

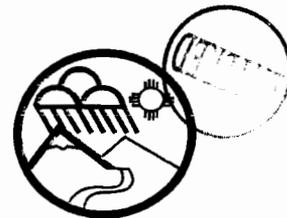


BILL RICHARDSON
GOVERNOR

State of New Mexico
ENVIRONMENT DEPARTMENT

Hazardous Waste Bureau
2905 Rodeo Park Drive East, Building 1
Santa Fe, New Mexico 87505-6303
Telephone (505) 476-6000
Fax (505) 476-6030
www.nmenv.state.nm.us

GRCB 07



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RON CURRY
SECRETARY

CINDY PADILLA
DEPUTY SECRETARY

CERTIFIED MAIL – RETURN RECEIPT REQUESTED

April 25, 2007

Mr. Troy Hill, P.E.
Associate Director for RCRA
Multimedia Planning and Permitting Division
U.S. Environmental Protection Agency Region 6
1445 Ross Avenue (6PD)
Dallas, Texas 75154

**RE: INTERIM STATUS UNIT AT BLOOMFIELD REFINERY
GIANT REFINING COMPANY, EPA ID# NMD089416416
GRCB-04-002**

Dear Mr. Hill:

The New Mexico Environment Department (NMED) has been seeking to resolve permitting and corrective action issues at the Giant Refining Company (Giant), Bloomfield Refinery for several years now. As the U.S. Environmental Protection Agency (EPA) is aware, NMED intends to issue Giant a final imminent hazard order (Order) issued under section 74-4-13 of the New Mexico Hazardous Waste Act, the State analogue to section 7003 of the Resource Conservation and Recovery Act. While this action will fully address corrective action of environmental contamination at the facility, the issue of closure of the interim status surface impoundment remains. The purpose of this letter is to explain the approach NMED intends to require proper closure of the surface impoundment known as the North and South Aeration Lagoons (NAL and SAL) at the facility. This approach will include issuance of a permit for the surface impoundment so it will no longer be classified as an interim status unit. Before proceeding with this approach, however, NMED requests written concurrence from the EPA.

Under the Consent Agreement and Final Order entered by EPA on May 18, 2006, Giant must install two air strippers to remove benzene from its wastewater stream prior to discharging the wastewater to the NAL and the SAL. The wastewater will then no longer be characteristic

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hazardous waste under the regulations. NMED understands the air strippers will begin continuous operation by July 17, 2007. At the time Giant begins treating the wastewater through the strippers, the surface impoundment will receive the final volume of hazardous waste, which then triggers the interim status closure requirements of section 20.4.1.600 NMAC, incorporating 40 CFR 265.113. Under these regulations, a facility must begin closure within 90 days after receiving the final volume of hazardous waste. NMED plans to address closure of the NAL and SAL surface impoundment through a combination of mechanisms.

First, NMED will require Giant to submit a closure plan for the SAL and the NAL. The closure plan will require initial closure measures to address waste above the liner in the impoundment. These initial measures will be accomplished first by rerouting all the effluent from the benzene strippers to the NAL. Giant will then clean the SAL by removing all the sludge, inspecting the liner for any damage, and making any necessary repairs to the liner. Upon completion of cleaning and repairing the SAL, Giant will then reroute all the effluent to the SAL and proceed with the same closure measures at the NAL. These initial measures will remove all the hazardous waste from the surface impoundment above the liner. However, because the media beneath the impoundment are likely contaminated (probably from other sources), the impoundment will not be "clean-closed" and additional measures, described below, will be necessary.

After completion of cleaning, inspecting, and as necessary, repair of the impoundment liners, NMED will require Giant to submit an application for a post-closure care permit for the impoundment. The permit will require Giant to conduct short-term and long-term monitoring of soil and groundwater in the vicinity of the surface impoundment. This monitoring will be coordinated with corrective action and cleanup activities directed by the Order, and summarized below. NMED will require Giant to submit the permit application after the air strippers are in place. As soon as NMED issues the permit, the surface impoundment will no longer be classified as interim status.

NMED will require Giant to conduct cleanup of subsurface contamination pursuant to the Order. As you are aware, NMED has released a draft of the Order for public comment, met with Giant to discuss its terms, and received comment both from Giant and EPA. The Order will require comprehensive investigation and cleanup of the entire facility and the requirements of the Order will be at least equivalent to EPA corrective action requirements. NMED believes that the Order, rather than the closure plan, is a more efficient means of addressing subsurface contamination in the vicinity of the surface impoundment, given that the impoundment is situated among other solid waste management units or areas of concern. As provided in sections 20.4.1.600 and 900 NMAC, incorporating 40 CFR 265.110(d) and 270.1(c), and discussed in 63 Fed. Reg. 56710 (October 22, 1998), closure of surface impoundments may be addressed under a permit or, alternatively, under an enforceable document. The imminent hazard Order will serve as the enforceable document. NMED anticipates issuing the final Order by May 2007.

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In applying these various mechanisms to achieve closure and corrective action, NMED intends to require adequate financial assurance to ensure that the work will be completed. The permit will require financial assurance for post-closure care of the surface impoundment pursuant to section 20.4.1.600 NMAC, incorporating 40 CFR 265.145. The Order will require financial assurance for corrective action and other cleanup measures.

NMED is confident that this approach adequately addresses the environmental, public health, and regulatory issues at the Giant facility. Because the benzene strippers will be in place in only a few short months, it is crucial that EPA provide its written concurrence with this approach as soon as possible. My staff and I stand ready to discuss this in more detail with you, should you have any questions. And as always, you may contact me at any time at (505) 476-6016.

Sincerely,



James P. Bearzi
Chief
Hazardous Waste Bureau

cc: J. Kieling, NMED HWB
D. Cobrain, NMED HWB
C. Frischkorn, NMED HWB
H. Monzeglio, NMED HWB
M. Hansen, EPA R6
R. Schmaltz, GRCB
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HWB-GRCB-04-002