

STATE OF NEW MEXICO
WATER QUALITY CONTROL COMMISSION

IN THE MATTER OF PROPOSED AMENDMENTS
TO 20.6.2, THE COPPER MINE RULE,

New Mexico Environment Department,
Petitioner.

No. WQCC 12-01(R)



**ATTORNEY GENERAL'S SUPPORT OF
JOINT REQUEST FOR STAY OF 20.6.7 NMAC**

Preliminary Statement

The Attorney General supports the request to stay the Copper Mine Rule, 20.6.7 NMAC, filed by the Gila Resources Information Project (“GRIP”), Turner Ranch Properties, L.P. (“Turner Ranch”), and Amigos Bravos, pending disposition of the appeals of the rule by the New Mexico Court of Appeals.¹ Section 74-6-7(C) of the Water Quality Act (“WQA”) authorizes the Water Quality Control Commission (“Commission”) to stay the rule pending appeal upon a showing of “good cause.” Prior to enactment of the “good cause” standard in the WQA in 1993, the Court of Appeals set forth a four prong test to determine whether to stay a Commission regulation pending appeal. The four factors to be considered are: (1) likelihood that the applicant will prevail on the merits of the appeal, (2) a showing of irreparable harm to the applicant unless a stay is granted, (3) evidence that no substantial harm will result to other interested persons, and (4) a showing that no harm will ensue to the public interest. *Tenneco Oil Co. v. N.M. Water Quality Control Comm'n*, 1986-NMCA-033, ¶ 10, 105 N.M. 708, 710, 736 P.2d 986, 988²; *see also* Guidelines for Comm’n Regulation Hearings, § 502. Evaluation of each

¹ The Attorney General; GRIP, Turner Ranch and Amigos Bravos; and William Olson filed notices of appeal of the Commission’s decision in this matter with the Court of Appeals. The three appeals have been consolidated by the court. *See* Order, Nos. 33, 237; 33,238; and 33,245 (Nov. 8, 2013).

² When the legislature enacted the stay provision in the WQA in Section 74-6-7(C) in 1993, it did not adopt the *Tenneco Oil Co.* four prong test for purposes of the showing necessary to obtain a stay. Instead, the legislature adopted a broader standard, requiring a showing of “good cause.”

of these four factors weighs heavily in favor of staying the Copper Mine Rule until the important issues raised by the rule are resolved by the New Mexico appellate courts.

Argument

I. THE COPPER MINE RULE SHOULD BE STAYED PENDING APPEAL

A. The Attorney General Is Likely to Succeed on the Merits

First, it is likely that the Attorney General and the other appellants will prevail on their appeals of the Copper Mine Rule. The Copper Mine Rule on its face and in fact allows the exceedance of ground water quality standards at places of withdrawal of water for present and reasonably foreseeable future use in violation of Section 74-6-5(E)(3) of the WQA. This issue has been briefed extensively before the Commission. Rather than repeat those arguments, the Attorney General refers the Commission to subsections C, D and E of section IX of his Statement of Reasons (“AGO SOR”) and record citations therein,³ and to his Closing Argument, § V, where those arguments are set forth in detail.

B. Irreparable Harm Is Likely

i. The appeal is likely to take one and one half to three years

Second, irreparable harm is likely to result unless a stay is granted. The most recent statistics from the Court of Appeals website indicate that appeals of this nature take on average between one and one half to three years to conclude. NMCOA Statistics 2011-2012 [attached as

³ References herein to the Attorney General’s Statement of Reasons should be interpreted to include citations to the record provided therein.

AGO Ex. 1].⁴ It is this time period that must be evaluated to assess whether there will be irreparable harm if a stay is not granted.

ii. **The Copper Mine Rule authorizes ground water contamination for new and existing facilities, and does not require abatement**

Ground water in New Mexico is a public resource. NMSA 1978, § 72-12-1. That ground water contamination above water quality standards can result from acid rock drainage and metal leaching as a result of copper mining activities is undisputed. AGO SOR § IV.A & -C. That such ground water contamination, once it has been allowed to occur, can last hundreds of years also is undisputed. AGO SOR, FOF ¶¶ 116-17. The Copper Mine Rule sanctions contamination of ground water under large sections of copper mines where such contamination was previously not authorized. AGO SOR, § IX.B. At the Tyrone Mine, for example, this area encompasses approximately 9 square miles, and includes the Central Mining Area up to the mine property boundary. AGO SOR, FOF ¶¶ 267-68, 486.

Any new open pit, new leach stockpile inside the surface drainage area of a mine, new waste rock pile or new tailings impoundment constructed at a new or existing copper mine could cause permanent and irreparable ground water contamination under the express authorization of the Copper Mine Rule.

Any abatement requirements within this extensive area where contamination above standards is allowed under the Copper Mine Rule may now be done away with. *See* AGO SOR, § IX.Q. Presently, all three Freeport-McMoRan Copper & Gold Inc. (“FMI”) mines are required to abate ground water contamination under their sites, and are required to submit abatement

⁴ Found at <https://coa.nmcourts.gov/statistics/Averagedays%202011-2012.pdf>.

plans. Much of the abatement activities are no longer required under the Copper Mine Rule. Halting significant parts of the abatement process may cause irreparable harm to ground water.

Furthermore, under the Copper Mine Rule, any existing mine units presently causing ground water contamination that should be subject to a variance will not be required to obtain a variance. As such, the public will be deprived of its right under the WQA to participate in a public hearing and abatement of contamination within a reasonable time will not be required. *See* NMSA 1978, § 74-6-4(H).

iii. **Specific discharge sites that are places of withdrawal will be affected**

As a specific example of the harm that can result, a draft renewal and modification of New Mexico Environment Department (“NMED”) discharge permit 493 (“DP-493”) for Reservoir 3A at the Chino Mine is currently subject public notice and comment. *See* NMED GWQB Public Notice 2 (published June 21, 2013) [AGO Ex. 2]⁵. Reservoir 3A is a surface impoundment formed by an earthen dam. Discharge Permit Renewal and Modification, DP-493, p. 1 [AGO Ex. 3]. It is used to store mine process water and impacted storm water, and has a capacity of 1.2 billion gallons. *Id.* NMED has determined that the discharge site covered by DP-493 is potential place of withdrawal of water for present or reasonably foreseeable future use under Section 74-6-5(E)(3) of the WQA. *Id.* § II.4. Discharges from Reservoir 3A have caused exceedances of water quality standards. *Id.* § II.5. Much of Reservoir 3A infiltration moves into ground water to the north of the Santa Rita Pit capture zone; however, it is possible that some seepage outside the capture zone occurs to the south. *Id.* p. 2.

Draft DP-493 requires Chino Mine to abate ground water contamination pursuant to 20.6.2.3107.A(11) and 3109.E(1) NMAC. *Id.* § II.6, IV.17. However, under the Copper Mine

⁵ Found at http://www.nmenv.state.nm.us/gwb/documents/PN2_6-21-13.pdf.

Rule, which allows ground water contamination above standards within a mine's surface drainage area and area of hydrologic containment, Chino Mine is *not* required to abate ground water contamination at the 3A Reservoir. AGO SOR, § IX.Q. Under the Copper Mine Rule, the abatement requirement for this area may be deleted. This lack of abatement requirement is particularly problematic for Reservoir 3A, which has caused and continues to cause ground water contamination and which may leak outside the surface drainage area, causing irreparable injury to ground water at places of withdrawal.

Draft DP-493 requires Chino Mine to conduct quarterly water quality monitoring at seven monitor wells, and to report those results semi-annually to NMED. *Id.* § IV.4.a & b, IV.12. However, under the Copper Mine Rule, which does *not* require ground water monitoring within a mine's surface drainage area, Chino Mine is *not* required to monitor ground water around Reservoir 3A. Ground water may become contaminated, such contamination may go undetected, and such contamination may leak outside the surface drainage area, resulting in irreparable harm to ground water at places of withdrawal.

Draft DP-493 requires a contingency plan in the event that ground water quality monitoring indicates that water quality standards are exceeded or that contamination is significantly increasing. *Id.* § IV.13. However, because ground water quality monitoring is *not* required under the Copper Mine Rule, such exceedances of standards are *not* subject to detection, and a contingency plan would *not* be required. Ground water contamination above standards may result, resulting in irreparable harm to ground water at places of withdrawal.

Reservoir 3A causes ground water contamination above standards at a place of withdrawal. Therefore, in order to continue to operate, Chino Mine is required under the WQA

to obtain a variance from the Commission through a public hearing, and the variance must be conditioned on abatement of ground water within a reasonable period. NMSA 1978, § 74-6-4(H); *see* AGO SOR, § IX.P. However, the Copper Mine Rule allows that contamination to occur *without* the need for a hearing in which the public has a statutory right to participate. *Id.* There is significant public interest in Draft DP-493, as evidenced by a July 21, 2013 letter giving public comment and requesting a hearing on the draft permit submitted by representatives of GRIP, Amigos Bravos, Sierra Club Rio Grande Chapter, Conservation Voters New Mexico, Upper Gila Watershed Alliance, New Mexico Wildlife Federation, Percha/Animas Watershed Association, and Mr. Olson. [Attached as AGO Ex. 4.] These public groups and citizens request denial of the permit because it will cause exceedances of water quality standards at a place of withdrawal in violation of the WQA. The only mechanism by which this contamination can legally occur under the WQA is through a variance, which is *not* required under the Copper Mine Rule. The public will be irreparably harmed through denial of their statutory right to a variance hearing.

According to NMED's website, the three FMI mines currently hold 24 active discharge permits. *See* <http://www.nmenv.state.nm.us/gwb/NMED-GWQB-Permits.htm>. Each of these permits is subject to renewal every five years. NMSA 1978, § 74-6-5(I). Each of these permits may be modified *at any time* at the request of FMI. 20.6.2.3109.G NMAC. Each of these permits is subject to similar monitoring, abatement and contingency requirements as Draft DP-493. *See, e.g.,* Lampbright Leach System, DP-376 [NMED Ex. 17]. The monitoring, abatement and contingency requirements in many of these permits will not be required under the Copper Mine Rule, and may be deleted upon renewal or modification. Ground water at places of

withdrawal may be contaminated, contamination may go undetected, contamination may go unabated, all resulting in irreparable injury to the public's ground water.

iv. **New mines and new units are likely**

Furthermore, *new* mines or *new* mine units are likely to be developed over the one and one half to three year period while the appeals are pending. A new mine, New Mexico Copper Corporation, has a permit application pending before NMED. In 2012, Tyrone Mine sought authorization for new leaching activities at Savannah Hill. In 2007, Chino Mine sought authorization for new leaching activities at Lee Hill. In the copper mining industry, new and existing deposits are always being evaluated for excavation. There is no certainty that new units will not be developed and every possibility that new copper mine units will be constructed within the next three years. Given the framework of Copper Mine Rule – which allows ground water contamination above standards from new activities (except new leach stockpiles located outside a mine's surface drainage area) – ground water contamination from new copper mine units is a real possibility.

v. **Other industries and individual dischargers should not be given the same treatment until the courts decide these issues**

Furthermore, the fact is, by allowing pollution by rule and establishing a point of compliance system for the first time since passage of the WQA in 1967, the Copper Mine Rule completely upends the discharge permitting process in the State of New Mexico. The issues raised by the Copper Mine Rule have become the most important issues facing New Mexico's protection of ground water. As the Attorney General's Office and others predicted during the hearing, the Copper Mine Rule will set precedent for all other dischargers in the State and, already, other industries are seeking equivalent treatment, as evidenced by the dairy industry's

petition to the Commission to amend the Dairy Rule. Their petition seeks to do away with the requirement for synthetic liners – which would allow rather than prevent ground water contamination – and to establish a *de facto* point of compliance regulatory system. A hearing on that petition is scheduled for March 2014. There is nothing to prevent other industries or other individual dischargers from seeking the same treatment, either by rule or administratively through NMED. If such treatment is sought administratively through NMED, the process may not be transparent and the public may not have full opportunity to participate. The flood gates have been opened, and during the pendency of the appeals, ground water contamination not previously authorized could well result.

Despite approving the Copper Mine Rule, the Commission must recognize that the rule raises serious legal issues that, ultimately, will be decided by the New Mexico appellate courts, not by the Commission. It is simply prudent, as a matter of sound government administration and protection of our state's ground water, to stay the Copper Mine and to send the signal that, prior to establishing a point of compliance system for any industry or individual discharger, the courts – who have the authority and responsibility – should resolve these issues.

C. There Is No Substantial Harm to FMI

Third, staying the Copper Mine Rule will not result in substantial harm to other interested persons. A stay will simply maintain the *status quo* since the Commission Regulations were first promulgated in 1977. FMI did not present in the hearing *any* evidence of harm to its operations from past regulatory efforts. FMI states in its Motion for Extension of Time to Respond to Joint Request for Stay, p. 5, that there a number of pending discharge permits that will be affected by a stay, but it does not provide any specifics as to which discharge permits are at play, how they

will be affected, or how any harm to the company will result if a stay is granted. Such general allegations do not demonstrate substantial harm. *Accord Tenneco Oil Co.*, 1986-NMCA-033, ¶ 10, 105 N.M. at 710, 736 P.2d at 988 (general allegations of irreparable harm are insufficient).

D. The Public Interest Weighs Heavily in Favor of a Stay

Fourth, no harm will ensue to the public interest if a stay is granted. Indeed, protection of the public interest weighs heavily in favor of issuing a stay and protecting the public's ground water resource, as New Mexico has done since enactment of the WQA in 1967. The entire state of New Mexico is heavily dependent on ground water for its source of supply. The data show that ground water withdrawals provide nearly 90% of the water for public and domestic water supply in the state. In Grant County, where the major copper mines are located, ground water provides in excess of 99% of the water for human consumption. Similar dependence on ground water for potable supply also occurs in the other counties of southwestern New Mexico. AGO SOR, § III. The public's precious ground water resource should be protected pending resolution of the legality of the Copper Mine Rule's authorization to pollute ground water.

Conclusion

Evaluation of the four factors from the *Tenneco Oil Co.* test weighs in favor of staying the Copper Mine Rule pending appeal. For the reasons set forth herein, the Commission should stay the Copper Mine Rule pending resolution of the appeals of the rule before the Court of Appeals.

Respectfully submitted,

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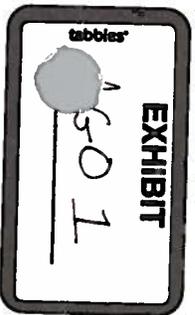
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GENERAL CALENDAR TRANS CRIMINAL

	July	Aug.	Sept.	Oct.	Nov.	Dec.	Jan.	Feb.	March	April	May	June	Annual Total
General TR CASES	2	3	3	4	2	3	0	2	5	0	248	2	274
NA to CA Total Days	354	593	602	1,103	273	288	0	313	548	0	248	375	4,697
NA to CA Avg. Days	201.00	197.67	200.67	275.75	136.50	96.00	0.00	156.50	109.60	0.00	84.00	187.50	1,645.19
CA to TA Total Days	-164	194	259	109	118	190	0	252	466	0	84	270	1,778
CA to TA Avg. Days	82.00	64.67	86.33	27.25	59.00	63.33	0.00	126.00	93.20	0.00	211.00	135.00	947.78
TA to AB Total Days	362	458	782	1,262	505	505	0	544	1,738	0	211	510	6,877
TA to AB Avg. Days	181.00	152.67	260.67	315.50	252.50	168.33	0.00	272.00	347.60	0.00	88.00	255.00	2,293.27
AB to SUB Total Days	857	432	1,040	1,031	883	394	0	343	1,336	0	88	125	6,529
AB to SUB Avg. Days	428.50	144.00	346.67	257.75	441.50	131.33	0.00	171.50	267.20	0.00	136.00	62.50	2,386.95
SUB to OP Total Days	190	481	225	518	343	371	0	356	530	0	136	262	3,412
SUB to OP Avg. Days	95.00	160.33	75.00	129.50	171.50	123.67	0.00	178.00	106.00	0.00	131.00	131.00	1,170.00
Total Days	1,777	2,158	2,908	4,023	2,122	1,748	0	1,808	4,618	0	767	1,542	17,326
Total Average Days	888.50	719.33	969.33	1,005.75	1,061.00	582.67	0.00	904.00	923.60	0.00	767.00	771.00	8,592.18
GENERAL CALENDAR TRANS CIVIL													
General TR Cases	2	3	5	3	5	1	1	2	4	0	4	0	30
NA to CA Total Days	137	335	525	284	677	76	154	171	550	0	418	0	3,327
NA to CA Avg. Days	68.50	111.67	105.00	94.66	135.40	73.00	154.00	85.50	137.50	0.00	104.50	0.00	1,069.73
CA to TA Total Days	134	14	470	242	433	80	58	202	214	0	363	0	2,210
CA to TA Avg. Days	67.00	4.67	94.00	80.66	86.60	80.00	58.00	101.00	53.50	0.00	90.75	0.00	716.18
TA to AB Total Days	225	355	553	430	860	89	118	294	273	0	384	0	3,581
TA to AB Avg. Days	112.50	118.33	110.60	143.33	172.00	89.00	118.00	147.00	68.25	0.00	96.00	0.00	1,175.01
AB to SUB Total Days	552	801	1,069	550	865	274	376	547	902	0	1,004	0	6,940
AB to SUB Avg. Days	276.00	267.00	213.80	183.33	173.00	274.00	376.00	273.50	225.50	0.00	251.00	0.00	2,513.13
SUB to OP Total Days	374	730	1,559	628	2,476	110	171	503	2,122	0	650	0	9,323
SUB to OP Avg. Days	187.00	243.33	519.67	209.33	495.20	110.00	171.00	251.50	530.50	0.00	162.50	0.00	2,880.03
Total Days	1,422	2,235	4,176	2,134	5,311	629	877	1,717	4,061	0	2,819	0	25,381
Total Average Days	711.00	745.00	835.20	711.33	1,062.20	629.00	877.00	858.50	1,015.25	0.00	704.75	0.00	8,149.23





Notice is hereby given pursuant to 20.6.2.3108.H NMAC, the following Ground Water Discharge Permit applications have been proposed for approval. To request additional information or to obtain a copy of a draft permit, contact the Ground Water Quality Bureau in Santa Fe at (505) 827-2900. Draft permits may also be viewed on-line at <http://www.nmenv.state.nm.us/gwb/NMED-GWQB-PublicNotice.htm>

NOTE - If viewing by WEB - Click on facility name to review a copy of the draft permit.

DP #	Facility/Applicant	Closest City	County	Notice	NMED Permit Contact
1380	Quemado Municipal Water and Sewer Association Jerry Armstrong, President Quemado Municipal Water & Sewer Association P.O. Box 81 Quemado, NM 87829	Quemado	Catron	Quemado Municipal Water and Sewer Association, Jerry Armstrong, President, proposes renew the Discharge Permit for the discharge of up to 49,999 gallons per day of domestic wastewater to a treatment and disposal system. Potential contaminants associated with this type of discharge include nitrogen compounds. The facility is located approximately 1/4 mile south of Highway 60 opposite 4 th Street, Quemado, in Section 3, Township 10N, Range 16W, Catron County. Ground water most likely to be affected is at a depth of approximately 14.3 feet and has a total dissolved solids concentration of approximately 524 milligrams per liter.	Russell Isaac
163	Pirtle Farms Dairy Jack Pirtle, Co-Owner Pirtle Farms Dairy 3001 E. McGaffey St. Roswell, NM 88203	Roswell	Chaves	Pirtle Farms Dairy, Jack Pirtle, Co-Owner, proposes to renew the Discharge Permit for the discharge of up to 35,000 gallons per day of wastewater from the production area of a dairy facility. Wastewater flows to a concrete sump and is pumped through a solids screen separator into a synthetically lined combination wastewater and stormwater solids settling impoundment which flows into a synthetically lined combination wastewater and stormwater storage impoundment. Wastewater is land applied by center pivot irrigation to up to 92 acres of irrigated cropland under cultivation. Potential contaminants from this type of discharge include nitrogen compounds. The facility is located at 3832 E. Hobson Rd., Roswell, in Section 32, T11S, R25E, Chaves County. Ground water beneath the site is at a depth of approximately 27 feet and has a total dissolved solids concentration of approximately 2,800 milligrams per liter.	Melanie Sanchez





1475	<p>F.B. Ranch, LLC Frank Brand, Owner F.B. Ranch, LLC P.O. Box 11 Energy, TX 76452</p>	Clovis	Curry	<p>F.B. Ranch, LLC, Frank Brand, Owner, proposes to renew the Discharge Permit for the discharge of up to 99,000 gallons per day of wastewater from the production area of a dairy facility. Wastewater flows to a concrete sump and is pumped through a mechanical screen solids separator to 2 synthetically lined combination wastewater and stormwater storage impoundments. Wastewater is land applied by center pivot to up to 625 acres of irrigated cropland under cultivation. Potential contaminants associated with this type of discharge include nitrogen compounds. The facility is located at 1271 SR 288, approximately 12 miles north of Clovis, in Sections 2 and 11, T4N, R35E, Curry County. Ground water beneath the site is at a depth of approximately 447 feet and had a pre-discharge total dissolved solids concentration of approximately 265 milligrams per liter.</p>	Sara Arthur
170	<p>Sun Valley Dairy Bruce Bonestroo, Agent Sun Valley Dairy, LLC P.O. Box 1929 Anthony, NM 88021</p>	Berino	Doña Ana	<p>Sun Valley Dairy, Sun Valley Dairy LLC, Bruce Bonestroo, Agent, proposes to renew the Discharge Permit for the discharge of up to 35,000 gallons per day of wastewater from the production area of a dairy facility. Wastewater flows to a concrete-lined sump and is pumped through a screen solids separator to a three-cell concrete-lined settling separator which discharges into the first of three synthetically lined wastewater impoundments, arranged in series, for disposal by evaporation. Potential contaminants associated with this type of discharge include nitrogen compounds. The facility is located at 181 Links Rd., approximately 1.5 miles south of Berino, in Section 11, Township 26S, Range 3E, Doña Ana County. Ground water beneath the site is at a depth of approximately 50 feet and had a pre-discharge total dissolved solids concentration of approximately 1,600 milligrams per liter.</p>	Kim Kirby
493	<p>Chino Mine, Reservoir 9, Highway to Heaven William M. Katz, Chief Environmental Engineer Environmental Services</p>	Silver City	Grant	<p>Chino Mine Reservoir 3A, Reservoir 9, Highway to Heaven, John Brack, VP of Chino Acquisition, Inc., Freeport-McMoran Chino Mines Company, proposes to renew and modify the Discharge Permit for the discharge of up to 10,000,000 gallons per day of mine process waters and impacted storm water to Reservoir 3A. The modification</p>	Kurt Vollbrecht



<p>Chino Mines Co. PO Box 10 Bayard, NIM 88023</p>		Lea	<p>consists of including Reservoir 9 and Highway to Heaven in the Discharge Permit. Potential contaminants associated with this type of discharge include dissolved solids, metals, inorganic and organic compounds. The proposed discharge is located approximately 15 miles east of Silver City, adjacent to and south of the Santa Rita open pit in Sections 2 and 3, R12W, T18S in Grant County. Ground water beneath the site ranges in depths from approximately 100 to more than 300 feet and has a total dissolved solids concentration of approximately 220 milligrams per liter.</p>	Kim Kirby
<p>259 Rockview Dairy Rick Schaap, Owner Rockview Dairy 12923 N. Knowles Rd. Hobbs, NM 88242</p>	Hobbs	Lea	<p>Rockview Dairy, Rick Schaap, Owner, proposes to renew the Discharge Permit for the discharge of up to 27,500 gallons per day of wastewater from the production area of a dairy facility. Wastewater gravity flows to a concrete-lined solid settling separator and into a synthetically lined combination wastewater and stormwater impoundment followed by a clay-lined combination wastewater and stormwater impoundment for storage. Wastewater is pumped from the synthetically lined impoundment through a screen separator for land application by center pivot irrigation to up to 120 acres of irrigated cropland under cultivation. Potential contaminants associated with this type of discharge include nitrogen compounds. The facility is located at 12923 N. Knowles Rd, approximately 7 miles north of Hobbs, in Section 9, Township 17S, Range 38E, Lea County. Ground water beneath the site is at a depth of approximately 103-118 feet and had a pre-discharge total dissolved solids concentration of approximately 395 milligrams per liter.</p>	Kim Kirby
<p>762 High Lonesome Dairy Eddie Schaap, Owner High Lonesome Dairy 2049 State Road 209 Clovis, NM 88101</p>	Hobbs	Lea	<p>High Lonesome Dairy, Eddie Schaap, Owner, proposes to renew the Discharge Permit for the discharge of up to 60,000 gallons per day of wastewater from the production area of a dairy facility. Wastewater flows to a concrete-lined sump from which wastewater gravity flows via a concrete-lined drainage channel to the first of two synthetically lined combination wastewater and stormwater impoundments. Wastewater from the first impoundment is pumped over a screen solids separator to either the second combination impoundment for storage or to the land application area. Wastewater is land applied by center</p>	Kim Kirby

DISCHARGE PERMIT RENEWAL and MODIFICATION
Reservoir 3A, Reservoir 9, Highway to Heaven, DP-493
Approval Date

I. INTRODUCTION

The New Mexico Environment Department (NMED) issues this Discharge Permit, DP-493, to Chino Mines Company (permittee) pursuant to the New Mexico Water Quality Act (WQA), NMSA 1978 §§ 74-6-1 through 74-6-17 (1993), and the New Mexico Water Quality Control Commission (WQCC) Regulations, 20.6.2 NMAC.

NMED's purpose in issuing this Discharge Permit, and in imposing the requirements and conditions specified herein, is to control discharges of water contaminants from Reservoir 3A into ground and surface water, so as to protect ground and surface water for present and potential future use as domestic and agricultural water supply and other uses and protect public health. In issuing this Discharge Permit, NMED has determined that the requirements of 20.6.2.3109.C NMAC have been met.

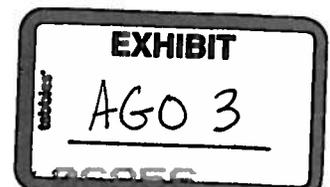
Facility Description

Reservoir 3A has been in operation since 1987 as a surface impoundment formed by an earthen dam. Reservoir 3A is used for storage of mine process water and impacted storm water and has a capacity of 1.2 billion gallons. Reservoir 9 is formed by an earthen dam that is along the southeast toe of the Upper South Stockpile (DP-526). Highway to Heaven is a road built into the headwaters of Rustler Canyon during the mid to late 1990's from unmineralized volcanic rock mixed with sulfide containing rock.

Associated facilities include various pipelines that convey mine process water and storm to and from Reservoir 3A through the Reservoir 3A Valve Pit. Reservoir 3A receives storm water and mine process water from the Whitewater Leach System High Head Pump House via the South Side Booster (DP-526), from the Estrella Pit Sump dewatering system (DP-459), and from Reservoir 7 (DP-591) and Reservoir 9. Impacted storm water runoff and leachate from Highway to Heaven is collected in a lined impoundment in Rustler Canyon and pumped directly to Reservoir 3A. Reservoir 9 receives impacted storm water runoff from the south side of the dam face, as well as seepage water from Highway to Heaven.

Discharge Permit Modification Description

The DP-493 permit modification includes the addition of Reservoir 9 and Highway to Heaven to the Discharge Permit. These facilities have previously been covered under DP-526.



Location of Discharge

Reservoir 3A, Reservoir 9 and Highway to Heaven are located approximately 15 miles east of Silver City, adjacent to and south of the Santa Rita open pit in Sections 2 and 3, R12W, T18S in Grant County.

Quantity, Quality and Flow Characteristics of the Discharge:

Reservoir 3A is an unlined impoundment that contains mine process waters and impacted storm water that may move directly or indirectly into ground water. Solutions in Reservoir 3A exceed the water quality standards under WQCC Regulations in Section 20.6.2.3103.A NMAC for cadmium, chromium and fluoride; Section 20.6.2.3103.B NMAC for copper, manganese, iron, pH, sulfate, zinc, and total dissolved solids (TDS); and Section 20.6.2.3103.C NMAC for aluminum, cobalt and nickel. In addition to the contaminated mine waters, Reservoir 3A contains sediments with leachable salts and metals that may become mobile. The total combined maximum permitted discharge rate to Reservoir 3A is 10 million gallons per day (MGD).

Characteristics of Ground Water:

The depth to ground water ranges from approximately 100 feet to more than 300 feet below ground surface; groundwater has a total dissolved solids (TDS) concentration of approximately 220 milligrams per liter (mg/L). Much of Reservoir 3A infiltration into groundwater moves to the north toward the Santa Rita pit capture zone, as evidenced by seepage in the pit walls and the areal potentiometric surface. It is possible that some seepage occurs to the south.

General:

The Discharge Plan Renewal consists of the materials submitted by Chino to NMED dated February 28, 2011. In addition, this Discharge Permit includes information and materials submitted as part of the original Discharge Permit issued on September 3, 1987, modified on March 30, 1988, and renewed on November 13, 1992, November 18, 1998 and August 21, 2003.

Pursuant to 20.6.2.3109.E NMAC, NMED reserves the right to modify permit requirements in the event NMED determines that the requirements of 20.6.2 NMAC are being or may be violated, or the standards of 20.6.2.3103 NMAC are being, or may be, violated at a place of withdrawal of water for present or reasonably foreseeable future use due to a discharge regulated under this Discharge Permit. This may include a determination by NMED that operational practices approved under this Discharge Permit are not protective of ground and surface water quality, and that a modification is necessary to protect water quality or abate water pollution. Permit modification may include but is not limited to lining or relining impoundments, changing discharge locations, changing waste and leachate management practices, expanding monitoring requirements, and/or implementing abatement of water pollution.

Issuance of this Discharge Permit does not relieve Chino of its responsibility to comply with all conditions or requirements of the WQA, WQCC Regulations, and any other applicable federal, state and/or local laws and regulations such as zoning requirements and nuisance ordinances.

II. FINDINGS

In issuing this Discharge Permit, NMED finds:

1. Chino Mines Company is discharging effluent or leachate from Reservoir 3A so that such effluent or leachate may move directly or indirectly into ground water within the meaning of 20.6.2.3104 NMAC.
2. Chino Mines Company is discharging effluent or leachate from Reservoir 3A so that such effluent or leachate may move into ground water of the State of New Mexico which has an existing concentration of 10,000 milligrams per liter or less of total dissolved solids within the meaning of 20.6.2.3101.A NMAC.
3. The discharges from Reservoir 3A are not subject to any of the exemptions of 20.6.2.3105 NMAC.
4. The Water Quality Act requires that determination of a discharger's effect on ground water shall be measured at any place of withdrawal of water for present or reasonably foreseeable future use. NMSA 1978, 74-6-5(E)(3). NMED considers the discharge site covered by DP-493 to be a potential place of withdrawal of water for present or reasonably foreseeable future use. In the future, as part of the permit application process, Chino may present evidence to NMED supporting why some or all of the discharge site is not a place of withdrawal of water for present or reasonably foreseeable future use. If the evidence is presented to NMED, NMED will consider the evidence and any other relevant evidence, and will issue a written determination based thereon.
5. Discharges from Reservoir 3A have caused contamination of ground water in excess of the water quality standards of 20.6.2.3103 NMAC.
6. Chino is required to abate ground water contamination pursuant to 20.6.2.3107.A(11) and 3109.E(1) NMAC.

III. AUTHORIZATION TO DISCHARGE

Pursuant to 20.6.2.3104 NMAC, it is the responsibility of the permittee to ensure that discharges authorized by this Discharge Permit are consistent with the terms and conditions herein.

Chino is authorized to discharge mine process water, storm water and leachate to Reservoir 3A at a maximum combined rate of 10 million gpd from the following sources:

- Storm water and mine process water from the Estrella Pit Sump,

- Storm water and mine process water from the 6525 Booster Station,
- Storm water and mine process water from Reservoir 9, and
- Storm water and leachate from Highway to Heaven.

The maximum volume of mine process water stored in Reservoir 3A shall not exceed 1.2 billion gallons at any time.

IV. PERMIT CONDITIONS

Chino shall comply with the following conditions, which are enforceable by NMED.

OPERATIONS

1. Chino shall conduct the operational requirements set forth below in accordance with the WQCC Regulations at Sections 20.6.2.3106.C and 3107 NMAC to ensure compliance with 20.6.1 and 20.6.2 NMAC.
2. Chino shall reclaim or complete removal of Highway to Heaven material within 5 years of the date of issuance of this discharge permit. In the event Chino chooses to reclaim Highway to Heaven material instead of complete removal, a closure plan shall be submitted to NMED for approval prior to initiation of reclamation activities. Following reclamation or completion of removal activities Chino shall submit a summary report that evaluates the effectiveness and extent of the removal or reclamation operations, and the potential that any remaining materials and/or solutions from Highway to Heaven exist in the headwaters of Rustler Canyon that have the potential to impact water quality.

MONITORING, REPORTING, AND OTHER REQUIREMENTS

3. Chino shall conduct the monitoring, reporting, and other requirements listed below.
[20.6.2.3107 NMAC]

Sampling and Field Measurements

4. *Ground Water Monitoring Wells* - Chino shall monitor ground water quality as follows.
[20.6.2.3107 NMAC]
 - a. Monitoring wells 493-99-01, 493-99-02, 3A-5, 3A-7, and 493-2004-02 shall be sampled as follows.
 - 1) Chino shall record the depth to the water table to the nearest hundredth of a foot (0.01 ft), quarterly.
 - 2) Samples shall be collected from each well quarterly and analyzed for the water parameters listed in Conditions 10b and 10c below.

- b. Monitoring wells 526-96-15, 526-96-16 and 526-96-18 shall be sampled as follows.
 - 1) Chino shall record the depth to the water table to the nearest hundredth of a foot (0.01 ft), semi-annually.
 - 2) Samples shall be collected from each well quarterly and analyzed for the water parameters listed in Conditions 10b below.

Analytical results and depth to ground water measurements and water level elevations shall be reported as required in Condition 12 below.

5. *Reservoir 3A* - Chino shall sample Reservoir 3A as follows. [20.6.2.3107 NMAC]
 - a. Chino shall collect samples quarterly and analyze for the parameters listed in Conditions 10b and 10c below.
 - b. Chino shall sample annually for the parameters listed in Condition 10d below.
 - 1) If TPH in any sample exceeds 5 mg/L, Chino shall resample within two weeks of receiving the analysis described in 4b above and analyze for the water parameters listed in Condition 10e.

Analytical results shall be reported as required in Condition 12 below.

6. *Seeps and Springs* - Chino shall sample seep 459-SEEP-5 and any other observable seeps that can be safely accessed and sampled along the south side of the Santa Rita Pit quarterly for the parameters listed in Conditions 10b and 10c below. Analytical results shall be reported as required in Condition 12 below. [20.6.2.3107 NMAC]
7. *Discharge Volumes* – Chino shall measure the following discharge volumes using appropriate metering devices and/or calculation methods. Discharge volumes shall be reported as required in Condition 12 below. [20.6.2.3107.A NMAC]
 - a. The daily volume of mine process water pumped from the Estrella Sump to Reservoir 3A.
 - b. The daily volume of mine process water pumped from the 6525 Booster Station to Reservoir 3A.
 - c. The daily volume of impacted storm water pumped from Highway to Heaven collection systems to Reservoir 3A.
8. *Reservoir 3A Total Volume* - Chino shall measure the water elevation of Reservoir 3A on a monthly basis to insure that the permitted maximum volume of 1.2 billion gallons is not exceeded. The frequency of measurement shall be increased to daily in the event that reservoir levels exceed 85% of reservoir capacity. Water elevations shall be reported as required in Condition 12 below. [20.6.2.3107 NMAC]

9. *Meteorological Data* - Chino shall measure daily precipitation from the Reservoir 3A weather station and shall report the data as required in Condition 12 below. [20.6.2.3107.A NMAC]

Analysis

10. Samples of reservoir water, storm water, and process water, including seeps shall be analyzed for total and dissolved concentrations of the analytes listed below. Samples of ground water shall be analyzed for dissolved concentrations of the analytes listed below. [20.6.2.3107.A NMAC]
- a. Field parameters (analysis to be performed in the field): temperature, pH, and specific conductance.
 - b. Indicator parameters: field parameters in Condition 10a plus sulfate and total dissolved solids (TDS).
 - c. Comprehensive inorganic parameters: alkalinity-bicarbonate, alkalinity-carbonate, calcium, magnesium, sodium, potassium, fluoride, chloride, aluminum, arsenic, beryllium, cadmium, chromium, cobalt, copper, iron, lead, manganese, molybdenum, nickel and zinc.
 - d. Organic parameters I: Total petroleum hydrocarbons (TPH) for full range of diesel and gasoline.
 - e. Organic parameters II: Kerosene, Ethylbenzene, Napthalene and Toluene.

Methodology

11. Unless otherwise approved in writing by NMED, Chino shall conduct sampling and analysis in accordance with the most recent edition of following documents. [20.6.2.3107.B NMAC]
- a. American Public Health Association, *Standard Methods for the Examination of Water and Wastewater*.
 - b. U.S. Environmental Protection Agency, *Methods for Chemical Analysis of Water and Waste*.
 - c. U.S. Geological Survey, *Techniques for Water Resource Investigations of the U.S. Geological Survey*.
 - d. American Society for Testing and Materials, *Annual Book of ASTM Standards, Part 31. Water*.

- e. U. S. Geological Survey, et al., *National Handbook of Recommended Methods for Water Data Acquisition*.
- f. Surface water monitoring must also be conducted according to test procedures approved under Title 40 Code of Federal Regulations Part 136.

Reporting

12. Chino shall submit to NMED semi-annual monitoring reports containing information collected during the preceding six months from January 1st to June 30th by August 15th and from July 1st to December 31st by February 15th. Annual data shall be submitted in the February 15th report. The reports shall include the following information. [20.6.2.3107.A NMAC]
- a. A summary shall be provided of all activities at the facility during the preceding six months, including but not limited to, operational activities, daily flow volumes, spills, maintenance, repairs, synopsis of completed studies relevant to the facility, well drilling, water management, construction or demolition of structures, water quality trends, precipitation, trends in water levels, and a monthly water balance. If applicable, a summary of seep and spring flows as well as potentiometric maps shall also be included.
 - b. A single table shall be provided semi-annually in a paper and electronic format (EXCEL spreadsheet) of water quality data with only those constituents analyzed and water levels measured during a single event shown in columns. Tabulated electrical conductivity shall include the measured field values and corrected values to 25 degrees Celsius. Monitoring sites shall be shown in rows. Values exceeding standards shall be bolded. Any constituent not analyzed for a particular site shall be shown as "NA", any site not sampled shall be shown as "NS" with an associated reason, and any site not measured for water levels shall be shown as "NM" with an associated reason.
 - c. An annual update to the existing Access database shall be provided that includes all available water quality data to date collected pursuant to this discharge permit.
 - d. Electronic copies of the signed laboratory analyses sheets shall be provided semi-annually.
 - e. Semi-annual monitoring reports shall include water quality trends, laboratory QA/QC, trends in hydrographs, potentiometric surface maps and precipitation. At a minimum, graphs with the previous 5 years of indicator parameter data shall be presented for TDS, sulfate, and hydrographs (pH may be substituted for hydrographs at reservoirs or springs).
 - f. Flow measurements of seeps shall be reported semi-annually with the seep location and flow estimation method noted. A clearly marked map shall be included with labeled locations for each seep area and ponded water area. The first submittal of seeps and

ponded areas shall include photos of each location indicated on the map.

- g. Chino shall submit annually a potentiometric surface map of the Reservoir 3A area that includes water level data from the most recent sampling event. The map shall include the southern portion of the Santa Rita Pit, Reservoir 9 to the east and upper Lucky Bill Canyon to the southwest. The map shall be at a larger scale than that prepared for DP-1340, specific to the Reservoir 3A area.
- h. Chino shall submit annually the daily precipitation data from the Reservoir 3A weather station.

CONTINGENCY MEASURES

Ground Water and Surface Water Exceedences

- 13. In the event that monitoring indicates ground water or surface water standards are exceeded, or the extent or magnitude of existing ground water contamination is significantly increasing, Chino shall collect a confirmatory sample from the monitoring well(s) within 15 days to confirm the initial sampling results. Within 30 days of the confirmation of ground water or surface water contamination or significant increases in existing contamination, Chino shall submit to NMED for approval an abatement plan, which includes a site investigation to define the source, nature and extent of contamination; a proposed abatement option, and a schedule for its implementation. The site investigation and abatement option shall be consistent with the requirements and provisions of Sections 20.6.2.4101, 4103, 4106, 4107, 4108 and 4112 NMAC. An abatement plan required under this condition may be incorporated into the abatement plan required in Condition 17 of this Discharge Permit. [20.6.2.3107.A (10) NMAC]

Operational Failures

- 14. In the event of a pipeline break, pump failure, pond overflow or other system failure associated with any facility covered under DP-493, all discharge water shall be contained, pumped and transferred to areas of the facility that impose minimal impacts to ground water quality. Failed components shall be repaired or replaced as soon as possible and no later than 72 hours from the time of failure unless Chino obtains a written consent and a new timetable from NMED. [20.6.2.3107A (10) NMAC]
- 15. If NMED or Chino identifies any other failures of the discharge plan or system not specifically noted in this permit, NMED may require Chino to develop for NMED approval contingency plans and schedules to address such failures. [20.6.2.3107.A.10 NMAC]

Spill Reporting and Remediation

- 16. In the event of a spill or release that is not authorized under this Discharge Permit, Chino shall initiate the notifications and corrective actions as required in 20.6.2.1203 NMAC.

Chino shall take immediate corrective action to contain and remove or mitigate any damage caused by the discharge. Within 24 hours after discovery of the discharge, Chino shall verbally notify NMED and provide the information required by 20.6.2.1203.A.1 NMAC. Within 7 days of discovering the discharge, Chino shall submit a written report to NMED verifying the oral notification and providing any additional information or changes. Chino shall submit a corrective action report within 15 days after discovery of the discharge. [20.6.2.1203 NMAC]

ABATEMENT

17. Ground water standards have been exceeded within and beyond the area covered under this Discharge Permit. Chino has been required to submit to NMED for approval a proposed abatement plan pursuant to abatement requirements in the Supplemental Discharge Permit for Closure, DP-1340. The abatement plan shall be conducted in two stages. Stage one of the abatement plan shall include an investigation of all known areas of ground water and surface water contamination within the area covered by DP-493 and shall define the extent and magnitude of ground water contamination in accordance with Sections 20.6.2.3109.E.1 or 20.6.2.4000 NMAC through 4115 NMAC. Stage two of the abatement plan shall address the selection of an abatement option to abate ground water contamination and shall include an analysis of abatement alternatives pursuant to 20.6.2.4106.E NMAC. Pursuant to 20.6.2.3109E (1), NMED may require additional abatement activities under this Discharge Permit Renewal. [20.6.2.4000 through 4115 NMAC] [20.6.2.3109.E NMAC]

CLOSURE PLAN

18. Chino shall maintain a closure plan for the Reservoir 3A area pursuant to the Supplemental Discharge Permit for Closure, DP-1340. In the event that Chino modifies or expands the Reservoir 3A area pursuant to this Discharge Permit in a manner that exceeds the scope of the closure plan, Chino shall propose changes to the closure plan accordingly. [20.6.2.3107.A.11 NMAC]

FINANCIAL ASSURANCE

19. Chino shall maintain financial assurance pursuant to the Supplemental Discharge Permit for Closure, DP-1340, for the Reservoir 3A area. In the event that Chino modifies or expands the Reservoir 3A area pursuant to this Discharge Permit in a manner that exceeds the scope of the closure plan, Chino shall propose changes to the financial assurance accordingly. [20.6.2.3107.A.11 NMAC]

V. GENERAL TERMS AND CONDITIONS

20. Chino shall comply with the following general conditions, which shall be enforceable by NMED.

Record Keeping

21. Chino shall maintain at its facility a written record of all data and information on monitoring of ground water, surface water, seepage, and meteorological conditions pursuant to this Discharge Permit including the following information. [20.6.2.3107.A NMAC]
 - a. The date, exact time, and exact location of each sample collection or field measurement;
 - b. The name and job title of the person who performed each sample collection or field measurement;
 - c. The date of the analysis of each sample;
 - d. The name and address of the laboratory and the name and job title of the person that performed the analysis of each sample;
 - e. The analytical technique or method used to analyze each sample or take each field measurement;
 - f. The results of each analysis or field measurement, including the raw data; and,
 - g. A description of the quality assurance and quality control procedures used.
22. Such data and information as described in Condition 21, shall also be maintained on all split and duplicate samples, spike and blank samples, and repeat samples. [20.6.2.3107.A NMAC]
23. Chino shall maintain a written record of any spills, seeps or leaks of effluent, or process fluids not authorized by this Discharge Permit. [20.6.2.3107.A NMAC]
24. Chino shall maintain a written record of the operation, maintenance and repair of all facilities/equipment used to treat, store, or dispose of wastewater; to measure flow rates; to monitor water quality; or, to collect other data required by this Discharge Permit. This record shall include repair, replacement or calibration of any monitoring equipment and repair or replacement of any equipment used in the conveyance of process waters throughout this permit area. [20.6.2.3107.A NMAC]
25. Notwithstanding any company record retention policy to the contrary, until such time as NMED determines that all closure measures have been completed in accordance with the requirements of this Discharge Permit, Chino shall retain copies of all data, records, reports, and other documents generated pursuant to this Discharge Permit. Such record retention

period may be increased by the NMED at any time upon written notice to Chino.
[20.6.2.3107.A NMAC]

26. All such data, records, reports, and other documents generated pursuant to this Discharge Permit, shall be provided to the NMED upon request. [20.6.2.3107.A NMAC]

Inspection and Entry

27. Chino shall allow the Secretary or an authorized representative of NMED, upon the presentation of credentials to:
- a. Enter any property or premises owned or controlled by Chino during regular business hours or at other reasonable times upon Chino's premises or at another location where records are kept under the conditions of this Discharge Permit or any Federal or WQCC regulation.
 - b. Inspect and copy, at reasonable times, records required to be kept under the conditions of this Discharge Permit or pursuant to State or Federal water quality regulations.
 - c. Inspect, at reasonable times, any facility, equipment (including monitoring and control equipment for treatment works), practices or operations regulated or required under this Discharge Permit or under any Federal or WQCC regulations.
 - d. Sample or monitor at reasonable times any effluent, water contaminant, or receiving water at any location before or after the discharge for the purpose of assuring compliance with this Discharge Permit or as otherwise authorized by the New Mexico Water Quality Act.
[20.6.2.3107.D NMAC] [74-6-9.B and E WQA]
28. Nothing in this Discharge Permit shall be construed as limiting in any way the inspection and entry authority of the NMED under the WQA, the WQCC Regulations, or any other applicable law or regulation. [20.6.2.3107 NMAC]

Duty to Provide Information

29. Within a reasonable time after a request from the NMED, which time may be specified by the NMED, Chino shall provide the NMED with any relevant information to determine whether cause exists for modifying, terminating, or renewing this Discharge Permit, or to determine whether Chino is in compliance with this Discharge Permit. [20.6.2.3107.D NMAC] [74-6-9.B and E WQA]
30. Nothing in this Discharge Permit shall be construed as limiting in any way the information gathering authority of the NMED under the WQA, the WQCC Regulations, or any other applicable law or regulation. [20.6.2.3107.D NMAC] [74-6-9.B and E WQA]

Spills, Leaks and Other Unauthorized Discharges

31. This Discharge Permit authorizes only those discharges specified herein. Any discharge not authorized by this Discharge Permit or any other Chino Discharge Permit is a violation of the WQCC Regulations at 20.6.2.3104 NMAC. Chino must report any such discharge to the NMED, and it must take corrective action to contain and remove or mitigate the damage caused by the discharge in accordance with Section 2.6.2.1203 NMAC and, if applicable, Condition 17. [20.6.2.1203 NMAC]

Modifications and Amendments

32. Chino shall notify the NMED of any changes to its leachate or process water collection or disposal system, including any changes in the leachate or process water flow rate or the volume of leachate or process water storage, or of any other changes to its mining operations or processes that would result in any significant change in the discharge of water contaminants. Chino shall obtain NMED approval, as a modification to this Discharge Permit pursuant to Section 20.6.2.3109.E, F, or G NMAC, prior to any increase in the quantity leachate or process water discharged, any change in location of a discharge, or any increase in the concentration of water contaminants discharged above those levels approved in this Discharge Permit. [20.6.2.3107 NMAC]

Enforcement

33. Any violation of the requirements and conditions of this Discharge Permit, including any failure or refusal to allow the NMED to enter and inspect records or facilities, or any refusal or failure to provide the NMED with records or information, may subject Chino to an enforcement action. Pursuant to WQA § 74-6-10(A) and (B), such action may include a compliance order requiring compliance immediately or in a specified time, assessing a civil penalty, suspending or terminating the Discharge Permit, or any combination of the foregoing; or an action in district court seeking injunctive relief, civil penalties, or both. Pursuant to the WQA §§ 74-6-10(C) and 74-6-10.1, civil penalties of up to \$15,000 per day of noncompliance may be assessed for each violation of the WQA § 74-6-5, the WQCC regulations, or this Discharge Permit, and civil penalties of up to \$10,000 per day of noncompliance may be assessed for each violation of any other provision of the WQA, or any regulation standard, or order adopted pursuant to such other provision. For certain violations specified in the WQA § 74-6-10.2, criminal penalties may also apply. In any action to enforce this Discharge Permit, Chino waives any objection to the admissibility as evidence of any data generated pursuant to this Discharge Permit. Chino does not waive any argument as to the weight such evidence should be given.

Compliance with Other Laws

34. Nothing in this Discharge Permit shall be construed in any way as relieving Chino of its obligation to comply with all applicable Federal, State, and local laws, regulations, permits,

or orders. Chino does not waive any rights under such applicable Federal, State and local laws, regulations, permits, or orders except as expressly provided in this Discharge Permit. [20.6.2 NMAC] [74-5-5.K WQA]

Liability

35. The approval of this Discharge Permit does not relieve Chino of liability should the operation result in actual pollution of surface or ground water which may be actionable under other laws and/or regulations. [20.6.2.1220 NMAC]

Right to Appeal

36. Chino may file a petition for a hearing before the WQCC on this Discharge Permit. Such petition must be made in writing to the WQCC within thirty (30) days after Chino receives this Discharge Permit. Unless a timely petition for a hearing is made, the decision of NMED shall be final. [74-6-5.N WQA]

Transfer

37. Prior to any transfer of ownership, control, or possession of the permitted facility or any portion thereof, Chino shall notify the proposed transferee in writing of the existence of this Discharge Permit and include a copy of this Permit with the notice. Chino shall deliver or send by certified mail to the NMED a copy of the notification and proof that such notification has been received by the proposed transferee. [20.6.2.3111 NMAC]

Term

38. The effective date of this Discharge Permit is the date it is issued and signed by the Chief of the Ground Water Quality Bureau. The term of this Discharge Permit is five (5) years, and the Permit will automatically expire five (5) years from the date it is issued. To renew this Discharge Permit, Chino must submit an application for renewal at least 120 days before that date. [74-6-5.H and 20.6.2.3109.H NMAC]

Issued this XX day of Month, 2013

Jerry Schoeppner, Chief
Ground Water Quality Bureau
New Mexico Environment Department

Under authority delegated by the Secretary of the New Mexico Environment Department

**CHINO RESERVOIR 3A, DP-493
 MONITORING SCHEDULE**

Area Sub-Area	Locations	Sampling				Notes
		type	Monthly	Quarterly	Annually	
1.	3A-5	mw		A,B,C,W		
2.	3A-7	mw		A,B,C,W		
3.	493-00-01	mw		A,B,C,W		
4.	493-99-02	mw		A,B,C,W		
5.	493-2004-01	mw		A,B,C,W		
6.	493-2004-02	mw		A,B,C,W		
7.	Reservoir 3A	si	inflow, outflow	A,B,C	D	Weekly water elevations
8.	Reservoir 7	si		A,B,C	D	
9.	459-SEEP-5 vicinity	sp		A,B,C		Seep in Santa Rita Pit

Explanation to Abbreviations and Symbols

<p>Type: mw = monitoring well ew = extraction well si = surface impoundment spg = spring sp = seep</p>	<p>Sampling Quarters: Q1 = Jan-Mar Q2 = Apr-Jun Q3 = Jul-Sep Q4 = Oct-Dec</p>
<p>Sampling Analytical Suites: A = Field parameters: Temp, pH, and specific conductance. B = General chemistry parameters: bicarbonate, calcium, magnesium, sodium, potassium, alkalinity, sulfate, chloride, and total dissolved solids. C = Metals parameters: aluminum, arsenic, barium, beryllium, cadmium, chromium, cobalt, copper, iron, lead, manganese, mercury (total concentration only), molybdenum, nickel, selenium, silver, and zinc.¹ D = Organics: benzene, kerosene, total poly aromatic hydrocarbons (PAHs), toluene, ethylbenzene and total petroleum hydrocarbons (TPH), full range. E = Other parameters: any other parameters as identified during ongoing investigations of potential source areas and as required by NMED. W = Depth to water measurement to the nearest 0.01 foot.</p>	

¹If any of the following analytes are non-detectable and below WQCC standards (20.6.2.3103 NMAC) within the first two years of analysis following permit approval, they may be eliminated from the above list: barium, beryllium, mercury, selenium and silver

July 21, 2013

GROUND WATER

JUL 22 2013

BUREAU

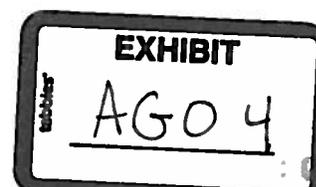
Mr. Jerry Schoeppner, Chief
Ground Water Quality Bureau
New Mexico Environment Department
P.O. Box 5469
Santa Fe, NM 87502-5469

RE: Comments and hearing request on draft Discharge Permit
Renewal DP-493 for the Chino Mines Company Reservoir 3A, Reservoir 9 and
Highway to Heaven

Dear Mr. Schoeppner:

We the undersigned have reviewed the draft Discharge Permit Renewal referenced above as issued by the New Mexico Environment Department (NMED) in a public notice dated June 21, 2013. We are concerned that the draft permit authorizes Chino Mines Company to discharge in a manner that allows active and ongoing pollution of ground water in violation of Water Quality Control Commission (WQCC) rules and the statutory permit approval requirements of the Water Quality Act (WQA). We have the following comments on the above referenced draft permit renewal.

1. In permit Findings #1 and #2 on Page 3 of the draft permit, NMED finds that effluent or leachate from Reservoir 3A may be discharged in a manner such that it will migrate from the reservoir into ground water.
2. On page 2, the permit states that the quality of solutions in the mine process water and impacted stormwater that will be discharged to Reservoir 3A exceeds the WQCC water quality standards of 20.6.2.3103 NMAC for copper, manganese, iron, cadmium, chromium, fluoride, pH, sulfate, zinc and total dissolved standards. In addition, the permit states that Reservoir 3A contains sediments with leachable salts and metals that may become mobile and migrate into ground water.
3. In Finding #5 on Page 3 of the draft permit, NMED finds that discharges from Reservoir 3A have caused contamination of ground water in excess of WQCC water quality standards of 20.6.2.3103 NMAC. The permit would allow active and continual pollution of ground water in excess of WQCC standards.

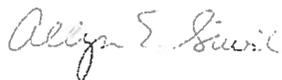


4. Finding #4 on Page 3 of the draft permit states that NMED considers the discharge site covered by DP-493 to be a potential place of withdrawal of water for present or reasonably foreseeable future use. We agree that the DP-493 discharge site is a place of withdrawal of water for present or reasonably foreseeable future use.

5. Pursuant to Section 74-6-5E(3) of the WQA and WQCC rules in 20.6.2.3109.C NMAC and 20.6.2.3109.H NMAC, a discharge permit must be denied if the discharge would cause water pollution in excess of the WQCC standards of 20.6.2.3103 NMAC at any place of withdrawal of water for present or reasonably foreseeable future use. According to the draft permit, Reservoir 3A has already caused ground water pollution in excess of WQCC standards at a place of withdrawal of water for present or reasonably foreseeable future use. Under the draft permit, Chino would be allowed to continue to cause water pollution in excess of WQCC standards at a place of withdrawal of water for present or reasonably foreseeable future use. This is a violation of the WQA and WQCC rules.

For the above reasons, NMED is required by statute and rule to deny the discharge permit renewal for DP-493. Therefore, we the undersigned respectfully request a public hearing on the permit if NMED intends to approve the permit as proposed. We also request to be placed on the facility-specific list for DP-493 and to be copied on all correspondence related to this permit.

Sincerely,



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