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December 20, 2005

Marcia Moncrieffe, Esq.
Assistant Regional Counsel
United States Environmental Protection Agency
Region 6
Mail Code 6RC-EW
1445 Ross Avenue, Suite 1200
Dallas, TX 75202-2733

Re: San Juan Refining Company d/b/a Giant Refining Company;
Docket No. RCRA-06-2005-0918

Dear Ms. Moncrieffe:

By letter to you dated November 11, 2005, I described a proposed course of action for resolving the referenced Complaint. The purpose of this letter is to follow up on that proposed course of action by providing you with a conceptual proposal for addressing benzene in effluent from the API Separator.

Please find enclosed for EPA's review a description and a flow diagram of two benzene strippers. These two benzene strippers would be configured in series and would receive all discharges from the API Separator. The second stripper would discharge directly into the first of three, multiple-lined aeration ponds. The discharge would be below the RCRA toxicity characteristic level for benzene.

Giant has reviewed the potential need to protect the two benzene strippers from the possibility of discharge surges from the API Separator. As a result of the declining production of crude oil in the Four Corners area in recent years, we have not been able to cost-effectively obtain sufficient amounts of crude oil to operate the Bloomfield refinery at full capacity. We are planning to bring supplemental crude oil supplies to the refinery from other areas through an idle crude oil pipeline system, but that plan, if successful, would not be operational before the end of 2006. Giant therefore is currently operating the Bloomfield Refinery at approximately 60% capacity. The current API Separator is

designed for the Refinery to operate at 100% capacity as well as for the handling of additional volumes of liquids due to unforeseen events. Consequently, Giant believes that the API Separator has sufficient excess capacity that in itself can protect the benzene strippers from the possibility of surges of discharges from the Separator.

As we have indicated, Giant is a relatively small company without an engineering staff able to fully develop a technical proposal of this type. Giant will obtain the assistance of an engineering consultant to refine the enclosed conceptual proposal. However, before Giant proceeds further in developing a detailed engineering plan for the proposal, Giant would like to discuss the proposal with EPA and obtain assurance that the approach is acceptable.

Giant looks forward to discussing the enclosed conceptual proposal with EPA at your earliest convenience. I believe Giant and EPA share the desire to move forward as rapidly as possible to explore approaches to resolving the Complaint.

Sincerely,

David R. Kirby
Corporate Counsel

Enclosures

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