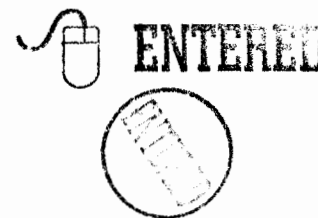




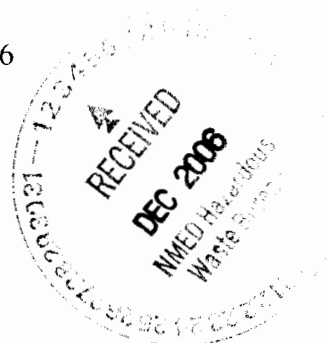
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UNITED STATES ENVIRONMENTAL PROTECTION AGENCY
REGION 6
1445 ROSS AVENUE, SUITE 1200
DALLAS, TX 75202-2733



November 29, 2006

James P. Bearzi
Chief, Hazardous Waste Bureau
New Mexico Environment Department
3905 Rodeo Park Drive East
Building 1
Santa Fe, NM 87505-2567



RE: Giant Refining Company, Bloomfield Refinery
Corrective Action Order

Dear Mr. Bearzi,

This letter will confirm that the Environmental Protection Agency (EPA) Region 6 agrees that the New Mexico Environment Department (NMED) will take the lead role in implementing and enforcing corrective action requirements for releases of hazardous waste and hazardous constituents into the environment at the Giant Refinery in San Juan County, near the City of Bloomfield, New Mexico. Once NMED has issued an enforceable order or other document that requires adequate corrective action at the facility, EPA will withdraw the Administrative Order on Consent that EPA issued on December 31, 1992.

EPA had determined that there were releases of hazardous waste and hazardous constituents into the environment at the Giant Bloomfield Refinery, and that these releases necessitated corrective action. Accordingly, on December 31, 1992, EPA issued an Administrative Order on Consent under section 3008(h) of the Resource Conservation and Recovery Act, 42 U.S.C. § 6928(h), requiring corrective action to address the releases. Subsequently, the New Mexico legislature enacted corrective action requirements in the State Hazardous Waste Act, NMSA 1978, §§74-4-4.2(B) and 74-4-10(E). Effective on January 2, 1996, New Mexico received from EPA final authorization to implement its corrective action program. 60 Fed. Reg. 53,708 (Oct. 17, 1995).

Given the facts surrounding the Giant Bloomfield Refinery, EPA agrees the State should address the remainder of the corrective action necessary at the facility. On June 21, 2006, the Environment Department issued a draft cleanup order pursuant to sections 74-4-10.1 and 74-4-13 of the Hazardous Waste Act. EPA had reviewed and commented on the draft order prior to its release. EPA is satisfied that the June 21, 2006, draft order includes adequate requirements for corrective action. Once the Environment Department has issued a final order, provided that it likewise includes adequate, enforceable

Letter to James P. Bearzi
New Mexico Environment Department
November 6, 2006
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corrective action requirements, EPA will withdraw the December 31, 1992,
Administrative Order on Consent.

EPA will continue to monitor the progress of corrective action at the Giant
Bloomfield Refinery until it is completed. EPA reserves the right to take any action,
including the right to bring an additional enforcement action for corrective action, as may
be appropriate to protect human health and the environment.

If you have any questions on this matter, please call me at (214) 665-6647, or
your staff may call Nick Stone at (214) 665-7226.

Sincerely,

A handwritten signature in black ink, appearing to read "T. Hill", written over a horizontal line.

Troy C. Hill, P.E.
RCRA Associate Director
Multimedia Planning and
Permitting Division

cc: Mark Hansen (6EN)