



United States of America
Environmental Protection Agency

A FAX FROM: Region 6

TO: Ms. Hope Monzegrilo NMED Team Leader	FAX NO: (505) 428-2567
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SUBJECT:
 Communication from Giant Refining Co.

FROM: Ron Shannon	PHONE NO: (214) 665-2282
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OFFICE: Hazardous Waste Enforcement Branch	FAX NO. FOR: (214) 665-7264
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COMMENTS:

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January 27, 2006

VIA FACSIMILE (214) 665-3177

Marcia Moncrieffe, Esq.
Assistant Regional Counsel
United States Environmental Protection Agency
Region 6
Mail Code 6RC-BW
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:

As we discussed this morning, I am writing to provide you with a summary of a "Pre-Proposal" from VECO USA, Inc. VECO is a multi-national engineering firm, headquartered in Alaska, that has considerable experience designing solutions to wastewater issues at oil refineries. Giant has accepted VECO's Pre-Proposal and will be providing VECO with the information necessary for VECO to begin its evaluation.

By way of background, in a letter to you dated December 20, 2005, I provided you with a conceptual proposal for addressing benzene in effluent from the API Separator. That proposal consisted of two air strippers in series to be located near the discharge point of the API Separator. In subsequent conversations, you mentioned, and we discussed, the possible advantages of a steam stripper for the removal of benzene. Consequently, we agreed that it would be useful for Giant to retain an engineering firm to evaluate the feasibility of both air strippers and a steam stripper as well as other possible effective solutions that an engineering firm may recommend. Below is a summary of VECO's Pre-Proposal.

Project Objective

VECO is charged with determining the most cost-effective and commercially proven system for removing benzene from refinery wastewater at Giant's Bloomfield Refinery. The system must meet the following performance standards:

- 1) 100% on-stream time

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- 2) No benzene emissions to the atmosphere
- 3) A maximum of 500 ppb of benzene in the aqueous effluent

All plant data required to execute the study will be supplied by Giant. A list of information required by VECO will be sent to Giant upon award of the contract.

Study Scope

VECO will analyze the following options for achieving the Project Objectives:

- 1) Air strippers
- 2) Steam stripper
- 3) Other options

The study will require the execution of sufficient engineering to develop a high-level estimate of operating costs and a list of system advantages and disadvantages.

Study Strategy

VECO intends to perform the minimum essential engineering to achieve the Project Objectives. This means that enough engineering will be performed to make an informed judgment about process selection, but that the technical effort, in some cases, will not be carried to an additional stage just for the sake of completion. In short, VECO will not engineer issues to death. This approach will save Giant time.

Study Deliverable

The study deliverable will be a report presenting the options evaluated, the equipment lists, and a summary of the factored estimates for operating costs. VECO will comment on the rationale for selecting and rejecting process options and provide a recommended action plan to complete conceptual design, including an estimate of engineering cost.

Study Schedule

The study will be executed out of VECO's Bellingham, Washington office. VECO will endeavor to complete this study within three weeks of receipt of all required information from Giant.

Giant will keep you advised of VECO's progress. As discussed, our next scheduled telephone conference will be on Friday, February 10, 2006. Please do not hesitate to call me if you have any questions.

Sincerely,



David R. Kirby

Corporate Counsel/Regulatory Affairs Coordinator