Chevron

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June 26, 2017

Compliance Assurance and Enforcement
Water Enforcement Branch (6EN-WC)
U.S. Environmental Protection Agency
1445 Ross Avenue, Suite 1200
Dallas, TX 75202

RE: Chevron Mining Inc. – Questa Mine – NPDES NM0022306
Quarterly Progress Reports for Cessation of Waste Streams to Tailing Facility
April 2017 through June 2017

Dear Ms. Gooden-Jackson,

As required by Part I.B of NPDES Permit NM0022306, Chevron Mining Inc. submits its report of progress towards cessation of discharges to the tailings facility. Please note that this report covers the following reporting periods, April 2017 to June 2017. Please note that on Tuesday, May 16, 2017, all conveyances of mine drainage, captured groundwater and spring water down the tailing pipeline ceased.

Progress Report for Reporting Period

- Exterior construction activities:
  - Install flashing on building's exterior where pipes penetrate.
  - Install flashing around the Vent ducts from the AHU's and Unit Heaters.
  - Installing manhole ring and cover for exterior vaults.
  - Installing HDPE pipe line to the Fire Water Tank vault.
  - Fire Water Tank piping construction punch list items.
  - Testing the Tamper Switches on the Fire Water Tank.
  - Temporary Water Plant was successfully tied into the MCC building.
  - Fire Water Line flushing and Hydro testing of the line successfully passed.
  - Flushing the ballast line to the 005 outfall.
  - Fire Marshall Inspection of the Fire Water line and Fire Water tank.

- Interior water treatment plant construction activities:
  - Work on punch list items, repair tags, installing process piping labels, torqueing of Hilti Pipe support bolts continued.
  - Continued touchup painting of handrails and welds throughout the building.
  - Continued commissioning paperwork activities, testing pumps and motors.
  - Testing of subsystems and prepare FTPs for Sludge Train 2, Lime System Train 2, Gypsum Desaturation, and FTPs for other systems continued.

- Work on fiber optic cable terminations, perform instrument checkouts, instrumentation set points/alarms, and install tags on equipment continued.
- Operate plant at full flow for Train #1 recirculation mode.
- Install cloth media and FTP for Filter Press and install trucks sensors.
- Fill Train #2 with water, FTP for Train #2 and Flushing.
- Insulate CO2 pipes, install heat traces on outside tanks, and insulate boiler pipes.
- Flush the Gypsum Desaturation system and filling the tank.

- Testing of smoke and heat detectors in the Lime Silo, Filter Press and on the ceiling of the WTP main area, all tests successfully passed. Mechanical Completion was achieved on May 11 and MC certificate was signed.
- Fire Marshall Visit on May 22, kick-off meeting and plant tour with the NM Fire Marshall inspectors.
- Started inspections on May 23 with NM Fire Marshall inspectors, performing fire alarm testing, elevator testing, fire pump testing, sprinklers system testing, smoke detectors testing, all tests successfully passed.
- Obtained Certificate of Occupancy June 8, 2017 from Taos County after successful NM Fire Marshall Inspections.
- Initiation of Train #1 Commissioning on June 8, 2017.
- Plant successfully completed the first 24 hour run on Train #1, plant is now operating 24/7.

Should you have any further questions or require additional information please contact Jeff Schoenbacher at (575) 586-7537.

Sincerely,

Armando Martinez

cc: Ms. Gladys Gooden-Jackson, NPDES Permit Oversight
Mr. Bruce Yurdin, Program Manager SWQB
Jeff Schoenbacher, (CEMC)

JTS: