



NEW MEXICO  
ENVIRONMENT DEPARTMENT



*Surface Water Quality Bureau*

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Secretary  
SARAH COTTRELL  
Deputy Secretary

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**Certified Mail - Return Receipt Requested**

August 25, 2010

Mr. David Partridge, Vice President  
Chevron Mining, Inc.  
116 Inverness Drive East Suite 207  
Englewood, Colorado 80112

**RE: Minor Non-Municipal, SIC 1221, NPDES Compliance Evaluation Inspection, Chevron Mining, Inc./York Canyon Mine, NM0000205, August 17, 2010**

Dear Mr. Partridge:

Enclosed, please find a copy of the report 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.

Problems noted during this inspection are discussed in the Further Explanations section of the inspection report. You are encouraged to review the inspection report, correct any problems noted during the inspection, and to modify your operational and/or administrative procedures, as appropriate. Further, you are encouraged to notify in writing, both USEPA and NMED regarding modifications and compliance schedules.

My thanks for the help and cooperation of Messrs. Steve Linse and Don Giacomo during this inspection. If you have any questions, please feel free to contact me at the above address or by telephone at (505) 827-2798.

Sincerely,

/s/ RICHARD E. POWELL

Richard E. Powell  
Surface Water Quality Bureau

CC: Samuel Tate, USEPA (6EN-AS) by email  
Carol Peters-Wagnon, USEPA (6EN-WM) by email  
Marcia Gail Bohling, USEPA (6EN-AS) by email  
Diana McDonald, USEPA (6EN-WM) by email  
Larry Giglio, USEPA (6EN-P) by email  
Jim O'Hara, EM&NRD, MMD, Coal Program, 1220 S. St. Francis, Santa Fe, New Mexico 87505  
Steve Linse, Trihydro Corporation, 1252 Commerce Drive, Laramie, WY 82070  
NMED, District II, Santa Fe by email



Form Approved  
OMB No. 2040-0003  
Approval Expires 7-31-85

### 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   0   0   2   0   5	11   12   1   0   0   8   1   7   17	18   C	19   S	20   2
Remarks					
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       69	70   3	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) CHEVRON MINING, INC./YORK CANYON MINE, 3310 HIGHWAY 555, RATON, NM. 87740- RATON EXIT 450 I25, 33 MILES WEST ON NM555 OFFICE: 216 PARK AVENUE, RATON, NM COLFAX COUNTY	Entry Time /Date 1140/8-17-10	Permit Effective Date 12-1-2008
	Exit Time/Date 1140/8-18-10	Permit Expiration Date 11-30-2013
Name(s) of On-Site Representative(s)/Title(s)/Phone and Fax Number(s) STEVE LINSE, PROJECT MANAGER, TRIHYDRO CORPORATION (307) 745-7474 DON GIACOMO, OWNER, DG WATER SAMPLING (575) 445-9398	Other Facility Data AT MINE OFFICE	
Name, Address of Responsible Official/Title/Phone and Fax Number DAVID PARTRIDGE, VICE PRESIDENT, CHEVRON MINING, INC., 116 INVERNESS DRIVE EAST, ENGLEWOOD, CO 80112	Contacted Yes <input type="checkbox"/> No <input checked="" type="checkbox"/> *	LAT 36 52 12.3 LONG -104 55 15.2 SIC 1221

#### 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
U	Records/Reports	U	Self-Monitoring Program	N	Sludge Handling/Disposal	N	Pollution Prevention
S	Facility Site Review	N	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) /s/ RICHARD E. POWELL	Agency/Office/Telephone/Fax NMED/SWQB 505-827-2798	Date 8/25/10
Signature of Management QA Reviewer /s/ STEVEN M. BAUMGARN	Agency/Office/Phone and Fax Numbers NMED/SWQB 575-647-7981	Date 8/25/10

**SECTION A - PERMIT VERIFICATION**PERMIT SATISFACTORILY ADDRESSES OBSERVATIONS  
DETAILS: S  M  U  NA (FURTHER EXPLANATION ATTACHED NO...)

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.  
DETAILS: S  M  U  NA (FURTHER EXPLANATION ATTACHED -YES-...)

1. ANALYTICAL RESULTS CONSISTENT WITH DATA REPORTED ON DMRs.

 Y  N  NA

2. SAMPLING AND ANALYSES DATA ADEQUATE AND INCLUDE.

 S  M  U  NAa) DATES, TIME(S) AND LOCATION(S) OF SAMPLING *NOT 12/08 SAMPLE* Y  N  NAb) NAME OF INDIVIDUAL PERFORMING SAMPLING *NOT 12/08 SAMPLE* 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  NAf) NAME OF PERSON(S) PERFORMING ANALYSES. *NOT 12/08 SAMPLE* Y  N  NA3. LABORATORY EQUIPMENT CALIBRATION AND MAINTENANCE RECORDS ADEQUATE. *ONLY pH* 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.  
DETAILS: S  M  U  NA (FURTHER EXPLANATION ATTACHED NO...)

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  NA

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?  Y  N  NA  
 IF SO, HAS THE REGULATORY AGENCY BEEN NOTIFIED?  Y  N  NA  
 HAS CORRECTIVE ACTION BEEN TAKEN TO PREVENT ADDITIONAL BYPASSES/OVERFLOWS?  Y  N  NA

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

**SECTION D - SELF-MONITORING**

PERMITTEE SELF-MONITORING MEETS PERMIT REQUIREMENTS.  S  M  U  NA (FURTHER EXPLANATION ATTACHED YES\_)  
 DETAILS:

1. SAMPLES TAKEN AT SITE(S) SPECIFIED IN PERMIT.  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. *NOT pH*  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.  S  M  U  NA (FURTHER EXPLANATION ATTACHED NO\_)  
 DETAILS:

1. PRIMARY FLOW MEASUREMENT DEVICE PROPERLY INSTALLED AND MAINTAINED.  Y  N  NA  
 TYPE OF DEVICE **ESTIMATE**

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 \_\_\_\_\_)  Y  N  NA  
 RECORDS MAINTAINED OF CALIBRATION PROCEDURES.  Y  N  NA  
 CALIBRATION CHECKS DONE TO ASSURE CONTINUED COMPLIANCE.  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.  S  M  U  NA (FURTHER EXPLANATION ATTACHED NO\_)  
 DETAILS: **pH ONLY**

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  NA3. SATISFACTORY CALIBRATION AND MAINTENANCE OF INSTRUMENTS AND EQUIPMENT.  S  M  U  NA4. QUALITY CONTROL PROCEDURES ADEQUATE.  S  M  U  NA5. DUPLICATE SAMPLES ARE ANALYZED. \_\_\_ % OF THE TIME.  Y  N  NA6. SPIKED SAMPLES ARE ANALYZED. \_\_\_ % OF THE TIME.  Y  N  NA7. COMMERCIAL LABORATORY USED.  Y  N  NA

LAB NAME \_\_\_\_\_ TEST AMERICA \_\_\_\_\_

LAB ADDRESS \_\_\_\_\_ 4955 YARROW STREET, ARVADA, CO 80002 (303) 736-0100 \_\_\_\_\_

PARAMETERS PERFORMED \_\_\_\_\_ ALL BUT pH \_\_\_\_\_

**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	
005-007							NO FLOW

RECEIVING WATER OBSERVATIONS

**SECTION H - SLUDGE DISPOSAL**SLUDGE DISPOSAL MEETS PERMIT REQUIREMENTS.  S  M  U  NA (FURTHER EXPLANATION ATTACHED NO. \_\_\_).  
DETAILS:1. SLUDGE MANAGEMENT ADEQUATE TO MAINTAIN EFFLUENT QUALITY.  S  M  U  NA2. 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  NA4. FLOW PROPORTIONED SAMPLES OBTAINED.  Y  N  NA5. SAMPLE OBTAINED FROM FACILITY'S SAMPLING DEVICE.  Y  N  NA6. SAMPLE REPRESENTATIVE OF VOLUME AND NATURE OF DISCHARGE.  Y  N  NA7. SAMPLE SPLIT WITH PERMITTEE.  Y  N  NA8. CHAIN-OF-CUSTODY PROCEDURES EMPLOYED.  Y  N  NA9. SAMPLES COLLECTED IN ACCORDANCE WITH PERMIT.  Y  N  NA

**Compliance Evaluation Inspection  
Chevron Mining, Inc./York Canyon Mine  
NPDES Permit #NM0000205, August 17, 2010**

**Further Explanations**

**Introduction**

On August 17 - 18, 2010, a Compliance Evaluation Inspection (CEI) was conducted at the Chevron Mining, Inc. (former Pittsburg & Midway Coal Mining Company)/York Canyon Mine located near Raton, New Mexico by Richard E. Powell of the State of New Mexico Environment Department (NMED). York Canyon is classified as a minor discharger under the federal Clean Water Act, Section 402 National Pollutant Discharge Elimination System (NPDES) permit program and is assigned permit #NM0000205. This permit allows process water and mine drainage discharges to receiving waters named York Canyon which is an ephemeral tributary to the Vermejo River; thence to the Canadian River in Segment 20.6.4.309 NMAC of the Canadian River Basin.

The NMED performs a certain number of CEI's for the U.S. Environmental Protection Agency (USEPA) each year. The purpose of this inspection is to provide USEPA with information to evaluate the permittee's compliance with the NPDES permit. This report is based on review of files maintained by the permittee and NMED, on-site observation by NMED personnel, and verbal information provided by the permittee's representatives.

An entrance interview was conducted with Mr. Steve Linse, Project Manager, Trihydro Corporation and Mr. Don Giacomo, Owner, DG Water Sampling, at approximately 1140 hours on August 17, 2010. Trihydro and DG Water Sampling are reclamation and operational contractors for Chevron. The inspector made introductions, presented his credentials and discussed the purpose of the inspection.

**Permit Requirements**

**Section B - Recordkeeping and Reporting Evaluation:** Overall rating of "Unsatisfactory" and  
**Section D – Self-Monitoring Evaluation:** Overall rating of "Unsatisfactory"

*Part I.A.1 of permit #NM0000205 states:*

*During the period beginning the effective date and lasting through the expiration date, the permittee is authorized to discharge from Outfall(s) 001, 005, 006, and 007 - mine drainage due to precipitation events from reclamation areas.*

*Part I.A of the permit also lists monthly minimum and maximum effluent limitations for pH to be sampled at a frequency of 1/week, reporting requirements for flow at a frequency of 1/month, and daily maximum effluent limitations (dissolved aluminum is report only) for total aluminum, dissolved aluminum and adjusted gross alpha to be sampled at a minimum frequency of 1/year.*

*Part III.D.4 of permit #NM0000205 states:*

*Monitoring results must be reported on Discharge Monitoring Report (DMR) Form EPA No. 3320-1 in accordance with the "General Instructions" provided on the form. The permittee shall submit the original DMR signed and certified as required by Part III.D.11 and all other reports required by Part III.D. to the EPA at the address below. Duplicate copies of DMRs and all other reports shall be submitted to the appropriate State agency(ies) ...*

*Part III.C.5.a of permit #NM0000205 requires that, "[m]onitoring must be conducted according to test procedures approved under 40 CFR Part 136 ..."*

*40 CFR Part 136, Table II lists holding times. The holding time for pH is listed as "analyze immediately" which is further described in footnote 4 as: "[t]he term "analyze immediately" usually means within 15 minutes or less of sample collection."*

Outfall 001 discharges non-precipitation related mine drainage (seepage) continuously. Since this discharge is not "due to precipitation events from reclamation areas" the permittee mistakenly believed that these discharges did not need to be monitored and reported. The permittee reported flow and pH from outfall 001 in December 2008, September 2009 and March 2010 at a monitoring frequency of 1/month. According to the facility's records, there has been flow from this outfall during several other months since the December 1, 2008 effective date of the permit.

In addition, the permittee's representatives provided analytical data for total and dissolved aluminum, and adjusted gross alpha for September 2009 and March 2010, and total aluminum for December 2008 during the inspection. However, these results were not reported on the DMRs for those months. Furthermore, the reported pH results for those three months, at least in some cases, do not appear to agree with the field pH results recorded in the permittee's field book. In those cases, it is likely that the lab pH results were used, which do not meet the required holding time for pH.

The permittee is required to monitor and report pH weekly, flow monthly, and all other parameters at least 1/year for all discharges, including all non-precipitation related mine drainage discharges from outfall 001. To the extent practicable, corrected DMRs where required should be submitted to both EPA and SWQB.

An exit interview to discuss the findings of this inspection was conducted from approximately 1050 - 1115 hours on August 18, 2010 with Mr. Linse, at the mine site.