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ENVIRONMENT DEPARTMENT

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RON CURRY
Secretary

JON GOLDSTEIN
Deputy Secretary

CERTIFIED MAIL - RETURN RECEIPT REQUESTED

May 9, 2008

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

**RE: NOTICE OF DISAPPROVAL
FINANCIAL ASSURANCE COST ESTIMATE
PER ORDER NO. HWB 07-34 (CO)
WESTERN REFINING, BLOOMFIELD REFINERY
EPA ID # NMD089416416
HWB-GRCB-MISC**

Dear Mr. Schmaltz

The New Mexico Environment Department (NMED) has completed its review of the financial assurance cost estimates. The cost estimates were submitted on January 18, 2008, on behalf of Western Refining Southwest, Inc., Bloomfield Refinery (Western), pursuant to Section III.P (Financial Assurance) of the Order NO. HWB 07-34 (CO), NMED hereby issues this Notice of Disapproval (NOD), and requires Western to address the following comments.

Comment 1

The cost estimates provided by Western are presented in table format with the following column headings: "Soil Borings, Monitor Wells, Total Investigation Costs, Groundwater Capital Costs, Soil Remediation Costs, Total Remediation Costs, O& M Costs, and Total Costs." Western must define the headings and discuss their meanings and, if appropriate, their components. For example, it is not clear what costs comprise the "Total Investigation Cost" and what activities or costs are represented by "Monitor Wells". In addition, the cost estimates within these headings must be broken down with greater detail (e.g., "Total Remediation Costs" for Interim Status Unit

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shows \$35,532, but it is not clear how the \$35,532 is allocated.) In general, NMED must be able to account all costs, discern the cost allocation, and determine how the costs were derived. All cost estimates must include NMED's document review fees. Revise the tables accordingly.

Comment 2

The cost estimate submitted for the Interim Status Unit No. 1 (North and South Aeration Lagoons) must be revised to address Comment 1.

Comment 3

Western must revise the cost estimates for all SWMUs as follows:

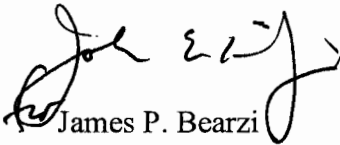
- a. Cost estimates are not needed at the present time for SWMU's or AOCs because remedies for these sites have not yet been selected. Group 2 will be the first group of SWMUs that will need cost estimates if and when remedies are selected.
- b. Cost estimates must address Comment 1.

Comment 4

Western must revise the cost estimates for the Interim Measures and Facility Wide Groundwater Monitoring operation and maintenance costs to address Comment 1.

Western must address all requirements within this letter and submit the revised cost estimates to NMED on or before July 31, 2008. If you have questions regarding this NOD please contact Hope Monzeglio of my staff at 505-476-6045.

Sincerely,



James P. Bearzi
Chief
Hazardous Waste Bureau

cc: K. Kieling, NMED HWB
D. Cobrain, NMED HWB
C. Frischkorn, NMED HWB
H. Monzeglio, NMED HWB
W. Price, OCD
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File: HWB-GRCB-MISC and Reading File 2008