

R.loomfield

Edmund H. Kendrick



From: Moncrieffe.Marcia@epamail.epa.gov
Sent: Friday, June 15, 2007 7:50 AM
To: Edmund H. Kendrick
Cc: Kirby, David R.
Subject: Re: Letter Requesting an Extension of July 18, 2007 Date in CAFO



Letter to Ms.
Moncrieffe 05-30...

Your requested extension has been granted. If you have any questions do let me know. Marcia

"Edmund H.
Kendrick"
<EKendrick@monta
nd.com>

To
Marcia Moncrieffe/R6/USEPA/US@EPA
cc

05/30/2007 05:22
PM

"Kirby, David R."
<dkirby@giant.com>

Subject
Letter Requesting an Extension of
July 18, 2007 Date in CAFO

Marcia,

As discussed in our exchange of voicemail, I am attaching a copy of a letter requesting an extension of a deadline as well as mailing the original to you. I appreciated your assistance in describing the kind of information that would be useful in the letter. Please let me know if you have any questions about the construction schedule. If David Kirby and I do not know the answers, we can talk to employees of Giant on site to obtain additional information. We appreciate EPA's attention to Giant's request.

Ned

<<Letter to Ms. Moncrieffe 05-30-07.pdf>>

Edmund H. Kendrick

Attorney at Law

COUNSEL EMERITUS
William R. Federici

MONTGOMERY & ANDREWS
PROFESSIONAL ASSOCIATION
ATTORNEYS AND COUNSELORS AT LAW

Post Office Box 2307
Santa Fe, New Mexico 87504-2307

J.O. Seth (1883-1963)
A.K. Montgomery (1903-1987)
Frank Andrews (1914-1981)
Seth D. Montgomery (1937-1998)

May 30, 2007

www.montand.com

Victor R. Ortega
Gary Kilpatrick
Thomas W. Olson
Walter J. Melendres
John B. Draper
Nancy M. King
Sarah M. Singleton
Stephen S. Hamilton
Edmund H. Kendrick

Louis W. Rose
Randy S. Bartell
Jeffery L. Martin
Emma Rodriguez Brittain
Alexandra Corwin Aguilar
Jeffrey J. Wechsler
Brian F. Egoft
Holly Agajanian

**VIA EMAIL
&
U.S. FIRST CLASS MAIL**

325 Paseo de Peralta
Santa Fe, New Mexico 87501

Telephone (505) 982-3873
Fax (505) 982-4289

OF COUNSEL
Earl Potter, P.A.

Marcia Moncrieffe
Assistant Regional Counsel
U.S. Environmental Protection Agency
Region 6
Mail Code 6RC-EW
1445 Ross Ave. Ste 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:

Thank you for your voicemail message yesterday responding to my voicemail message to you on Friday, May 25, 2007. As I indicated, Giant Industries Arizona, Inc. ("Giant") has just learned from its contractor that it will be impossible to install the benzene reduction equipment by the deadline in Section IV.B of Exhibit A to the Consent Agreement and Final Order ("CAFO"). Specifically, the project has been delayed by difficulty in finding a contractor who will fabricate a 10,000-barrel tank on site. I will briefly describe the extension that Giant requests, the reason why the extension is needed, and why the extension should not adversely affect the project.

1. **Extension Requested**

Section IV of the Compliance Actions attached to the CAFO as Exhibit A provides a schedule for reducing benzene in wastewater at Giant's Bloomfield Refinery. Giant has already complied with Section IV.A, which requires completion of final plans with specifications and a sampling plan. Giant has been attempting to comply with Section IV.B, which requires the purchase, installation and commencement of operation of benzene reduction equipment by July 18, 2007. Giant requests a three-month extension of this deadline to October 18, 2007.

Marcia Moncrieffe
Assistant Regional Counsel
U.S. Environmental Protection Agency
Region 6
May 30, 2007
Page -2

2. Reason for the Request

Recently, Giant's contractor notified Giant that it would begin fabricating the 10,000-barrel tank, a component of the benzene reduction system, this week. This became possible only because the tank contractor had a "window" in pending work and agreed to undertake the Giant project at this time. If this window had not opened, the tank contractor likely would not have been able to begin construction until much later this year. The contractor estimates that the work can be completed by late August. However, knowing that construction timelines are subject to a number of unknowns, including the availability of materials, Giant requests an extension until mid-October to minimize the possible need to request an additional extension.

The reason for the delay in tank fabrication is the general scarcity of contractors, craftsmen and materials. After the 2005 hurricanes, the limited supply of contractors and materials has tended to be utilized by large refineries near the Gulf Coast. Further, in response to refineries that suffered damage in the hurricanes, undamaged refineries delayed maintenance and upgrades in order to help minimize shortfalls in production. The ripple effect of the hurricanes' damage has continued to affect the availability of contractors, craftsmen and material. In addition, refineries across the country have implemented and continue to implement various fuel regulations, including those related to ultra-low sulfur diesel and renewable fuel standards, which further consume available construction resources. Considering their scarcity, Giant is pleased to have obtained tank fabrication services in time to begin work this month. It is possible that materials shortages, steel in particular, may yet affect the projected construction schedule.

3. Lack of Adverse Effect

Section IV.C of the Compliance Actions attached to the CAFO requires Giant to provide a report on the compliance actions to EPA by May 18, 2008. The report must cover the first six months of operation of the equipment. Giant believes that by completing installation and beginning operation of the equipment no later than mid-October 2007, Giant should still have an excellent chance of meeting the May 18, 2008 deadline.

4. Conclusion

Notwithstanding this request for an extension of the July 18, 2007 deadline to October 18, 2007, Giant will make every effort to complete this milestone as

Marcia Moncrieffe
Assistant Regional Counsel
U.S. Environmental Protection Agency
Region 6
May 30, 2007
Page -3

soon as possible and before October 18th. Giant appreciates EPA's consideration of this request and would be pleased to answer any questions you may have.

Sincerely,

A handwritten signature in black ink, appearing to read "Edmund H. Kendrick". The signature is fluid and cursive, with a long horizontal stroke at the end.

Edmund H. Kendrick

EHK/dho