Please prepare to discuss and plan accordingly for above.
- 3) The Report references "GW-130" for the facility Underground Injection Control (UIC) Class I Non-Hazardous Injection Well; however, the well is now permitted under OCD records as "UICL-9." Please refer to the UIC Class I Well permit as "UICL-9" from now on.
- 4) Section 10 requirements are to be completed one time within the next 5 years (OCD extended to 3/1/2013) and are as follows:
 - a) An electronic version of the spreadsheet is requested to assist OCD with tracking the inspections, maintenance and reporting (IMR).
 - b) Columns for "Inspection, Maintenance, and Repair" shall be added to the spreadsheet to track one and/or multiple items performed at the same unit at the same time. A field with "date", "ok" or "problem" (also denoted w/ an asterisk to explain at the bottom of the spreadsheet what action was conducted to correct the problem) shall be added to the spreadsheet to report the results of the IMR to the OCD. The OCD recommends that WRSW provides separate spreadsheets for different locations or units (i.e., sumps, tanks, API, etc.) for simplified review of compliance with dates, etc. of the SFO. The operator shall provide an annual report in a format that satisfies the above with the Annual Ground Water Monitoring Report.
 - c) A storage tank numbering system shall be implemented at the facility with tank number references in the spreadsheet to show the exact tank of concern. A numbering system for other units is recommended.
 - d) Pits/Ponds shall be added to the spreadsheet.
 - e) The dates need to be revised up through March 1, 2013 for all locations or units to undergo testing. Only large tanks are exempted (see paragraph below) and WRSW needs to denote tanks that are exempted in the spreadsheet with the new date for the inspection.

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The "OCD Tank Inspection" spreadsheet indicates a 10 year inspection frequency; however, the SFO indicates that all locations or units are required on a one time basis to be tested within 5 years of the SFO date (3/1/2006) or by March 1, 2011. Exempted from this one time testing requirement are large tanks that have been tested within the past five years or are due to be tested within the next five years under other regulatory agency rules, regulations or guidelines, or under any other standards accepted by regulatory agencies, such as API Code 653, provided that the tanks shall be identified in the spreadsheet and test dates and results provided to the OCD. WRSW may request a time extension for accomplishing requirement or recommendations, which the OCD, in its sole discretion, may grant for good cause shown by WRSW. The OCD extends the end of the one time five year date to March 1, 2013 for good cause.

In conclusion, the OCD concludes that WRSW has complied with SFO Section I.V. Compromise and Settlement (Section 18(a) (c). WRSW shall address Item #4 above satisfy Section 18(b) of the SFO. Regarding Section 18(c), the OCD has opted to address the modification in the discharge permit renewal process for good cause as stated in Item #1 above.

Please contact me if you have questions. Thank you.

Note: Please be advised that NMOCD approval of this plan does not relieve Western Refining Southwest, Inc., Bloomfield Refinery of responsibility should their operations pose a threat to ground water, surface water, human health or the environment. In addition, NMOCD approval does not relieve Western Refining Southwest, Inc., Bloomfield Refinery of responsibility for compliance with any other federal, state, or local laws and/or regulations.

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(Pollution Prevention Guidance is under "Publications")