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ENVIRONMENT DEPARTMENT

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ENTERED



RON CURRY
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CERTIFIED MAIL – RETURN RECEIPT REQUESTED

June 1, 2007

Mr. Randy Schmaltz
Environmental Supervisor
Giant Refining Company
P.O. Box 159
Bloomfield, New Mexico 87413

Mr. Ed Riege
Environmental Superintendent
Giant Refining Company
Route 3, Box 7
Gallup, New Mexico 87301

**RE: CLOSURE PLAN FOR THE SURFACE IMPOUNDMENT
GIANT REFINING COMPANY, BLOOMFIELD REFINERY
EPA ID# NMD089416416
HWB-GRCB-07-002**

Dear Messrs. Schmaltz and Riege:

The Consent Agreement and Final Order entered by the Environmental Protection Agency (EPA) and Giant Refining Company, Bloomfield Refinery (Giant) on May 18, 2006 (EPA Order) requires that Giant install two air strippers to remove benzene from its wastewater stream prior to its discharge to the North Aeration Lagoon (NAL) and the South Aeration Lagoon (SAL) (collectively, the surface impoundment). The purpose of the air stripper is to eliminate the hazardous characteristic for benzene listed in 40 CFR 261.24. The EPA Order requires the air strippers to begin continuous operation by July 17, 2007, which time the surface impoundment will receive the final volume of hazardous waste. This will trigger interim status closure requirements specified in section 20.4.1.600 NMAC, incorporating 40 CFR 265.113, including initiation of closure within 90 days. This letter outlines the requirements Giant must to complete for closure of the surface impoundment.

Giant must address closure of the NAL and SAL surface impoundment through a combination of mechanisms ensuring compliance with 40 CFR 265 subpart G. Giant must submit a closure plan for the impoundment that addresses the initial closure measures to remove waste contained by the impoundment liners. These initial measures must be accomplished by rerouting all effluent

Messrs. Schmaltz and Riege

June 1, 2007

Page 2 of 3

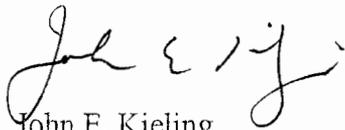
from the benzene strippers to the NAL. The SAL must then be cleaned by removing all the sludge, inspected for any damage to the liner, and repaired/improved if necessary. Upon completion of these tasks, all effluent must be rerouted to the SAL. Giant must then proceed with the same closure measures at the NAL. These activities must remove all the hazardous waste from the surface impoundment contained by the liners. The closure plan must include a contingency plan that describes the course of action if the benzene strippers fail and wastewater that is characteristic for benzene is discharged into the aeration lagoons.

Because the media beneath the impoundment is likely contaminated (possibly from other sources), the surface impoundment can not be "clean-closed," additional measures must therefore be implemented. After completion of cleaning, inspecting, and, as necessary, repairing the impoundment liners, hence Giant must submit an application for a post-closure care permit for the surface impoundment after completion of the aforementioned tasks. 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 at the facility. Giant must submit the permit application after the air strippers are in place and the residual waste has been removed from the surface impoundment. A contingency plan must be included in the post closure care permit application that describes: 1) Giant's course of action if the surge tank is used, and how the water and potential sludge (F037 and F038 listed hazardous waste) will be removed and disposed of; 2) how Giant will demonstrate that benzene is not entering the impoundment at concentrations exceeding the limit established in 40 CFR 264.24 Table 1, and the actions to be taken if wastewater that is characteristic for benzene does enter the impoundment; and 3) provide a detection monitoring plan for benzene stripper effluent.

Messrs. Schmaltz and Riege
June 1, 2007
Page 3 of 3

The closure plan must be submitted to NMED on or before September 1, 2007. If you have any questions regarding this letter, please contact Hope Monzeglio of my staff at 505-476-6045.

Sincerely,



John E. Kieling
Program Manager
Permits Management Program
Hazardous Waste Bureau

cc: J. Bearzi, NMED HWB
D. Cobrain, NMED HWB
C. Frischkorn, NMED HWB
H. Monzeglio, NMED HWB
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