7/18/13 ENTERED May 2013

District I
1625 N. French Dr., Hobbs, NM 88240
District II
811 S. First St., Artesia, NM 88210
District III
1000 Rio Brazos Road, Aztec, NM 87410
District IV
1220 S. St. Francis Dr., Santa Fe, NM 87505

State of New Mexico
Energy Minerals and Natural Resources

Oil Conservation Division
1220 South St. Francis Dr.
Santa Fe, NM 87505

Form C-141
Revised August 8, 2011

Submit 1 Copy to appropriate District Office in accordance with 19.15.29 NMAC.

Release Notification and Corrective Action

OPERATOR

☒ Initial Report ☐ Final Report

Name of Company: WESTERN REFINING	Contact: Ed Riege
Address: I-40 / EXIT 39, JAMESTOWN,NM 87347	Telephone No.(505) 722-0217
Facility Name: WESTERN RENINING (GALLUP REFINERY)	Facility Type: Petroleum Refinery

Surface Owner	Mineral Owner	API No.

LOCATION OF RELEASE

Unit Letter	Section	Township	Range	Feet from the	North/South Line	Feet from the	East/West Line	County
	28	15 N	15 W					MCKINLEY

Latitude 35° 029' 024" **Longitude** 108° 024' 024"

NATURE OF RELEASE

Type of Release: Evaporation Pond Water	Volume of Release Est. 18.1 bbl	Volume Recovered: none
Source of Release: Evaporation Pond 2, 6, 7, 8, 9, 11	Date and Hour of Occurrence Second quarter 2013	Date and Hour of Discovery 5/8/13 @ 1330
Was Immediate Notice Given? ☐ Yes ☒ No ☐ Not Required	If YES, To Whom?	
By Whom?	Date and Hour:	
Was a Watercourse Reached? ☐ Yes ☒ No	If YES, Volume Impacting the Watercourse. N/A	

If a Watercourse was Impacted, Describe Fully.* N/A

Describe Cause of Problem and Remedial Action Taken.* High pond water levels created a head pressure leading to seepage from the base of six of the evaporation ponds. Through the use of two snow machines (evaporators), water conservation and cooperative weather (high winds and hot temperature) the freeboard of the ponds is back at 3 foot or greater and it appears the seepage has subsided in most areas. Gallup applied for a NMED Air Quality Bureau permit for a more aggressive evaporation system in May and again in June for Pond 9. The system is a Rain for Rent design to be placed on Pond 9. Trinity Consultants continues to work with the AQB Permitting Section on permitting this system. This evaporation system would further lower pond levels so they could be inspected on the inside and recommended repairs could be made. This system would have a high wind cutoff to prevent drift off the pond. Gallup will continue to monitor shallow groundwater down gradient of the ponds which have not indicated any releases.

Describe Area Affected and Cleanup Action Taken.*
Certain areas adjacent to evaporation ponds 2, 6, 7, 8, 9 and 11 were affected. The seepage that the inspectors observed in April 2013 did not leave the property as it would have to travel through the ponding area and closed valve at Outfall #1. To investigate the release Western will contract RPS to collect surface (0"- 6") soil samples using a decontaminated hand auger or stainless steel spoons. The soil samples will be collected immediately adjacent to the berm of the evaporation ponds 2, 6, 7, 8, 9 and 11 where the highest seepage rates were observed in April 2013 and at nearby surface depressions where the seepage may have ponded. The analytical results of effluent sampling at evaporation ponds 2, 6, 7, 8, 9 and 11 for the last three years were reviewed to determine which analyses to perform on the soil samples. Based on the constituents detected in the effluent samples, the soil samples will be analyzed for chloride and semi-volatile organic compounds. In addition, three surface soil samples will be collected in the immediate area, but not from any areas potentially affected by the seepage. These samples will be analyzed for chlorides to determine the background concentration of surface soils in the area of the evaporation ponds.
The ponds have retained their integrity for approximately fifty years. The soils used to shore up the dikes were the same soils as the existing construction, which is made up of the clays in the area that have held water for decades. As we evaluate the situation further, we will develop plans for cleanup as needed.

I hereby certify that the information given above is true and complete to the best of my knowledge and understand that pursuant to NMOCD rules and regulations all operators are required to report and/or file certain release notifications and perform corrective actions for releases which may endanger public health or the environment. The acceptance of a C-141 report by the NMOCD marked as "Final Report" does not relieve the operator of liability should their operations have failed to adequately investigate and remediate contamination that pose a threat to ground water, surface water, human health or the environment. In addition, NMOCD acceptance of a C-141 report does not relieve the operator of responsibility for compliance with any other federal, state, or local laws and/or regulations.

Signature:	OIL CONSERVATION DIVISION		
Printed Name: Ed Riege	Approved by Environmental Specialist:		
Title: Environmental Manager	Approval Date:	Expiration Date:	
E-mail Address: ed.riege@wnr.com	Conditions of Approval:	Attached ☐	
Date: 7/18/2013 Phone (505) 722-0217			

* Attach Additional Sheets If Necessary

VanHorn, Kristen, NMENV

From:	Chavez, Carl J, EMNRD
Sent:	Wednesday, July 03, 2013 2:21 PM
To:	Ed.Riege@wnr.com
Cc:	Dawson, Scott, EMNRD; Sanchez, Daniel J., EMNRD; VonGonten, Glenn, EMNRD; Perrin, Charlie, EMNRD; Holcomb, Sarah, NMENV; VanHorn, Kristen, NMENV
Subject:	FW: MSGP Report for Inspection conducted at Western Refining, May 8, 2013
Attachments:	Western Refining MSGP Report 5-2013.pdf

Ed:

The New Mexico Oil Conservation Division (OCD) has completed its review of the attached New Mexico Environment Department (NMED) MSGP Report (please refer to relevant pages of the report with background information, identified in the OCD review) related to the NMED May 8, 2013 inspection, and have concluded that a spill/release may have occurred that warrants submittal of a C-141 under 19.15.29 NMAC. The spill/release may be continuing to occur in the vicinity of Evaporation Ponds 7 and 8, Outfall 001, and in the portion of the tributary toward the South Puerco River ("Waters of the State")? Therefore, the OCD recommends, in addition to the applicable OCD Oil and Gas Regulations that the operator act expediently in this matter due to the OCD's Delegation of Authority under 20.6.2 NMAC and 20.6.4 NMAC. In addition, the operator shall comply immediately with 19.15.36 NMAC pond "Freeboard" regulations.

Please submit a C-141 Spill/Release Notification to the OCD Santa Fe Office with a copy to the OCD Aztec District Office and NMED- HWB within 15 days of receipt of this e-mail message or by COB on Thursday, July 18, 2013. In the C-141, please be sure explain the cause of the release, i.e., ponds stabilized with soils that were not tested for permeability, ponds reconstructed and/or stabilized with less permeable material, etc. Please explain the corrective action(s) proposed to prevent continued releases from occurring from the pond network, i.e., retrofit pond(s) with impermeable membrane liner, etc. Western Refining SW, Inc. Gallup Refinery shall submit the initial fully completed C-141 with actions taken to prevent the spill/release from occurring and propose a response plan for investigation of the spill/release. A final C-141 shall be submitted within 60-days of July 18, 2013, with attached environmental investigation and documentation of any remedial work conducted and completed as verification that remediation was completed after investigating of the spill/release on or before September 18, 2013.

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Report Information:

Pages 11 – 12:

Outfall 002 is located near the rail rack on the eastern side of the facility. This outfall consists of two concrete barriers with a valving system to control discharges from the facility. Outfall 001 is located on the west side of the facility just south of Pond #8. There is a small pond prior to Outfall 001 to collect runoff, and the outfall is also operated by a valving system to control discharges. The evaporation ponds at the facility at the time of this inspection were extremely full (facility representatives indicated that this was due to the turnaround in September, and also due to the approximate 10% increase in production) and had about 1 foot of freeboard available. The evaporation ponds are unlined.

The inspectors noted during the site review at the warehouse/chemical storage area that chemicals were being stored outdoors exposed to the elements without secondary containment. Generally the chemical totes were in good condition, and part of the chemical inventory was stored under a roof. However, the nearest storm drain was approximately 20 feet away and could easily be impacted by a spill. As the inspectors were looking at Outfall 001, they noted that there was major seepage coming through the toe of the berms at evaporation ponds# 7 & 8. Please see photos. The way that the seepage was occurring was a concern because the water is not captured by the small ponding area prior to Outfall 001 and could essentially become an uncontrolled point of discharge of process water.

There is a water body (an extension of the South Fork Puerco River) that enters Western Refining's property on the east side (which collects the stormwater discharges from Outfall 002 approximately 0.22 miles from the outfall) and then travels across the property to exit on the western side. Facility staff indicated that there was some concern with the flow entering their property at the northwestern corner and had put up a berm to prevent that from happening. Facility staff also indicated that no sampling had been conducted of this run-on to assess
incoming pollutants to the site.

Page 20:

Evidence of nonstorm water discharges Dust Generation and Vehicle Tracking of Industrial Materials *(e.g., keep exposed areas free of such materials or by intercepting them before they are discharged)* Site appeared clean of flotable materials at the time of this inspection. There was seepage noted coming from Pond #8 at the time of this inspection. According to a review of Google Earth images (attached as Appendix E) it appears that this may have been occurring for some time. The concern with this particular location is that the seepage/runoff is not captured by Outfall 001.

Page 25 - 29:

NMED/SWQB
Official Photograph Log

Photo# 4
Photographer: Sarah Holcomb I Date: 5-8-2013
City/County: Near Gallup, McKinley County
Location: Western Refining facility.
Time: 150 I hours
Subject: Photo taken above ponds 12A and 12B. Photo demonstrates the high water level in the evaporation ponds. Permittee estimated that there was approximately one foot of freeboard in the ponds.

Photo # 5
Photographer: Sarah Holcomb I Date: 5-8-2013
City/County: Near Gallup, McKinley County
Location: Western Refming facility.
Time: 1506 homs
Subject: Outfall 001. From here, it is approximately 0.77 miles to the South Fork Puerco River.

Photo# 6
Photographer: Sarah Holcomb I Date: 5-8-2013
City/County: Near Gallup, McKinley County
Location: Western Refining facility.
Subject: Catchment pond prior to Outfall 002.

Photo# 7
I Date: 5-8-2013
City/County: Near Gallup, McKinley County
Location: Western Refining facility.
Time: 1508 how·s
Subject: From Outfall 002, looking n01th at Pond #8. Significant seepage from the pond is evident most of the way around the pond.

Photo# 8
Photographer: Sarah Holcomb **1** Date: 5-8-2013
City/County: Near Gallup, McKinley County
Location: Western Refining facility.
Subject: Looking west just above Pond #8.

Appendix E: Aerial Photo of Pond and Outfall Network

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Please contact me if you have questions. Thank you.

Carl J. Chavez, CHMM
New Mexico Energy, Minerals & Natural Resources Department
Oil Conservation Division, Environmental Bureau
1220 South St. Francis Drive, Santa Fe, New Mexico 87505
Office: (505) 476-3490
E-mail: CarlJ.Chavez@State.NM.US
Website: http://www.emnrd.state.nm.us/ocd/
"Why Not Prevent Pollution; Minimize Waste; Reduce the Cost of Operations; & Move Forward With the Rest of the Nation?" To see how, please go to: "Pollution Prevention & Waste Minimization" at
http://www.emnrd.state.nm.us/ocd/environmental.htm#environmental

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From: Holcomb, Sarah, NMENV
Sent: Wednesday, May 15, 2013 9:34 AM
To: branning.hannah@epa.gov; bowlin.rashida@epa.gov; Darlene Whitten-Hill (Whitten-Hill.Darlene@epamail.epa.gov); peters.carol@epa.gov; mcdonald.diana@epa.gov; larsen.brent@epa.gov
Cc: Chavez, William, NMENV; Chavez, Carl J, EMNRD; Kieling, John, NMENV; vic.mcdaniel@wnr.com; Yurdin, Bruce, NMENV
Subject: MSGP Report for Inspection conducted at Western Refining, May 8, 2013

Good morning:

Attached please find my inspection report for the NPDES Industrial Storm Water Multi Sector General Permit (MSGP) inspection conducted at Western Refining Southwest, Inc., near Gallup, NM. If you have any questions, please let me know.

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Sarah Holcomb
Environmental Scientist/Specialist
Point Source Regulation Section, Surface Water Quality Bureau
New Mexico Environment Department
5500 San Antonio NE, Albuquerque, NM 87109
505-222-9587

Please consider the environment before printing this e-mail
The nation behaves well if it treats the natural resources as assets which it must turn over to the next generation increased, and not impaired, in value. —Theodore Roosevelt
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