

Email from
GRCB 04



ENTERED

December 17, 2004

Mr. James R. Schmaltz
Environmental Manager
Giant Refining Company (Giant)
P.O. Box 159
Bloomfield, New Mexico 87413

Re: Corrective Action Plan

Dear Mr. Schmaltz:

The New Mexico Oil Conservation Division (OCD) is in receipt of the Corrective Action Plan and cover letter dated November 16, 2004. The plan outlines how Giant proposes to mitigate the off-site migration of petroleum hydrocarbons within the shallow-zone soils along the north property boundary of the Bloomfield refinery.

OCD hereby approves of the plan with the following conditions:

1. All information and or actions required by the New Mexico Environment Department Hazardous Waste Bureau shall become part of this approval.
2. The barrier wall shall be imbedded a minimum of 5 feet into the Nacimiento Formation. A barrier wall conceptual "flow net study" shall be conducted to ensure the wall is buried deep enough to stop significant seepage from going under the wall. Please provide for OCD approval before actual installation of wall.
3. The final barrier wall type shall be submitted to OCD for approval before installation. Giant shall demonstrate to OCD that the barrier wall type and design will meet any structural requirement and hydraulic conductivity (permeability (k)) of 1×10^{-7} cm/sec.
4. Detail "as built drawings" and photo documentation shall be supplied at the end of construction. At least one of the drawings shall show a side view along the entire wall.

Daily logs shall be kept during the construction phase. All pertinent information shall be logged such as contamination observed, soil characteristics, water levels, depth to Nacimiento formation, progress made each day, general weather, and any other pertinent information that should be logged that may cause a deviation of the approved design and/or any anomalies found in the trench which may cause Giant to deviate from the plan or be of a concern.

5. Giant shall submit a weekly progress report and photos via E-mail on Monday morning.
6. Giant shall submit the fluid collection system design for approval before actual installation. Giant may remove fluids during the course of the project for logistic and safety reasons. All fluids and waste removed shall be disposed of or recycled in an approved manner.
7. Giant shall maintain a qualified technical person on site during the construction phase to ensure quality assurance and control of the project. This person shall be experienced in identifying the Nacimiento Formation. Ample confirmation bottom hole soil samples shall be collected in areas where the proposed collection systems may be placed. Samples shall be collected and preserved to properly identify/classify the soils and perform permeability test in a certified soils laboratory if deemed warranted by OCD.
8. Giant will notify the OCD Santa Fe office and the OCD District office at least 72 hours in advance of all scheduled activities such that the OCD has the opportunity to witness the events and/or split samples during OCD's normal business hours.
9. Giant shall submit a plan for OCD approval to measure and monitor the effectiveness of the barrier wall. This plan should include any area where contamination as been discovered and various monitoring points behind the barrier wall.

Please be advised that NMOCD approval of this plan does not relieve (Giant) of liability should their operations fail to adequately investigate and remediate contamination that pose a threat to ground water, surface water, human health or the environment. In addition, NMOCD approval does not relieve (Giant) of responsibility for compliance with any other federal, state, or local laws and/or regulations.

Mr. James R. Schmaltz
Environmental Manager
Giant Refining Company (Giant)

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If you have any questions please do not hesitate to contact me at 505-476-3487 or e-mail
WPRICE@state.nm.us.

Sincerely;

A handwritten signature in black ink, appearing to read "Wayne Price". The signature is written in a cursive style with a large initial "W".

Wayne Price-Pet. Engr. Spec.

cc: OCD Aztec Office