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Secretary

MICHAEL J. BURKHART
Deputy Secretary

RICHARD MITZELFELT
Director

June 26, 1989

Carl D. Shook, Vice President
Refining Operation and Corporate Development
Giant Refining Co.
7227 North 16th Street
Phoenix, Arizona 85020

Dear Mr. Shook:

Richard Mitzelfelt requested that I respond to your June 8, 1989 letter. I have reviewed the case and spoke with the attorney of record, Tracy Hughes, and the Hazardous Waste staff. I want you to know that initiating enforcement actions, assessing penalties or filing court actions are not activities the Environmental Improvement Division takes lightly. In the area of hazardous waste management, there are specific guidelines set out in an enforcement response policy. The purpose of the policy is to insure that all regulated entities are treated equitably and fairly.

In the Giant Refinery case, as you noted, several violations were cited at a hazardous waste inspection. According to the New Mexico Hazardous Waste Act each one of those could be subject to an administrative penalty of up to \$10,000 per day per violation.

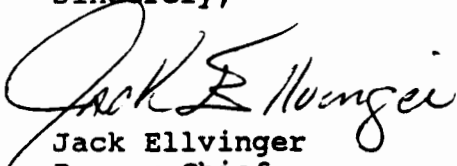
I understand that you do not agree with the installation of lysimeters and tensiometers. These items are, however, an integral segment of the monitoring aspect for land application units. Facilities utilizing land application techniques for the disposal of hazardous waste have been required to have tensiometers and lysimeters in place for over eight years. As you can see, \$10,000 per day for eight years for this one violation could have added up to a staggering amount.

It is my opinion that the Hazardous Waste Section has proceeded prudently in this matter, the \$20,000 proposed penalty is justifiable, and they have provided Giant ample opportunity to settle this case.

Carl D. Shook
Giant Refining Co.
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If you should have further questions concerning the case please have your attorney address them to Ms. Hughes at (505) 827-2987, the attorney of record for the Environmental Improvement Division.

Sincerely,


Jack Ellvinger
Bureau Chief

cc: Tracy Hughes
Boyd Hamilton