UNITED STATES ENVIRONMENTAL PROTECTION AGENCY
REGION 6
1445 ROSS AVENUE
DALLAS, TEXAS 75202-2733

MAY 3 1 2016

CERTIFIED MAIL: RETURN RECEIPT REQUESTED (7010 2780 0002 4353 9021)

Mr. Phil Howard
Chevron Mining, Inc. – Questa Mine
PO Box 469
Questa, NM 87556

Re: Chevron Mining, Inc. – Questa Mine
NPDES Permit No. NM0022306
Final Permit Decision

Dear Mr. Howard:

This package constitutes EPA's final permit decision on the permit modification for the above referenced facility. Enclosed are the responses to comments received during the public comment period and replacement pages for the modified permit. According to EPA regulations at 40 CFR124.19, within 30 days after a final permit decision has been issued, any person who filed comments on that draft permit or participated in the public hearing may petition the Environmental Appeals Board to review any condition of the permit decision.

Should you have any questions regarding the final permit modification, please feel free to contact Isaac Chen of the NPDES Permits & TMDLs Branch at the above address or VOICE:214-665-7364, FAX:214-665-2191, or EMAIL:chen.isaac@epa.gov. Should you have any questions regarding compliance with the conditions of this permit, please contact the Water Enforcement Branch at the above address or VOICE: 214-665-6468.

Sincerely yours,

William K. Honker, P.E.
Director
Water Division

Enclosures

cc (w/enclosures): New Mexico Environment Department

NPDES PERMIT NO. NM0022306
RESPONSE TO COMMENTS

RECEIVED ON THE SUBJECT DRAFT NATIONAL POLLUTANT DISCHARGE ELIMINATION SYSTEM (NPDES) PERMIT IN ACCORDANCE WITH REGULATIONS LISTED AT 40CFR124.17

APPLICANT:

ISSUING OFFICE: U.S. Environmental Protection Agency
Region 6
1445 Ross Avenue
Dallas, Texas 75202-2733

PREPARED BY: Isaac Chen
Environmental Engineer
Permits & Technical Section (6WQ-PP)
NPDES Permits Branch
Water Quality Protection Division
VOICE: 214-665-7364
FAX: 214-665-2191
EMAIL: chen.isaac@epa.gov

PERMIT ACTION: Final permit decision and response to comments received on the draft NPDES permit modification publicly noticed on April 30, 2016.

DATE PREPARED: May 26, 2016

Unless otherwise stated, citations to 40CFR refer to promulgated regulations listed at Title 40, Code of Federal Regulations, revised as of May 6, 2016.

CHANGES FROM DRAFT PERMIT

There are changes from the draft permit modification publicly noticed on April 30, 2016. All changes and their rationale for changes can be found in the following response to comments. Changes are listed below:

1. Proposed change in the maximum daily limitation for total arsenic at Outfall 002 to 0.319 mg/l from the 0.665 mg/l in the final permit issued September 30, 2013, was not made.
2. Changed monitoring frequency for total aluminum and total cyanide at Outfall 101 from 1/month to 1/quarter.

Comments Received

New Mexico Department of Game and Fish (DGF) sent a comment email dated May 12, 2016.

Chevron Mining Inc. (CMI, the permittee) sent a comment letter via email dated May 20, 2016.

EPA's Response to Comments

Comment 1: DGF commented that the New Mexico Department of Game and Fish does not anticipate adverse effects to wildlife or habitats from implementation of the NPDES Permit for Questa Mine.

EPA's Response: Comment noted.

Comment 2: CMI commented that CMI supports the new virtual Outfall 101 combined load limits, and the proposed change is consistent with the New Mexico Environment Department's (NMED) revised 401 certification.

EPA's Response: Comment noted.

Comment 3: CMI commented that that the draft permit proposal to decrease the daily maximum total arsenic concentration limit for Outfall 002 from 0.665 mg/L to 0.310 mg/L is in error as it was not addressed in the NMED revised certification of the permit that was the basis for the modification and was not consistent with the Fact Sheet for the proposed modification.

EPA's Response: EPA concurs. The 0.665 mg/l limit in the 2013 final permit was based on acute aquatic life standard and should be retained in the permit modification without change. The error is corrected in the final permit.

Comment 4: CMI commented that the monitoring frequencies for total aluminum and total cyanide for load at the virtual Outfall 101 are not consistent with the monitoring frequencies for those parameters for Outfall 002. Monitoring for those parameters is not required for Outfall 001. Specifically, the draft permit requires that monitoring for total aluminum and total cyanide for the virtual Outfall 101 is once per month, while the monitoring for those parameters for Outfall 002 is once per quarter. The Fact Sheet does not identify a basis for the differences in monitoring frequencies. CMI requests the monitoring frequencies for total aluminum and total cyanide at Outfall 101 be changed to 1/quarter.

EPA's Response: EPA agrees that the monitoring frequency for total aluminum and for total cyanide at the new virtual outfall 101 shall be consistent with the monitoring frequency established at Outfall 002. Final permit has the monitoring frequency of 1/quarter for aluminum and cyanide.

Region 6
1445 Ross Avenue
Dallas, Texas 75202-2733

NPDES Permit No. NM0022306

AUTHORIZATION TO DISCHARGE UNDER THE NATIONAL POLLUTANT DISCHARGE ELIMINATION SYSTEM

In compliance with the provisions of the Clean Water Act, as amended, (33 U.S.C. 1251 et. seq; the "Act"),

Chevron Mining Inc. – Questa Mine
P.O. Box 469
Questa, NM 87556

is authorized to discharge from a facility located near Questa in Taos County, to the receiving water named

Red River, Waterbody Segment Code No. 20.6.4.122 of the Rio Grande Basin

in accordance with effluent limitations, monitoring requirements and other conditions set forth in Parts I, II, and III hereof. [ONLY PART I OF THE PERMIT IS PROVIDED FOR REVIEW AND COMMENT.]

This permit modification supersedes and replaces Part I, Section A of the NPDES Permit No. NM0022306 issued on September 30, 2013.

This permit shall become effective on July 1, 2016

This permit and the authorization to discharge shall expire at midnight, October 31, 2018.

Issued on MAY 3 1 2016

William K. Honker, P.E.
Director
Water Division (6WQ)

Prepared by

Isaac Chen
Environmental Engineer
Permitting Section (6WQ-PP)

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PART I
REQUIREMENTS FOR NPDES PERMITS

A. EFFLUENT LIMITATIONS AND MONITORING REQUIREMENTS

OUTFALL 002

During the period beginning the effective date and lasting through the expiration date of the permit, the permittee is authorized to discharge from Outfall 002 – collected seepage from tailings facility.

Such discharges shall be limited and monitored by the permittee as specified below:

EFFLUENT CHARACTERISTIC	DISCHARGE LIMITATIONS				MONITORING REQUIREMENTS	
	CONCENTRATION (mg/L, unless stated)		LOADING (Lbs/day, unless stated)		FREQUENCY	SAMPLE TYPE
	MONTHLY AVERAGE	DAILY MAXIMUM	MONTHLY AVERAGE	DAILY MAXIMUM		
Flow (MGD)	***	***	Report	Report	Continuous	Record
Total Manganese	1.0	1.5	(**)	(**)	1/month	24-hr. composite
Fluoride	3.0	3.0	16.1	16.1	1/month	24-hr. composite
Total Suspended Solids	20	30	107.6	161.4	1/month	24-hr. composite
Total Arsenic	0.207	0.665	(**)	(**)	1/month	24-hr. composite
Total Cadmium	1.19 µg/l	1.79 µg/l	(**)	(**)	1/month	24-hr. composite
Total Copper	0.029	0.044	(**)	(**)	1/month	24-hr. composite
Total Lead	0.057	0.086	(**)	(**)	1/month	24-hr. composite
Total Mercury	1 µg/l	2 µg/l	(**)	(**)	1/month	24-hr. composite
Total Molybdenum	3.30	5.03	(**)	(**)	1/month	24-hr. composite
Total Zinc	0.485	0.640	(**)	(**)	1/month	24-hr. composite
Total Aluminum	Report	Report	(**)	(**)	1/quarter	24-hr. composite
Total Cyanide	Report	Report	(**)	(**)	1/quarter	24-hr. composite
Dissolved Uranium	Report	Report	Report	Report	1/year	24-hr. composite

The pH limit range shall be no less than 6.6 standard units and no greater than 8.8 standard units and shall be monitored 1/day by grab sample.

EFFLUENT CHARACTERISTICS	DISCHARGE MONITORING		MONITORING REQUIREMENTS	
WHOLE EFFLUENT TOXICITY TESTING (7-day Static Renewal)	MONTHLY AVG MINIMUM	7-DAY MINIMUM	MEASUREMENT FREQUENCY	SAMPLE TYPE
Ceriodaphnia dubia	Report	Report	1/3 Months (*1)	24-Hr Composite
Pimephales promelas	Report	Report	1/3 Months (*1)	24-Hr Composite

Note:
(**) See combined loading limitations for OUTFALL 101 on page 7 of Part I, below.

(*1) The frequency for the first year (12 months) is 1/3 months. If all tests pass, the frequencies for year 2 to 5 are 1/6 months for Ceriodaphnia dubia and 1/year for Pimephales promelas. If fails any test, frequency returns to 1/3 months for remainder of the permit term.

There shall be no discharge of floating solids or visible foam in other than trace amounts.

Samples taken in compliance with the monitoring requirements specified above shall be taken at the following location(s): At the final Outfall 002. The quarterly WET testing sample must be collected during the milling operation period if milling operations take place in that quarter.

Monitoring reduction associated with Compliance Schedule specified in Part I.B. of this permit: All monitoring requirements at Outfall 002 could be reduced to 1/6 months and WET tests could be reduced to 1/year after CMI demonstrates that: 1) CMI ceases conveying all waste streams to tailings facility; 2) discharges at Outfall 002 after cessation of water conveyance to the tailings facility are in compliance with effluent limitations and pass WET tests; and 3) the maximum discharge flow at Outfall 002 is below and not expected to exceed 0.645 MGD for the rest of the permit term.

OUTFALLS 004 and 005

During the period beginning the effective date and lasting through the expiration date of the permit, the permittee is authorized to discharge from Outfalls 004 and 005 – storm water.

Such discharges shall be limited and monitored by the permittee as specified below:

EFFLUENT CHARACTERISTIC REQUIREMENTS	DISCHARGE LIMITATIONS				MONITORING	
	CONCENTRATION (mg/L, unless stated)		LOADING (Lbs/day, unless stated)		FREQUENCY	SAMPLE TYPE
	MONTHLY AVERAGE	DAILY MAXIMUM	MONTHLY AVERAGE	DAILY MAXIMUM		
Flow (MGD)	***	***	Report	Report	1/day	Measure by Weir
Chemical Oxygen Demand	125	125	---	---	1/day	Grab
Total Suspended Solids	20	30	---	---	1/day	Grab
Total Zinc	0.2	0.2	---	---	1/day	Grab
Total Arsenic	0.665	0.665	---	---	1/day	Grab
Total Cadmium	1.78 µg/l	1.78 µg/l	---	---	1/day	Grab
Total Copper	0.044	0.044	---	---	1/day	Grab
Total Lead	0.403	0.403	---	---	1/day	Grab
Total Mercury	1.4 µg/l	1.4 µg/l	---	---	1/day	Grab
Total Aluminum	3.87	3.87	---	---	1/day	Grab
Total Silver	0.012	0.012	---	---	1/day	Grab
Total Chlordane	2.4 µg/l	2.4 µg/l	---	---	1/day	Grab
Total Residual Chlorine	0.019	0.019	---	---	1/day	Grab

The pH limit range shall be no less than 6.6 standard units and no greater than 8.8 standard units and shall be monitored 1/day by grab sample.

EFFLUENT CHARACTERISTICS	DISCHARGE MONITORING		MONITORING REQUIREMENTS	
WHOLE EFFLUENT TOXICITY TESTING (48 Hr. Static Renewal)	MONTHLY AVG MINIMUM	48-Hr MINIMUM	MEASUREMENT FREQUENCY	SAMPLE TYPE
Daphnia pulex	Report	Report	1/3 Months (*1)	24-Hr Composite
Pimephales promelas	Report	Report	1/3 Months (*1)	24-Hr Composite

Note: (*1) When discharging. See Part II.G.

All samples shall be collected at the outfall where overflows leave the catch basin whenever a discharge occurs.

NEW OUTFALL 001

During the period beginning the start-up of Outfall 001 (no later than October 1, 2016) and lasting through the expiration date of the permit, the permittee is authorized to discharge from Outfall 001 – treated mills wastewater, mine drainage, storm water, captured groundwater and other sources of wastewaters.

Such discharges shall be limited and monitored by the permittee as specified below:

EFFLUENT CHARACTERISTIC	DISCHARGE LIMITATIONS				MONITORING REQUIREMENTS	
	CONCENTRATION (mg/l, unless stated)		LOADING (lb/day, unless stated)		FREQUENCY	SAMPLE TYPE
	MONTHLY AVERAGE	DAILY MAXIMUM	MONTHLY AVERAGE	DAILY MAXIMUM		
Flow (MGD)	---	---	Report	Report	Continuous	Record
Total Suspended Solids	20	30	769	1153	1/month	24-hr. composite
Total Arsenic	0.101	0.362	(**)	(**)	1/ month	24-hr. composite
Total Cadmium	0.6 µg/l	0.9 µg/l	(**)	(**)	1/ month	24-hr. composite
Total Copper	0.029	0.044	(**)	(**)	1/ month	24-hr. composite
Total Lead	0.016	0.024	(**)	(**)	1/ month	24-hr. composite
Total Mercury	0.84 µg/l	1.26 µg/l	(**)	(**)	1/ month	24-hr. composite
Total Zinc	0.484	0.640	(**)	(**)	1/ month	24-hr. composite
Total Molybdenum	1.238	1.857	(**)	(**)	1/ month	24-hr. composite

Note:
(**) See combined loading limitations for OUTFALL 101 on page 7 of Part I, below.

The pH limit range shall be no less than 6.6 standard units and no greater than 8.8 standard units and shall be monitored 1/day by grab sample.

There shall be no discharge of floating solids or visible foam in other than trace amounts.

EFFLUENT CHARACTERISTICS	DISCHARGE MONITORING		MONITORING REQUIREMENTS	
WHOLE EFFLUENT TOXICITY TESTING (7-day Static Renewal)	MONTHLY AVG MINIMUM	7-DAY MINIMUM	MEASUREMENT FREQUENCY	SAMPLE TYPE
Ceriodaphnia dubia	Report	Report	1/3 Months (*1)	24-Hr Composite
Pimephales promelas	Report	Report	1/3 Months (*1)	24-Hr Composite

Note: (*1) The frequency for the first year (12 months) is 1/3 months. If all tests pass, the frequency for year 2 to 5 reduces to 1/6 months for Ceriodaphnia dubia and 1/year for Pimephales promelas. If fails any test, frequency returns to 1/3 months for remainder of the permit term. Also see Part II.F.

Sampling Location

Samples shall be taken at Outfall 001, a point after the last Equalizer Tank but before reach the Red River.

OUTFALL 101

During the period beginning the start-up of Outfall 001 (no later than October 1, 2016) and lasting through the expiration date of the permit, the permittee is authorized to discharge from New Outfall 001 and Outfall 002, as described above.

Such discharges shall be limited and monitored by the permittee with the combined loading limits as specified below:

EFFLUENT CHARACTERISTIC	DISCHARGE LIMITATIONS				MONITORING REQUIREMENTS	
	CONCENTRATION (mg/l, unless stated)		LOADING (lb/day, unless stated)		FREQUENCY (**)	SAMPLE TYPE (**)
	MONTHLY AVERAGE	DAILY MAXIMUM	MONTHLY AVERAGE	DAILY MAXIMUM		
Total Manganese	---	---	8.97	13.45	1/ month	24-hr. composite
Total Arsenic	---	---	1.66	6.27	1/ month	24-hr. composite
Total Cadmium	---	---	0.0162	0.0298	1/ month	24-hr. composite
Total Copper	---	---	0.673	1.009	1/ month	24-hr. composite
Total Lead	---	---	0.609	0.914	1/ month	24-hr. composite
Total Mercury	---	---	0.00649	0.0119	1/ month	24-hr. composite
Total Molybdenum	---	---	39.28	59.42	1/ month	24-hr. composite
Total Zinc	---	---	8.604	10.532	1/ month	24-hr. composite
Total Aluminum	---	---	1.28	5.80	1/ quarter	24-hr. composite
Total Cyanide	---	---	0.0429	0.0640	1/ quarter	24-hr. composite

Note: (**) Report combined results from samples collected at Outfall 002 and at New Outfall 001.