

Western Bloomfield

State of New Mexico  
Energy, Minerals and Natural Resources Department

ENTERED

**Susana Martinez**  
Governor

**David Martin**  
Cabinet Secretary

**Tony Delfin**  
Deputy Cabinet Secretary

**David Catanach**  
Director, Oil Conservation Division



February 22, 2016

Mr. Randy Schmaltz  
Western Refining Southwest, Inc.  
P.O. Box 159  
Bloomfield, New Mexico 87413

**RE: Former Bloomfield Refinery**

Randy,

Oil Conservation Division (OCD) technical and legal staff met last week regarding Western's former refining facility in Bloomfield. Discharge permit GW-1 for the Bloomfield refinery was originally issued to Plateau, Inc. in June of 1978 pursuant to regulations of the Water Quality Control Commission (WQCC) and renewed in 1984, 1989, 1992, and 1994. A transfer of the permit to San Juan Refining Company was approved by OCD in January of 1996. The permit was again renewed in 2000 and 2005. Western acquired the refinery in May of 2007. Refining activities were reportedly idled during November of 2009 and the facility has since functioned primarily as a bulk storage terminal. A meeting between OCD and Western was held during January of 2010 to determine a path forward and OCD decided to allow operations to continue under a WQCC discharge permit until Western could determine its future plans for the facility. OCD renewed Discharge Permit GW-1 on May 24, 2010 with an expiration date of June 7, 2014. In May of 2011, those with discharge permits issued by OCD were asked to respond before July 15<sup>th</sup> of that year to a questionnaire regarding each facility. Western submitted their response to the OCD with respect to the Bloomfield operation on February 24, 2014.

There remain evaporation and aeration ponds at the facility. A non-hazardous disposal well was recently plugged with plans for a replacement. There exist numerous large sumps without secondary containment along with buried piping. Effluent was discharged which impacted protectable groundwater and abatement is in progress. There are also ongoing Resource Conservation and Recovery Act corrective actions under oversight by the NM Environment Department (NMED).

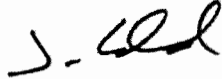
As such, OCD has determined the discharge permit must be renewed. OCD requests Western submit a renewal application without reference to former documents within 120 days of the date

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of this letter. As a part of the application, Western should submit a plan with cost estimates for closure and if the renewal is approved, provide adequate financial assurance. OCD wishes to avoid duplication and will consider plans and financial assurance which may exist per NMED requirements.

If you have any questions please contact Carl Chavez of my staff at (505) 476-3490 or by email at [CarlJ.Chavez@state.nm.us](mailto:CarlJ.Chavez@state.nm.us). Thank you.

Respectfully,



**Jim Griswold**  
*Environmental Bureau Chief*

cc (pdf via email): Allen Hains, Western  
Leona Tsinnajinnie, NMED  
OCD District III