



MICHELLE LUJAN GRISHAM  
GOVERNOR

ENTERED

JAMES C. KENNEY  
CABINET SECRETARY

**Certified Mail - Return Receipt Requested**

February 3, 2023

Ms. Maryann T. Mannen  
Executive VP and CFO  
Marathon Petroleum Corporation LP  
539 South Main Street  
Findley, Ohio 45840

**RE: DISAPPROVAL  
2022 RCRA FINANCIAL ASSURANCE COST ESTIMATE AND  
RESPONSE TO DISAPPROVAL, 2020 AND 2021 FINANCIAL ASSURANCE  
COST ESTIMATES  
WESTERN REFINING SOUTHWEST LLC – BLOOMFIELD TERMINAL  
SAN JUAN COUNTY, BLOOMFIELD, NEW MEXICO  
EPA ID # NMD089416416  
HWB-WRB-MISC**

Dear Ms. Mannen,

The New Mexico Environment Department (NMED) has completed its review of the Marathon Petroleum Company LP dba Western Refining Southwest, LLC - Bloomfield Terminal (Western) *2022 RCRA Financial Assurance Cost Estimate and Response to Disapproval, 2020 and 2021 Financial Assurance Cost Estimates* dated March 4, 2022, and received November 2022. NMED requested copies of the submittal on November 8, 2022 since there were no hard copies in our record. We received the excel spreadsheets with the 2022 Cost Estimate tables on November 15, 2022, and the Word document copies of the response letter and Response to Comments table on November 22, 2022, by email. Although the Permittee has met the requirements for the 2020 and 2021 financial assurance submittals by the submission of the 2022 financial assurance cost estimate, there were several issues associated with the information presented in the cost estimates. NMED has reviewed the cost estimate submittals, and hereby issues this Disapproval with the following comments.

**Comment 1**

Page 1, paragraph 3 of the cover letter states that the 2021 estimate was multiplied by an annual inflation factor (AIF) of 1.03. The AIF was calculated using gross domestic product (GDP) values from the Bureau of Economic Analysis (BEA) Table 1.1.9 (Implicit Price Deflators for Gross Domestic Product) according to Table 2 (Final Closure Cost Estimate, North and South

Aeration Lagoons). In the response letter, provide the date the GDP values were referenced. Include this information in the cover letter and indicate which quarter the values were reported. It would also be helpful to include a printout of Table 1.1.9 that was used to reference the GDP values so that NMED can verify the values and calculations during the review process. Include this information in the 2023 financial assurance submittal.

#### **Comment 2**

Page 1, paragraph 3 of the cover letter states that “[t]he last annual estimate prepared in January 2021 was \$400,696. The new estimate for 2022 is \$420,731 (\$400,696 increased by an inflation factor of 1.03).” There appears to be typographical errors in calculating the 2021 and 2022 estimates. Based on Table 2, Note 15 the AIF for 2021 was 1.01; however, when checking the equation in the Table 2 excel spreadsheet the adjusted 2021 estimate was calculated using the AIF of 1.05 ( $\$381,616 \times 0.05 = \$19,081$ ). Furthermore, it also appears that the adjusted 2022 estimate was calculated using an AIF 1.05 ( $\$400,696 \times 0.05 = \$20,034$ ), rather than 1.03. Correct the calculations for the 2023 financial assurance submittal or explain why 1.05 was used to adjust the 2021 and 2022 estimates in the response letter.

#### **Comment 3**

Based on the excel spreadsheet provided by Western, *Bloomfield Financial Assurance Cost Estimate*, the *Cost/Sample* column in Tables 1A (River Terrace Sampling Cost Estimate) through 1E (San Juan River Sampling Cost Estimate) have been adjusted by 1.05 while Table 1 (Financial Assurance Cost Estimate) used the AIF 1.03 to adjust the *Total Estimated Cost to Implement NMED Order*. There is no note in any of the tables to indicate where 1.05 is from or how it was calculated. Based on NMED’s review of the tables, it appears that the 1.05 value may be an AIF; however, Western reported 1.03 as the calculated AIF. In the response letter, explain how 1.05 was calculated and why 1.05 was used to adjust the *Cost/Sample* instead of the AIF 1.03 for the 2022 calculations. It also appears that these adjustments are used to bring the costs in terms of current dollars. Bloomfield must be consistent in choosing to adjust the cost estimates by either using the annual inflation factor (AIF) or in terms of current dollars.

#### **Comment 4**

Table 2 reports the closure cost estimate for the North and South Aeration Lagoons and inflation adjustments calculated for 2012 through 2022. In the *Notes* Sections of Table 2, Western provides the equations used to calculate the AIF for each year. It appears there may be a typographical error in the equations for the AIF values for 2020 and 2021. AIF is calculated by the following formula: *Implicit price deflator* for GDP end of current fiscal year divided by the *Implicit price deflator* for GDP end of previous fiscal year. For example, to calculate the 2020 AIF: *Implicit price deflator* for GDP 2019 (111.562) divided by *Implicit price deflator* for GDP 2018 (109.320) = 1.021. GDP 2019 and GDP 2018 were reported in Table 1.1.9 (last revised on November 30, 2022) and both values are from the first quarter (see Table 1.1.9). It also appears that Western may have mislabeled the GDP values for 2018, 2019, and 2020 in the *Notes* 15 and 16 equations. Verify that the GDP values in *Notes* 15 and 16 are from 2018, 2019, and

Ms. Mannen  
February 3, 2023  
Page 3

2020. Finally, it is also important that these implicit price deflators be reported from the same quarter for each year from the BEA Table 1.1.9. Verify that the GDP values for each year were reported from the same quarters for each calculation.

Western must address all of the comments and provide a response letter for the 2022 Cost Estimate and provide a correct version of the submittal for 2022 no later than **30 days** after the submittal date for the upcoming 2023 financial assurance submittal. This submission is to be treated as separate from the upcoming 2023 financial assurance submittal and will require a separate cover letter. Furthermore, all of NMED's comments from this Disapproval must also be addressed and incorporated in the upcoming 2023 Cost Estimate submittal for Bloomfield Terminal.

If you have any questions, please contact Leona Tsinnajinnie of my staff at (505) 690-7820.

Sincerely,

**Rick Shean**

Digitally signed by Rick  
Shean  
Date: 2023.02.08  
09:53:23 -07'00'

Rick Shean  
Chief  
Hazardous Waste Bureau

cc: D. Cobrain, NMED HWB  
L. Tsinnajinnie, NMED HWB  
C. Eads, NMED HWB  
B. McNamar, Western Refining Southwest, Inc. – Bloomfield Terminal  
K. Luka, Marathon Petroleum Company, LP  
J. Chen, Marathon Petroleum Company, LP  
L. King, EPA Region 6 (6LCRRC)

File: WRB 2023 Readings  
HWB-WRB-MISC

**Table 1.1.9. Implicit Price Deflators for Gross Domestic Product**

[Index numbers, 2012=100] Seasonally adjusted

Last Revised on: November 30, 2022 - Next Release Date December 22, 2022

Line		2018	2018	2018	2018	2019	2019	2019	2019	2020	2020	2020	2020
		Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4
1	<b>Gross domestic product</b>	<b>109.320</b>	<b>110.258</b>	<b>110.629</b>	<b>111.132</b>	<b>111.562</b>	<b>112.184</b>	<b>112.550</b>	<b>112.963</b>	<b>113.418</b>	<b>112.993</b>	<b>113.971</b>	<b>114.692</b>
2	<b>Personal consumption expenditures</b>	<b>107.584</b>	<b>108.162</b>	<b>108.549</b>	<b>108.959</b>	<b>109.186</b>	<b>109.854</b>	<b>110.140</b>	<b>110.536</b>	<b>110.935</b>	<b>110.431</b>	<b>111.347</b>	<b>111.799</b>
3	Goods	95.353	95.553	95.336	95.097	94.787	95.218	94.877	94.909	94.717	93.403	94.331	94.448
4	Durable goods	88.146	87.911	87.458	87.293	87.360	87.122	86.693	86.108	85.823	85.228	86.226	86.685
5	Nondurable goods	99.113	99.561	99.481	99.202	98.682	99.495	99.206	99.598	99.455	97.730	98.612	98.511
6	Services	113.929	114.712	115.428	116.193	116.716	117.514	118.155	118.762	119.507	119.507	120.408	121.080
7	<b>Gross private domestic investment</b>	<b>106.229</b>	<b>107.524</b>	<b>107.239</b>	<b>107.643</b>	<b>108.451</b>	<b>108.993</b>	<b>109.135</b>	<b>109.436</b>	<b>109.609</b>	<b>109.611</b>	<b>110.286</b>	<b>111.075</b>
8	Fixed investment	107.150	107.799	108.235	108.526	109.187	109.731	109.939	109.924	110.348	110.822	111.389	112.114
9	Nonresidential	102.421	102.720	102.980	103.161	103.798	104.318	104.346	104.150	104.484	104.999	104.981	105.338
10	Structures	112.941	113.596	114.160	115.812	116.974	118.598	119.446	120.076	120.683	120.398	120.424	119.963
11	Equipment	97.548	97.596	97.895	97.798	98.147	98.062	97.670	97.469	97.710	97.758	97.170	96.790
12	Intellectual property products	102.200	102.603	102.612	102.273	102.944	103.596	103.688	103.076	103.440	104.882	105.434	106.938
13	Residential	127.982	130.166	131.386	132.181	132.956	133.597	134.608	135.379	136.141	136.445	139.512	141.811
14	Change in private inventories	---	---	---	---	---	---	---	---	---	---	---	---
15	<b>Net exports of goods and services</b>	---	---	---	---	---	---	---	---	---	---	---	---
16	Exports	98.183	99.437	99.663	99.287	98.466	99.310	98.688	98.304	97.785	93.137	96.057	97.528
17	Goods	92.331	93.702	93.868	93.173	91.953	92.528	91.553	91.197	90.115	84.660	87.859	89.401
18	Services	111.249	112.223	112.586	112.944	113.050	114.504	114.689	114.254	115.099	112.429	114.686	115.996
19	Imports	91.249	91.522	91.663	91.201	90.151	90.650	89.696	89.375	89.073	86.210	87.902	88.517
20	Goods	88.194	88.433	88.497	87.930	86.620	87.161	86.083	85.629	85.208	82.101	83.841	84.380
21	Services	107.000	107.461	108.005	108.111	108.436	108.712	108.444	108.878	109.294	108.036	109.351	110.495
22	<b>Government consumption expenditures and gross investment</b>	<b>109.904</b>	<b>110.955</b>	<b>111.831</b>	<b>112.499</b>	<b>112.758</b>	<b>112.993</b>	<b>113.284</b>	<b>113.717</b>	<b>114.614</b>	<b>114.610</b>	<b>115.518</b>	<b>116.585</b>
23	Federal	107.550	108.335	108.964	109.767	110.942	110.206	110.482	110.926	111.297	111.387	112.106	112.789
24	National defense	106.116	106.916	107.538	107.972	108.336	108.701	109.038	109.521	109.779	109.487	110.306	110.991
25	Nondefense	109.810	110.575	111.214	112.580	115.029	112.576	112.758	113.143	113.689	114.328	114.916	115.602
26	State and local	111.452	112.667	113.698	114.282	113.967	114.810	115.113	115.544	116.777	116.714	117.746	119.061
<b>Addendum:</b>													
27	Gross national product	109.308	110.242	110.614	111.117	111.544	112.166	112.531	112.943	113.399	112.976	113.953	114.673

Line		2021	2021	2021	2021	2022	2022	2022
		Q1	Q2	Q3	Q4	Q1	Q2	Q3
1	<b>Gross domestic product</b>	<b>116.120</b>	<b>117.922</b>	<b>119.712</b>	<b>121.708</b>	<b>124.174</b>	<b>126.907</b>	<b>128.242</b>
2	<b>Personal consumption expenditures</b>	<b>113.033</b>	<b>114.810</b>	<b>116.382</b>	<b>118.142</b>	<b>120.290</b>	<b>122.426</b>	<b>123.710</b>
3	Goods	95.794	97.877	99.684	101.921	104.985	107.668	108.400
4	Durable goods	86.993	90.051	92.250	94.092	95.991	96.572	97.402
5	Nondurable goods	100.563	101.941	103.467	105.943	109.752	113.834	114.490
6	Services	122.222	123.757	125.144	126.563	128.081	129.830	131.443
7	<b>Gross private domestic investment</b>	<b>111.837</b>	<b>112.770</b>	<b>114.650</b>	<b>117.112</b>	<b>120.001</b>	<b>123.031</b>	<b>125.310</b>
8	Fixed investment	113.098	114.258	116.284	118.765	121.633	124.641	126.956
9	Nonresidential	105.508	105.603	106.807	108.798	110.633	112.919	114.971
10	Structures	120.387	122.791	125.846	132.480	137.679	143.345	150.006
11	Equipment	97.646	96.560	97.575	99.121	100.959	103.206	104.669
12	Intellectual property products	106.206	106.543	107.143	107.706	108.224	109.268	110.263
13	Residential	146.097	151.539	156.969	161.523	168.658	174.737	178.192
14	Change in private inventories	--	--	--	--	--	--	--
15	<b>Net exports of goods and services</b>	--	--	--	--	--	--	--
16	Exports	102.228	106.736	109.172	110.844	115.359	120.736	117.609
17	Goods	94.819	100.219	102.939	104.719	110.265	116.976	112.549
18	Services	118.709	120.780	122.459	123.836	125.588	127.428	127.754
19	Imports	91.261	94.040	95.458	96.929	100.058	103.216	102.172
20	Goods	87.310	90.128	91.482	92.965	96.385	99.569	98.139
21	Services	111.817	114.179	115.961	117.308	118.479	121.333	122.646
22	<b>Government consumption expenditures and gross investment</b>	<b>118.555</b>	<b>120.513</b>	<b>122.277</b>	<b>124.432</b>	<b>127.052</b>	<b>130.575</b>	<b>131.765</b>
23	Federal	113.933	115.097	116.348	117.594	119.229	120.978	122.500
24	National defense	112.416	113.625	114.855	116.121	117.986	120.129	121.006
25	Nondefense	116.356	117.467	118.750	119.974	121.316	122.552	124.940
26	State and local	121.584	124.080	126.184	128.944	132.220	136.915	137.888
	Addendum:							
27	Gross national product	116.099	117.899	119.688	121.684	124.147	126.878	128.215