



NEW MEXICO ENERGY, MINERALS and ENTERED
NATURAL RESOURCES DEPARTMENT

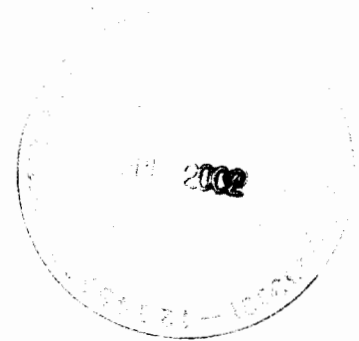
GARY E. JOHNSON
Governor
Betty Rivera
Cabinet Secretary

Lori Wrotenbery
Director
Oil Conservation Division



July 17, 2002

CERTIFIED MAIL
RETURN RECEIPT NO. 7001-1940-0004-7923-0476



Mr. Barry Holman
Giant Refining Company
50 County Rd. 4990
Bloomfield, New Mexico 87413

**RE: SITE INVESTIGATION REPORT AND ABATEMENT PLAN
GIANT BLOOMFIELD REFINERY (GW-001)**

Dear Mr. Holman:

The New Mexico Oil Conservation Division (OCD) has reviewed Giant Refining Company's (Giant) January 2, 2002 correspondence titled "SAN JUAN REFINING COMPANY DISCHARGE PLAN" and accompanying September 2001 "DISCHARGE PLAN APPLICATION, SITE INVESTIGATION AND ABATEMENT PLAN, CMS, VOLUME II". These documents contain Giant's summary report on soil and ground water investigative actions conducted at the refinery to date and Giant's proposal for remediation of contaminated soil and ground water.

The OCD has the following comments and requests for information regarding the above referenced document:

1. Most of the information the OCD requires to complete an evaluation of the above referenced document has already been requested by the Hazardous Waste Bureau of the New Mexico Environment Department (NMED) in their May 28, 2002 correspondence to Giant titled "REQUEST FOR SUPPLEMENTAL INFORMATION (RSI), CORRECTIVE MEASURES STUDY (SITE INVESTIGATION AND ABATEMENT PLAN), GIANT REFINING COMPANY, BLOOMFIELD REFINERY, EPA ID#NMD089416416, HWB-GRCB-01-001". In order to answer OCD's concerns and prevent duplicative information, Giant shall submit to the OCD a copy of their response to NMED's request for information.

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2. The OCD still does not have complete information regarding seepage control actions for the San Juan River. On February 17, 1998 Giant submitted a remediation plan for the river bank contamination which included installation of a sheet piling system, installation of a recovery/monitor well and enhanced bioremediation of contaminated soils. This work plan was conditionally approved by the OCD on March 6, 1998. Giant submitted requested modifications to the sheet piling system work plan on May 27, 1999, June 21, 1999 and June 22, 1999. The OCD requested additional information on the proposed modifications on July 2, 1999. This information was never submitted and Giant implemented the proposed modifications in the summer of 1999 without OCD approval. To date the OCD has not received either the July 2, 1999 requested information nor any reports on the remediation and monitoring activities as required in the OCD's initial March 6, 1998 approval. In addition, the recommended abatement plan for the river bank area in Section 9 does not include some of the proposed remedial actions which were previously approved (ie. remediation of contaminated soils and installation of a recovery well) . In order to resolve this issue the OCD requires that Giant submit a report on all remedial actions conducted in the river bank area. The report shall provide a summary of all remediation and monitoring actions; information on how Giant has complied with the OCD's March 6, 1998 conditions of approval; maps and as built construction specifications for the items requested in the OCD's July 2, 1999 correspondence; and a recommended remediation plan for the river bank areas.
3. The main text of the document discusses the need for additional upgradient and downgradient monitor wells in order to determine background water quality and complete the delineation of the extent of ground water contamination at the refinery. Please provide a work plan to accomplish this task.
4. The OCD defers comment on Giant's conclusions regarding the source of the total dissolved solids (TDS), chloride, nitrate and metals contamination of ground water and the need for remediation of these constituents until the OCD has the opportunity to review information on background water quality for the site.
5. Please provide a work plan for the proposed enhanced in-situ bioremediation pilot study for remediation of dissolved phase hydrocarbon contamination of ground water.
6. The recommended monitoring plan does not include a plan for monitoring potential migration of contaminants into surface water in the San Juan River. Please submit such a surface water monitoring plan.

Please submit the above information to the OCD Santa Fe Office by August 30, 2002 with a copy provided to the OCD Aztec District Office. Submission of the above information will allow the OCD to complete a review of Giant's abatement plan for the Bloomfield Refinery.

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If you have any questions, please contact me at (505) 476-3491.

Sincerely,



William C. Olson
Hydrologist
Environmental Bureau

cc: Denny Foust, OCD Aztec District Office
Dave Cobrain, NMED Hazardous and Radioactive Materials Bureau