



UNITED STATES ENVIRONMENTAL PROTECTION AGENCY

REGION 6

1445 ROSS AVENUE, SUITE 1200
DALLAS, TX 75202-2733

06 NOV 2018

CERTIFIED MAIL: RETURN RECEIPT REQUESTED: 7014 0150 0000 2406 0802

Mr. Larry Gandy, President
Gandy Marley, Inc.
P.O. Box 1658
Roswell, NM 88202

Dear Mr. Gandy:

On February 20, 2018, Andeavor, on behalf of Western Refining Southwest's Gallup Refinery (Western), disclosed to the New Mexico Oil Conservation Division (NMOCD) that between August 26, 2013 and February 18, 2014, the refinery had sent 39 roll-off bins of hazardous waste to the Gandy Marley, Inc. (GMI) facility near Caprock, New Mexico.

Each bin contained 19 cubic yards of filter cake derived from Western's process wastewater treatment system, specifically the dissolved gas flotation portion, a petroleum refinery secondary (emulsified) oil/water/solids separation sludge. Any sludge and/or float generated from the physical and/or chemical separation of oil/water/solids in process wastewaters from petroleum refineries is defined at Title 40 Code of Federal Regulations § 261.31, as a listed hazardous waste with the Environmental Protection Agency (EPA) hazardous waste number of F038.

Pursuant to the Resource Conservation and Recovery Act (RCRA), listed hazardous wastes may only be disposed, after appropriate treatment, at facilities permitted to treat, store, and/or dispose hazardous wastes. GMI is permitted by the NMOCD to accept drilling mud, petroleum hydrocarbon contaminated soils, and oil field sludge, among other oilfield wastes. GMI does not have a RCRA Permit and therefore, cannot accept, treat, store, or dispose RCRA hazardous wastes.

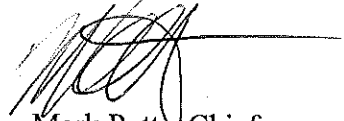
On the basis of this information, I am notifying you that the GMI facility, located at Sections 4, 5, 8, and 9 of Township 11 South, Range 31 East, NMPM, Chaves County, New Mexico is in violation of the legal requirements of the Resource Conservation and Recovery Act of 1976, 42 U.S.C. Sections 6901 et seq., as amended by the Hazardous and Solid Waste Amendments of 1984, Public Law No. 98-616., 98 Stat. 3221. (The State of New Mexico is authorized by the EPA to conduct a hazardous waste program under Section 3006 of RCRA, 42 U.S.C. Section 6926. However, the EPA is authorized to take enforcement action, when appropriate, in delegated States, for any violations discovered.)

EPA requests that Gandy Marley, Inc. document the events that led to GMI's acceptance of Western's listed hazardous waste, re-evaluate its waste acceptance criteria, and develop a more robust system of determining when arriving wastes may be RCRA hazardous wastes,

prohibited under any circumstances for acceptance and land-farming or land-disposal. We request that, within thirty (30) days of receipt of this letter, you provide EPA with a letter which describes the actions you have taken along with a copy of your revised waste acceptance criteria or standard operating procedure(s). After receiving your documentation, EPA will evaluate its enforcement options.

If you have any questions, please contact me at 214-665-2723, or Joel Dougherty of my staff, at 214-665-2281.

Sincerely,

A handwritten signature in black ink, appearing to read 'M. Potts', with a horizontal line extending to the right across the signature.

Mark Potts, Chief
Waste Enforcement Branch

cc: John Keiling, Chief
NMED Hazardous Waste Bureau