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CERTIFIED MAIL – RETURN RECEIPT REQUESTED

March 17, 2017

Mr. Ed Riege
Remediation Manager
Western Refining, Southwest Inc., Gallup Refinery
92 Giant Crossing Road
Gallup, New Mexico 87301

**RE: APPROVAL WITH MODIFICATIONS
SEPTEMBER AND OCTOBER 2016 CHLORIDE EXCEEDANCE
EXCAVATION REPORT CENTRAL OIL CONSERVATION DIVISION
LANDFARM
WESTERN REFINING SOUTHWEST INC., GALLUP REFINERY
EPA ID # NMD000333211
HWB-WRG-17-003**

Dear Mr. Riege:

The New Mexico Environment Department (NMED) has received the *September and October 2016 Chloride Exceedance Excavation Report Central Oil Conservation Division Landfarm* (Report), dated January 2017 on behalf of Western Refining Southwest Inc., Gallup Refinery (Permittee). The Permittee is also in receipt of an email from the Energy Minerals and Natural Resource Department, Oil Conservation Division (OCD) dated February 2, 2017 regarding this Report. After review of the Report, NMED issues this Approval with Modifications with the following comments.

Comment 1

Generally, NMED has not reviewed the Permittee's chloride reports regarding the OCD Central Landfarm, because they do not fall within NMED's regulatory authority. However, as pointed out in the Report, the Central OCD Landfarm lies within the footprint of Evaporation Pond 10 (EP-10), which is part of Solid Waste Management Unit (SWMU) 2. The OCD regulates the

Central OCD Landfarm under 19.15.36 NMAC (also known as Part 36) and required the Permittee to address chloride exceedances discovered in the landfarm. On page 3, paragraph 1, the Permittee states:

“The Response Action Plan and subsequent excavations were intended to satisfy Rule 36 requirements and Central OCD Landfarm-specific agreements reached between Western and OCD. In light of the information presented in this correspondence, Western does not believe that vadose zone chloride concentrations in excess of the 500 mg/kg action level/ABRSC are a result of landfarm operation. Accordingly, Western does not believe that vadose zone chloride contamination needs to be addressed or remediated in accordance with NMAC Rule 36 or previous Central OCD Landfarm-specific agreements. The elevated chloride concentrations are believed to be associated with former Evaporation Pond #10. Former Evaporation Pond #10 is part of Solid Waste Management Unit (SWMU) 2. Therefore, Western believes that it would be appropriate to address the chloride contaminated soils as part of SWMU 2 remedies.”

The updated corrective action schedule in the RCRA Permit defers corrective action at SWMU 2 because the unit is an active unit. However, because EP-10 is not being used as an evaporation pond and the Permittee not only has access, but is currently conducting work within the footprint of the pond/landfarm, the Permittee can address OCD’s concerns and continue to follow through with the Response Action Plan and Central Landfarm-specific agreements with the OCD.

Comment 2

On page 2, under the heading “Former Evaporation Pond #10”, the Permittee discusses the rationale behind the belief that the chlorides in the landfarm are from use of EP-10 for boiler house and water softener regeneration effluent. The Permittee states in paragraph 2 of that section,

“This idea is further supported by soil data collected from the landfarm’s treatment zone over the past 4 years. Western has collected 6 treatment zone samples since 2013 to assist in determining if the landfarm may be eligible for closure or soil reuse. As shown in Table 2, the maximum reported chloride concentration for samples collected from the treatment zone (1 ft bgs) is 310 mg/kg. This is less than the 500 mg/kg action level/ABRSC and far less than some of the more elevated vadose zone samples which are in excess of 2,500 mg/kg (see Table 1). If soils in the landfarm were the source of the vadose zone chloride contamination, it would be expected that the treatment zone chloride concentrations would be greater than the vadose zone chloride concentrations, but the data indicate the opposite. This line of evidence suggests a non-landfarm source.”

NMED disagrees with this line of evidence. EP-10 has been used at the OCD Central Landfarm since the mid-1990s. Chloride is highly soluble and moves through the vadose zone relatively quickly. It is possible that the high levels of chlorides beneath the treatment zone are from the

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landfarm and not from former EP-10 discharges. There are also high levels of chlorides in groundwater in this area and NMED and OCD required the Permittee to submit a work plan to investigate this issue. The work plan is currently under review. Provide the dimensions of EP-10 and documents from OCD related to use of the evaporation pond as a landfarm (email response is sufficient).

Comment 3

OCD's Rule 36 requires that semiannual vadose zone samples be analyzed for total petroleum hydrocarbons (TPH); benzene, toluene, ethylbenzene, and xylenes (BTEX); and, chloride. Sampling results for TPH and BTEX were not included with the Report. If samples were collected for TPH and BTEX analyses, provide the results to OCD and NMED.

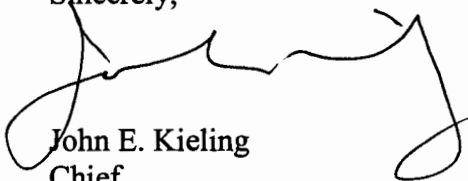
Comment 4

If, at a future time, the Permittee chooses to close the OCD Central Landfarm, then the Permittee may also propose to conduct corrective action under the RCRA Permit and submit a work plan to NMED for review. The information gathered at that time may be used to support future corrective action activities at SWMU 2. A letter titled *Clarification of RCRA Corrective Action Process Evaporation Pond Closure Plan*, dated April 11, 2008 outlined the general requirements for the RCRA corrective action process and NMED can provide additional guidance when the time comes.

The Permittee must provide responses to NMED's Comments 2 and 3 on or before **April 11, 2017**.

If you have questions regarding this Approval with Modifications, please contact Kristen Van Horn of my staff at 505-476-6046.

Sincerely,



John E. Kieling
Chief
Hazardous Waste Bureau

cc: D. Cobrain NMED HWB
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