



**NEW MEXICO  
ENVIRONMENT DEPARTMENT**



SUSANA MARTINEZ  
Governor  
JOHN A. SANCHEZ  
Lieutenant Governor

Harold Runnels Building  
1190 South St. Francis Drive (87505)  
P.O. Box 5469, Santa Fe, NM 87502-5469  
Phone (505) 827-0187 Fax (505) 827-0160  
[www.nmenv.state.nm.us](http://www.nmenv.state.nm.us)

RYAN FLYNN  
Cabinet Secretary  
BUTCH TONGATE  
Deputy Secretary

**Certified Mail - Return Receipt Requested**

April 22, 2015

Michael Fidel, General Manager  
San Juan Coal Company  
P.O. Box 561  
Waterflow, New Mexico 87421

**Re: Minor Non-Municipal, SIC 1222, NPDES Compliance Evaluation Inspection, BHP Billiton San Juan Coal Company / San Juan Mine, NM0028746, March 26, 2015**

Dear Mr. Fidel:

Enclosed please find a copy of the report and check list for the referenced inspection that the New Mexico Environment Department (NMED) conducted at your facility on behalf of the U.S. Environmental Protection Agency (USEPA). This inspection report will be sent to the USEPA in Dallas for their review. These inspections are used by USEPA to determine compliance with the National Pollutant Discharge Elimination System (NPDES) permitting program in accordance with requirements of the federal Clean Water Act.

You are encouraged to review the inspection report, required to correct any problems noted during the inspection, and advised to modify your operational and/or administrative procedures, as appropriate. If you have comments on or concerns with the basis for the findings in the NMED inspection report, please contact us (see the address below) in writing within 30 days from the date of this letter. Further you are encouraged to notify in writing both USEPA and NMED regarding modifications and compliance schedules at the addresses below:

Racquel Douglas  
US Environmental Protection Agency, Region VI  
Enforcement Branch (6EN-WM)  
Fountain Place  
1445 Ross Avenue  
Dallas, Texas 75202-2733

Bruce Yurdin  
New Mexico Environment Department  
Surface Water Quality Bureau  
Point Source Regulation Section  
P.O. Box 5469  
Santa Fe, New Mexico 87502

San Juan Coal Company  
Page 2  
April 22, 2015

If you have any questions about this inspection report, please contact Daniel Valenta at (505) 827-2575 or at [daniel.valenta@state.nm.us](mailto:daniel.valenta@state.nm.us).

Sincerely,

*/s/Daniel Valenta*

Bruce J. Yurdin  
Program Manager  
Point Source Regulation Section  
Surface Water Quality Bureau

cc: Rashida Bowlin, USEPA (6EN-AS) by e-mail  
Carol Peters, USEPA (6EN-WM) by e-mail  
Brent Larsen, USEPA (6WQ) by e-mail  
Racquel Douglas, USEPA (6EN-WM) by e-mail  
Gladys Gooden-Jackson, USEPA (6EN-WC) by e-mail  
Anthony Loston, USEPA (6EN) by e-mail  
NMED District III, Mike Kesler by e-mail  
EMNRD, Dave Clark by e-mail



### NPDES Compliance Inspection Report

#### Section A: National Data System Coding

Transaction Code	NPDES	yr/mo/day	Inspec. Type	Inspector	Fac Type
1 N 2 5 3 N M 0 0 2 8 7 4 6 11 12 1 5 0 3 2 6 17 18 C 19 S 20 2					
Remarks					
S U B - B I T U M I N O U S C O A L M I N E					
Inspection Work Days	Facility Evaluation Rating	BI	QA	Reserved	
67 1 69	70 4	71 N	72 N	73	74 75 80

#### Section B: Facility Data

Name and Location of Facility Inspected (For industrial users discharging to POTW, also include POTW name and NPDES permit number)  BHP Billiton New Mexico Coal dba San Juan Coal Company, San Juan Mine, 300 County Road (CR) 6800, Waterflow, New Mexico (16 miles West of Farmington, North of US 64).  San Juan County	Entry Time /Date 0834/March 26, 2015	Permit Effective Date September 1, 2013
	Exit Time/Date 1445/March 26, 2015	Permit Expiration Date August 31, 2018
Name(s) of On-Site Representative(s)/Title(s)/Phone and Fax Number(s) -Edward Epp, Env., BHP Billiton / 505-598-3327, cell 505-598-3327 -Shawn Smith, Env. Specialist, BHP Billiton San Juan Mine / 505-598-3376	Other Facility Data Entrance Gate Latitude 36.795383° Longitude -108.436504° SIC 1222	
Name, Address of Responsible Official/Title/Phone and Fax Number Michael Fidel, General Manager/ San Juan Coal Company, P.O. Box 561 Waterflow, New Mexico 87421/ 505-598-2276/2135	Contacted Yes <input type="checkbox"/> No <input checked="" type="checkbox"/>	

#### Section C: Areas Evaluated During Inspection

(S = Satisfactory, M = Marginal, U = Unsatisfactory, N = Not Evaluated)

S	Permit	S	Flow Measurement	S	Operations & Maintenance	N	CSO/SSO
M	Records/Reports	S	Self-Monitoring Program	S	Sludge Handling/Disposal	N	Pollution Prevention
S	Facility Site Review	S	Compliance Schedules	N	Pretreatment	N	Multimedia
S	Effluent/Receiving Waters	S	Laboratory	N	Storm Water	N	Other:

#### Section D: Summary of Findings/Comments (Attach additional sheets if necessary)

1. SEE REPORT AND FURTHER EXPLANATIONS.

Name(s) and Signature(s) of Inspector(s) Daniel Valenta /s/Daniel Valenta	Agency/Office/Telephone/Fax NMED/SWQB 505-827-2575	Date 4/21/2015
Signature of Management QA Reviewer Sarah Holcomb /s/Sarah Holcomb	Agency/Office/Phone and Fax Numbers NMED/SWQB 505-827-2798	Date 4/21/2015

**SECTION A - PERMIT VERIFICATION**

PERMIT SATISFACTORILY ADDRESSES OBSERVATIONS  S  M  U  NA (FURTHER EXPLANATION ATTACHED *no.*)  
 DETAILS:

1. CORRECT NAME AND MAILING ADDRESS OF PERMITTEE  Y  N  NA
2. NOTIFICATION GIVEN TO EPA/STATE OF NEW DIFFERENT OR INCREASED DISCHARGES  Y  N  NA
3. NUMBER AND LOCATION OF DISCHARGE POINTS AS DESCRIBED IN PERMIT  Y  N  NA
4. ALL DISCHARGES ARE PERMITTED  Y  N  NA

**SECTION B - RECORDKEEPING AND REPORTING EVALUATION**

RECORDS AND REPORTS MAINTAINED AS REQUIRED BY PERMIT.  S  M  U  NA (FURTHER EXPLANATION ATTACHED YES)  
 DETAILS:

1. ANALYTICAL RESULTS CONSISTENT WITH DATA REPORTED ON DMRs. **No discharges occurred, no samples taken.**  Y  N  NA
2. SAMPLING AND ANALYSES DATA ADEQUATE AND INCLUDE.  S  M  U  NA
- a) DATES, TIME(S) AND LOCATION(S) OF SAMPLING  Y  N  NA
- b) NAME OF INDIVIDUAL PERFORMING SAMPLING  Y  N  NA
- c) ANALYTICAL METHODS AND TECHNIQUES.  Y  N  NA
- d) RESULTS OF ANALYSES AND CALIBRATIONS.  Y  N  NA
- e) DATES AND TIMES OF ANALYSES.  Y  N  NA
- f) NAME OF PERSON(S) PERFORMING ANALYSES.  Y  N  NA
3. LABORATORY EQUIPMENT CALIBRATION AND MAINTENANCE RECORDS ADEQUATE.  S  M  U  NA
4. PLANT RECORDS INCLUDE SCHEDULES, DATES OF EQUIPMENT MAINTENANCE AND REPAIR.  S  M  U  NA
5. EFFLUENT LOADINGS CALCULATED USING DAILY EFFLUENT FLOW AND DAILY ANALYTICAL DATA.  Y  N  NA

**SECTION C - OPERATIONS AND MAINTENANCE**

TREATMENT FACILITY PROPERLY OPERATED AND MAINTAINED.  S  M  U  NA (FURTHER EXPLANATION ATTACHED *No*)  
 DETAILS:

1. TREATMENT UNITS PROPERLY OPERATED.  S  M  U  NA
2. TREATMENT UNITS PROPERLY MAINTAINED.  S  M  U  NA
3. STANDBY POWER OR OTHER EQUIVALENT PROVIDED.  S  M  U
4. ADEQUATE ALARM SYSTEM FOR POWER OR EQUIPMENT FAILURES AVAILABLE.  S  M  U  NA
5. ALL NEEDED TREATMENT UNITS IN SERVICE.  S  M  U  NA
6. ADEQUATE NUMBER OF QUALIFIED OPERATORS PROVIDED.  S  M  U  NA
7. SPARE PARTS AND SUPPLIES INVENTORY MAINTAINED.  S  M  U  NA
8. OPERATION AND MAINTENANCE MANUAL AVAILABLE.  Y  N  NA  
 STANDARD OPERATING PROCEDURES AND SCHEDULES ESTABLISHED.  Y  N  NA  
 PROCEDURES FOR EMERGENCY TREATMENT CONTROL ESTABLISHED.  Y  N  NA

**SECTION C - OPERATIONS AND MAINTENANCE (CONT'D)**

9. HAVE BYPASSES/OVERFLOWS OCCURRED AT THE PLANT OR IN THE COLLECTION SYSTEM IN THE LAST YEAR?  
 IF SO, HAS THE REGULATORY AGENCY BEEN NOTIFIED?  
 HAS CORRECTIVE ACTION BEEN TAKEN TO PREVENT ADDITIONAL BYPASSES/OVERFLOWS?

Y  N  NA  
 Y  N  NA  
 Y  N  NA

10. HAVE ANY HYDRAULIC OVERLOADS OCCURRED AT THE TREATMENT PLANT?  
 IF SO, DID PERMIT VIOLATIONS OCCUR AS A RESULT?

Y  N  NA  
 Y  N  NA

**SECTION D - SELF-MONITORING**

PERMITTEE SELF-MONITORING MEETS PERMIT REQUIREMENTS.  
 DETAILS:

S  M  U  NA (FURTHER EXPLANATION ATTACHED no).

1. SAMPLES TAKEN AT SITE(S) SPECIFIED IN PERMIT.

No discharges occurred, no samples taken.

Y  N  NA

2. LOCATIONS ADEQUATE FOR REPRESENTATIVE SAMPLES.

Y  N  NA

3. FLOW PROPORTIONED SAMPLES OBTAINED WHEN REQUIRED BY PERMIT.

Y  N  NA

4. SAMPLING AND ANALYSES COMPLETED ON PARAMETERS SPECIFIED IN PERMIT.

Y  N  NA

5. SAMPLING AND ANALYSES PERFORMED AT FREQUENCY SPECIFIED IN PERMIT.

Y  N  NA

6. SAMPLE COLLECTION PROCEDURES ADEQUATE

Y  N  NA

a) SAMPLES REFRIGERATED DURING COMPOSITING.

Y  N  NA

b) PROPER PRESERVATION TECHNIQUES USED.

Y  N  NA

c) CONTAINERS AND SAMPLE HOLDING TIMES CONFORM TO 40 CFR 136.3.

Y  N  NA

7. IF MONITORING AND ANALYSES ARE PERFORMED MORE OFTEN THAN REQUIRED BY PERMIT, ARE THE RESULTS REPORTED IN PERMITTEE'S SELF-MONITORING REPORT?

Y  N  NA

**SECTION E - FLOW MEASUREMENT**

PERMITTEE FLOW MEASUREMENT MEETS PERMIT REQUIREMENTS.  
 DETAILS:

S  M  U  NA (FURTHER EXPLANATION ATTACHED no)

1. PRIMARY FLOW MEASUREMENT DEVICE PROPERLY INSTALLED AND MAINTAINED.  
 TYPE OF DEVICE

No discharges occurred, no samples taken.

Y  N  NA

2. FLOW MEASURED AT EACH OUTFALL AS REQUIRED.

Y  N  NA

3. SECONDARY INSTRUMENTS (TOTALIZERS, RECORDERS, ETC.) PROPERLY OPERATED AND MAINTAINED

Y  N  NA

4. CALIBRATION FREQUENCY ADEQUATE. (DATE OF LAST CALIBRATION \_\_\_\_\_)  
 RECORDS MAINTAINED OF CALIBRATION PROCEDURES.  
 CALIBRATION CHECKS DONE TO ASSURE CONTINUED COMPLIANCE.

Y  N  NA  
 Y  N  NA  
 Y  N  NA

5. FLOW ENTERING DEVICE WELL DISTRIBUTED ACROSS THE CHANNEL AND FREE OF TURBULENCE.

Y  N  NA

6. HEAD MEASURED AT PROPER LOCATION.

Y  N  NA

7. FLOW MEASUREMENT EQUIPMENT ADEQUATE TO HANDLE EXPECTED RANGE OF FLOW RATES.

Y  N  NA

**SECTION F - LABORATORY**

PERMITTEE LABORATORY PROCEDURES MEET PERMIT REQUIREMENTS.  
 DETAILS:

S  M  U  NA (FURTHER EXPLANATION ATTACHED no)

1. EPA APPROVED ANALYTICAL PROCEDURES USED (40 CFR 136.3 FOR LIQUIDS, 503.8(b) FOR SLUDGES)

Y  N  NA

**SECTION F - LABORATORY (CONT'D)**

2. IF ALTERNATIVE ANALYTICAL PROCEDURES ARE USED, PROPER APPROVAL HAS BEEN OBTAINED  Y  N  NA

3. SATISFACTORY CALIBRATION AND MAINTENANCE OF INSTRUMENTS AND EQUIPMENT.  S  M  U  NA

4. QUALITY CONTROL PROCEDURES ADEQUATE.  S  M  U  NA

5. DUPLICATE SAMPLES ARE ANALYZED. \_\_ % OF THE TIME. **No discharges occurred, no samples taken.**  Y  N  NA

6. SPIKED SAMPLES ARE ANALYZED. \_\_ % OF THE TIME.  Y  N  NA

7. COMMERCIAL LABORATORY USED.  Y  N  NA

LAB NAME Energy Laboratories, Inc. Sea Crest Group

LAB ADDRESS 3161 E. Lyndale, Helena, MT 59604 1341 Cannon St. Louisville, CO 88027

PARAMETERS PERFORMED All WET

**SECTION G - EFFLUENT/RECEIVING WATERS OBSERVATIONS.**  S  M  U  NA (FURTHER EXPLANATION ATTACHED NO).

OUTFALL NO.	OIL SHEEN	GREASE	TURBIDITY	VISIBLE FOAM	FLOAT SOL.	COLOR	OTHER
001	NO	NO	NO	NO	NO	CLEAR	

RECEIVING WATER OBSERVATIONS: **No Discharges Observed.**

**SECTION H - SLUDGE DISPOSAL**

SLUDGE DISPOSAL MEETS PERMIT REQUIREMENTS.  S  M  U  NA (FURTHER EXPLANATION ATTACHED no).

DETAILS: **Waste solids transported to City of Farmington WWTP.**

1. SLUDGE MANAGEMENT ADEQUATE TO MAINTAIN EFFLUENT QUALITY.  S  M  U  NA

2. SLUDGE RECORDS MAINTAINED AS REQUIRED BY 40 CFR 503.  S  M  U  NA

3. FOR LAND APPLIED SLUDGE, TYPE OF LAND APPLIED TO: \_\_\_\_\_ (e.g., FOREST, AGRICULTURAL, PUBLIC CONTACT SITE)

**SECTION I - SAMPLING INSPECTION PROCEDURES** (FURTHER EXPLANATION ATTACHED No).

1. SAMPLES OBTAINED THIS INSPECTION.  Y  N  NA

2. TYPE OF SAMPLE OBTAINED  
 GRAB \_\_\_\_\_ COMPOSITE SAMPLE \_\_\_\_\_ METHOD \_\_\_\_\_ FREQUENCY \_\_\_\_\_

3. SAMPLES PRESERVED.  Y  N  NA

4. FLOW PROPORTIONED SAMPLES OBTAINED.  Y  N  NA

5. SAMPLE OBTAINED FROM FACILITY'S SAMPLING DEVICE.  Y  N  NA

6. SAMPLE REPRESENTATIVE OF VOLUME AND MATURE OF DISCHARGE.  Y  N  NA

7. SAMPLE SPLIT WITH PERMITTEE.  Y  N  NA

8. CHAIN-OF-CUSTODY PROCEDURES EMPLOYED.  Y  N  NA

9. SAMPLES COLLECTED IN ACCORDANCE WITH PERMIT.  Y  N  NA

**San Juan Coal Company/San Juan Mine**  
**NPDES Permit NM0028746**  
**Compliance Evaluation Inspection**  
**March 26, 2015**

**Introduction**

On March 26, 2015, Daniel Valenta of the New Mexico Environment Department (NMED), Surface Water Quality Bureau (SWQB) conducted a Compliance Evaluation Inspection (CEI) at the BHP Billiton dba San Juan Coal Company (SJCC), San Juan Mine located near Waterflow, in San Juan County, New Mexico. SJCC is classified as a minor discharger under the federal Clean Water Act, Section 402, of the National Pollutant Discharge Elimination System (NPDES) permit program. It is assigned NPDES permit number NM0028746 which regulates discharge to San Juan River in Segment 20.6.4.401 *State of New Mexico Standards for Interstate and Intrastate Surface Waters, 20.6.4 New Mexico Administrative Code (NMAC)*; and to Westwater Arroyo and Shumway Arroyo subject to and in 20.6.4.98 NMAC, thence to San Juan River.

The NMED performs a certain number of CEIs each year for the U.S. Environmental Protection Agency (USEPA), Region VI. The purpose of this inspection is to provide the USEPA with information to evaluate the Permittee's compliance with the NPDES permit. This inspection report is based on information provided by the Permittee's representatives, observations made by the NMED inspectors, and records and reports kept by the Permittee and/or NMED. Approved on April 7, 2011, San Juan Coal Company uses USEPA's NetDMR system to submit discharge monitoring reports (DMRs) for the San Juan Mine.

San Juan Coal Company submitted a Notice of Intent (NOI) to obtain permit coverage under USEPA industrial stormwater Multi-Sector General Permit (MSGP) on December 29, 2000 (expired NPDES Tracking No. NMR05A745 expired) and February 10, 2009 (NPDES Tracking No. NMR05GF83). An industrial stormwater MSGP CEI was not conducted as part of this inspection.

Upon arrival at the San Juan Mine offices at approximately 0834 hours on the day of this inspection, an entrance interview was conducted with Edward Epp, Environmental Specialist. The inspector made introductions, presented credentials and explained the purpose of the inspection. A tour of the facility included ponds associated with outfall locations authorized under this permit. An exit interview to discuss preliminary findings was conducted with Mr. Epp, on site. The inspector left the facility at approximately 1445 hours on the day of this inspection.

**Treatment Scheme/Solids Management**

San Juan Mine, originally a surface mine, has been in operation since approximately 1976. In 2002, underground mining replaced surface mining operations. The permit effective September 1, 2013 allows discharges from 9 outfalls as follows:

**San Juan Coal Company/San Juan Mine  
NPDES Permit NM0028746  
Compliance Evaluation Inspection  
March 26, 2015**

NM0028746 Outfalls	Authorized Discharge (NPDES Permit effective August 1, 2006)
Outfall 001, 002, 010 & 011	Wastewater associated with western alkaline mining reclamation to Westwater Arroyo.
Outfalls 006, 007 and 008	Run-offs from coal storage and ready line areas. Run-offs from maintenance yard, administration and maintenance building, and parking lot areas
Outfall 009	No discharge of treated sanitary waste to Shumway Arroyo
Outfall 012	Wastewater associated with western alkaline mining reclamation to the San Juan River.

\*\* Each of these Outfalls was visited during the inspection, no signs of discharge were observed.

**Section B - Recordkeeping and Reporting Evaluation – Overall Rating of “Marginal”**

**Permit Requirements for Recordkeeping and Reporting**

1. Part II.E.3 of the NPDES permit requires:

*“Using watershed models, the operator must demonstrate that implementation of the Sediment Control Plan will result in average annual sediment yields that will not be greater than the sediment yield levels from premined, undisturbed conditions. The operator must use the same watershed model that was, or will be, used to acquire the SMCRA permit.”*

2. From the submitted San Juan Coal Company/ San Juan Mine Sediment Control Report dated February, 2015:

“Using the Universal Soil Loss Equation (USLE), JSM was able to demonstrate that the implementation of the Sediment Control Plan would result in average annual sediment yields less than or equal to pre-mine undisturbed levels. The results of the USLE Model, which was used to acquire SJM’s Surface Mining Control and Reclamation Act (SMCRA) Permit, are found in Appendix 907A of SJM’s SMCRA Permit – MMD No. 14-01.”

**Finding:**

The permit requires the permittee to demonstrate that the average annual sediment yields will not be greater than the sediment yield levels from premined, undisturbed conditions. There are no numerical values provided that demonstrates the requirements of Part II.E.3 have been met.