

GRCB06



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April 6, 2006

Ms. Hope Monzeglio
State of New Mexico Environmental Department
Hazardous Waste Bureau
2905 Rodeo Park Drive East, Building 1
Santa Fe, New Mexico 87505-6303



Re: PART B PERMIT APPLICATION REVISION
GIANT REFINING COMPANY, BLOOMFIELD REFINERY
HWB-GRCB-06-001

Dear Ms. Monzeglio:

Thank you for the opportunity to meet on April 5, 2006 at your offices to discuss how to structure Bloomfield's response to NMED's letter of February 1, 2006 requesting that we update our Part B Permit Application and submit a schedule for such efforts. As you recall, I had contacted you several weeks ago to discuss Giant's desire to meet with NMED prior to submission of the schedule to discuss concerns and options, including the implementation of benzene stripping, that Giant has been investigating with respect to management of wastewaters at the Bloomfield Refinery. You were gracious enough to set up a meeting on April 5 in order to allow Ed Riege, Jim Lieb, Rolf von Oppenfeld and myself to discuss with you, Dave Cobrain and Steve Pullen of NMED the options being looked at by Giant which affect the development and submission of the requested Part B schedule.

As we indicated at the meeting, we certainly will submit the requested information referenced in the February 1, 2006 letter as appropriate, but we felt we first needed to present our thoughts on potential implementation of a benzene stripper and what the regulatory consequences of such a change in operations might be. We discussed at some length several of the key issues we need to resolve in order to ascertain when and what would be addressed in a written response to the February 1, 2006 letter.

If the Clean Water Act-wastewater option is pursued, Giant must submit to NMED a detailed written presentation laying out the regulatory considerations we discussed yesterday, in order for NMED to evaluate and determine how, if at all, it may be

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Ms. Hope Monzeglio
April 7, 2005

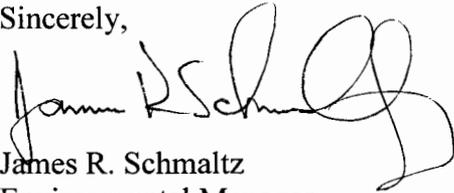
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appropriate. This written presentation would address (among other things) the discussion we had on F037/F038, which both NMED and Giant need to mutually clarify.

Giant is requesting an extension of time to respond to the February 1, 2006 letter. Giant proposes that by May 15, 2006 we will submit a written response which shall be either (1) a schedule for the submittal of the revised permit application, or (2) a timetable for the written presentation laying out Giant's position under the CWA-wastewater treatment options for consideration by NMED.

Your consideration into this matter is greatly appreciated.

Sincerely,



James R. Schmaltz
Environmental Manager

Cc: Ed Riege
Chad King