



DATE: JUNE 1, 1998

IRREVOCABLE STANDBY LETTER OF CREDIT NUMBER: C7354858



BENEFICIARY
STATE OF NEW MEXICO ENVIRONMENT
DEPT.
P.O. BOX 26110
SANTA FE, NM 87502

APPLICANT
GIANT INDUSTRIES ARIZONA, INC.
23733 NO. SCOTTSDALE ROAD
SCOTTSDALE, AZ 85255

AMOUNT
USD 776,840.00
SEVEN HUNDRED SEVENTY SIX THOUSAND
EIGHT HUNDRED FORTY AND 00/100'S US
DOLLARS

EXPIRATION
JUNE 1, 1999 AT OUR COUNTERS

WE HEREBY ESTABLISH OUR IRREVOCABLE STANDBY LETTER OF CREDIT NO. C7354858 IN YOUR FAVOR, AT THE REQUEST AND FOR THE ACCOUNT OF GIANT INDUSTRIES ARIZONA, INC., 23733 NO. SCOTTSDALE ROAD, SCOTTSDALE, ARIZONA 85255 UP TO THE AGGREGATE AMOUNT OF USD 776,840.00 (SEVEN HUNDRED SEVENTY SIX THOUSAND EIGHT HUNDRED FORTY AND NO/100 UNITED STATES DOLLARS), AVAILABLE UPON PRESENTATION OF THE FOLLOWING DOCUMENTS:

1. YOUR SIGHT DRAFT, BEARING REFERENCE TO THIS LETTER OF CREDIT NO. C7354858; AND
2. YOUR SIGNED STATEMENT READING AS FOLLOWS:

"I CERTIFY THAT THE AMOUNT OF THE DRAFT IS PAYABLE PURSUANT TO REGULATIONS ISSUED UNDER AUTHORITY OF THE RESOURCE CONSERVATION AND RECOVERY ACT OF 1976 AS AMENDED."

THIS LETTER OF CREDIT IS EFFECTIVE IMMEDIATELY AND SHALL EXPIRE ON JUNE 1, 1999, BUT SUCH EXPIRATION DATE SHALL BE AUTOMATICALLY EXTENDED FOR A PERIOD OF ONE YEAR ON JUNE 1, 1999 AND ON EACH SUCCESSIVE EXPIRATION DATE, UNLESS, AT LEAST 120 DAYS BEFORE THE CURRENT EXPIRATION DATE, WE NOTIFY YOU AND GIANT INDUSTRIES ARIZONA, INC. BY CERTIFIED MAIL OR COURIER THAT WE HAVE DECIDED NOT TO EXTEND THIS LETTER OF CREDIT BEYOND THE CURRENT EXPIRATION DATE. IN THE EVENT YOU ARE SO NOTIFIED, ANY UNUSED PORTION OF THE CREDIT SHALL BE AVAILABLE UPON PRESENTATION OF YOUR SIGHT DRAFT FOR 120 DAYS AFTER THE DATE OF RECEIPT BY BOTH YOU AND GIANT INDUSTRIES ARIZONA, INC. OF OUR NOTICE AS SHOWN ON THE SIGNED RETURN RECEIPTS.

WHENEVER THIS LETTER OF CREDIT IS DRAWN ON UNDER AND IN COMPLIANCE WITH THE TERMS OF THIS CREDIT, WE SHALL DULY HONOR SUCH DRAFT UPON PRESENTATION TO US, AND WE SHALL DEPOSIT THE AMOUNT OF THE DRAFT DIRECTLY INTO THE STANDBY TRUST FUND OF GIANT INDUSTRIES ARIZONA, INC. IN ACCORDANCE WITH YOUR INSTRUCTIONS.

WE CERTIFY THAT THE WORDING OF THIS LETTER OF CREDIT IS IDENTICAL TO THE WORDING SPECIFIED IN 40 CFR 264.151 (D) AS SUCH REGULATIONS WERE CONSTITUTED ON THE DATE SHOWN IMMEDIATELY ABOVE.

THIS CREDIT IS SUBJECT TO THE UNIFORM CUSTOMS AND PRACTICE FOR DOCUMENTARY CREDITS (1993 REVISION), INTERNATIONAL CHAMBER OF

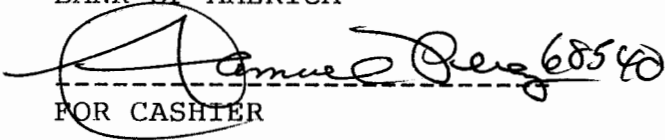
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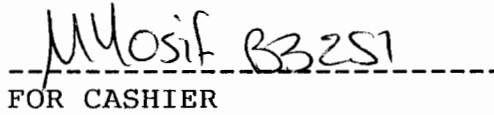
THIS IS AN INTEGRAL PART OF LETTER OF CREDIT NUMBER: C7354858

COMMERCE PUBLICATION NO. 500.

IF YOU REQUIRE ANY ASSISTANCE OR HAVE ANY QUESTIONS REGARDING THIS TRANSACTION, PLEASE CALL 312-923-5885.

BANK OF AMERICA


FOR CASHIER


FOR CASHIER

THIS DOCUMENT CONSISTS OF 2 PAGE(S).

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