



CERTIFIED MAIL # 7008 1300 0001 3402 7169

January 27, 2010

James Bearzi, Bureau Chief
New Mexico Environmental Department
Hazardous Waste Bureau
2905 Rodeo Park Drive East, Building 1
Santa Fe, New Mexico 87505-6303

Re: Financial Assurance Cost Estimate – January 2010
Per Order No. HWB 07-34 (CO)
Western Refining Southwest, Inc. – Bloomfield Refinery
EPA ID# NMD089416416

Dear Mr. Bearzi:

Western Refining Southwest, Inc. - Bloomfield Refinery submits the referenced Financial Assurance Cost Estimate pursuant to Section III.P.2. of the July 2007 HWB Order. The estimate was prepared for Western by RPS, a third party environmental engineering company. Annual adjustments to the Financial Assurance Cost Estimate were made in compliance with the requirements of 40 CRF 264.142(b) and 264.144(b). The adjusted cost estimate reflects the completion of two years of interim measures and facility-wide groundwater monitoring activities.

If you have any questions or would like to discuss the Financial Assurance Cost Estimate, please contact me at (505) 632-4171.

Sincerely,

A handwritten signature in black ink, appearing to read 'James R. Schmaltz'.

James R. Schmaltz
Environmental Manager
Western Refining Southwest, Inc.
Bloomfield Refinery

cc: Hope Monzeglio – NMED HWB
Carl Chavez – NMOCD (w/attachment)
Dave Cobrain – NMED HWB
Laurie King – EPA Region 6 (w/attachment)
Vic McDaniel – Bloomfield Refinery
Randy Schmaltz – Bloomfield Refinery
Allen Hains – Western Refining El Paso

RPS

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January 27, 2010

Mr. James R. Schmaltz
Environmental Manager
Western Refining Company
P.O. Box 159
Bloomfield, NM 87413

Re: Western Refining Southwest, Inc. Bloomfield; Order No. HWB 07-34 (CO)
Financial Assurance Cost Estimate

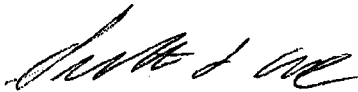
Dear Randy:

This Estimated Cost of the Work includes costs to address those activities specified in Section III.P.1. of the referenced Order. The cost estimate was prepared in accordance with 40 CFR 264.101 and substantially in compliance with the requirements of 40 CFR 264.142 and 264.144. Annual adjustments were made from the cost estimate provided in January 2009 pursuant to Section III.P.2 of the Order. The current total estimated cost is \$1,095,275. A detailed breakout of the estimate by activity is provided in the enclosed tables.

If there are any questions, please contact me at (512) 347-7588.

Sincerely,

RPS



Scott T. Crouch, P.G.

STC/sab

cc: Allen Hains – Western Refining El Paso

Western Refining Southwest, Inc.
Bloomfield, New Mexico Refinery
NMED Order No. HWB 07-34 (CO) -- Financial Assurance Cost Estimate
1/27/2010

Waste Management Area	NMED Order Provision	Capital Costs ¹	Operation & Maintenance Costs ²	NMED Review Fees	Total Costs	Explanation
Solid Waste Management Units (SWMU's) Investigation, Remediation, & associated reports						
Group 1						
Interim Status Unit No. 1: North & South Aeration Lagoons - Closure Plan Implementation	IV.B.5	\$0	\$0		\$0	Project completed
Remedy Completion Report	VI.D.6			\$0	\$0	
subtotal					\$0	
Group 2						
SWMU No. 2: Drum Storage Area - North Bone Yard	IV.B.6	\$0	\$0		\$0	
SWMU No. 8: Inactive Landfill	IV.B.6	\$0	\$0		\$0	
SWMU No. 9: Landfill Pond	IV.B.6	\$0	\$0		\$0	
SWMU No. 11: Spray Irrigation Area	IV.B.6	\$0	\$0		\$0	
SWMU No. 18: Warehouse Yard	IV.B.6	\$0	\$0		\$0	
Corrective Measures Implementation Plan	VI.D.2			\$0	\$0	
Progress Report	VI.D.5			\$0	\$0	
Remedy Completion Report	VI.D.6			\$0	\$0	
subtotal					\$0	
Group 3						
SWMU No. 4: Transportation Terminal Sump	IV.B.6	\$0	\$0		\$0	
SWMU No. 5: Heat Exchanger Bundle Cleaning Area & AOC No. 25: Auxiliary Warehouse and 90-day Storage Area	IV.B.6	\$0	\$0		\$0	
AOC No. 22: Product Loading Rack & Crude Receiving Loading Racks	IV.B.6	\$0	\$0		\$0	
AOC No. 23: Southeast Holding Ponds	IV.B.6	\$0	\$0		\$0	
AOC No. 24: Tank Areas 41 and 43	IV.B.6	\$0	\$0		\$0	
AOC No. 26: Tank Area 44 and 45	IV.B.6	\$0	\$0		\$0	
Corrective Measures Implementation Plan	VI.D.2			\$0	\$0	
Progress Report	VI.D.5			\$0	\$0	
Remedy Completion Report	VI.D.6			\$0	\$0	
subtotal					\$0	

Western Refining Southwest, Inc.
Bloomfield, New Mexico Refinery
NMED Order No. HWB 07-34 (CO) -- Financial Assurance Cost Estimate
1/27/2010

Waste Management Area	NMED Order Provision	Capital Costs ¹	Operation & Maintenance Costs ²	NMED Review Fees	Total Costs	Explanation
Group 4						
SWMU No. 7 Raw Water Ponds	IV.B.6	\$0	\$0		\$0	
SWMU No. 10: Fire Training Area	IV.B.6	\$0	\$0		\$0	
SWMU No. 16: Active Landfill	IV.B.6	\$0	\$0		\$0	
Corrective Measures Implementation Plan	VI.D.2			\$0	\$0	
Progress Report	VI.D.5			\$0	\$0	
Remedy Completion Report	VI.D.6			\$0	\$0	
subtotal					\$0	
Group 5						
SWMU No. 15: Tank Farm Area	IV.B.6	\$0	\$0		\$0	
Corrective Measures Implementation Plan	VI.D.2			\$0	\$0	
Progress Report	VI.D.5			\$0	\$0	
Remedy Completion Report	VI.D.6			\$0	\$0	
subtotal					\$0	
Group 6						
AOC No. 19: Seep North of MW-45	IV.B.6	\$0	\$0		\$0	
AOC No. 20: Seep North of MW-46	IV.B.6	\$0	\$0		\$0	
AOC No. 21: Seep North of MW-47	IV.B.6	\$0	\$0		\$0	
Corrective Measures Implementation Plan	VI.D.2			\$0	\$0	
Progress Report	VI.D.5			\$0	\$0	
Remedy Completion Report	VI.D.6			\$0	\$0	
subtotal					\$0	
Group 7						
SWMU No. 17: River Terrace Area	IV.B.6	\$0	\$0		\$0	
Corrective Measures Implementation Plan	VI.D.2			\$0	\$0	
Progress Report	VI.D.5			\$0	\$0	
Remedy Completion Report	VI.D.6			\$0	\$0	
subtotal					\$0	

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Waste Management Area	NMED Order Provision	Capital Costs ¹	Operation & Maintenance Costs ²	NMED Review Fees	Total Costs	Explanation
Group 8						
SWMU No. 3: Underground Piping Currently in Use	IV.B.6	\$0	\$0		\$0	
SWMU No. 6: Abandoned Underground Piping	IV.B.6	\$0	\$0		\$0	
Corrective Measures Implementation Plan	VI.D.2			\$0	\$0	
Progress Report	VI.D.5			\$0	\$0	
Remedy Completion Report	VI.D.6			\$0	\$0	
subtotal					\$0	
Group 9						
SWMU No. 13; Process Area	IV.B.6	\$0	\$0		\$0	
SWMU No. 14: Tanks 3, 4, and 5	IV.B.6	\$0	\$0		\$0	
SWMU No. 12: API Separator	IV.B.6	\$0	\$0		\$0	
Corrective Measures Implementation Plan	VI.D.2				\$0	
Progress Report	VI.D.5				\$0	
Remedy Completion Report	VI.D.6				\$0	
subtotal					\$0	
Other Areas						
To be determined?	III.Q.1	\$0	\$0		\$0	Section III.G.2 of the NMED Order specifies that either NMED or Western may identify additional areas for corrective action. At this time, no additional areas have been identified.
Corrective Measures Implementation Plan	VI.D.2				\$0	
Progress Report	VI.D.5				\$0	
Remedy Completion Report	VI.D.6				\$0	
subtotal					\$0	

Western Refining Southwest, Inc.
Bloomfield, New Mexico Refinery
NMED Order No. HWB 07-34 (CO) -- Financial Assurance Cost Estimate
1/27/2010

Waste Management Area	NMED Order Provision	Capital Costs ¹	Operation & Maintenance Costs ²	NMED Review Fees	Total Costs	Explanation
Interim Measures & Facility Wide Ground Water Monitoring						
River Terrace Area Analytical	V.B.1		\$77,400		\$77,400	3 yrs. Monitoring @\$25,800/yr - see detail Table A
River Terrace Annual Report	V.B.1		\$10,500	\$6,000	\$16,500	3 yrs. reporting @\$3,500/annual report & NMED fees of \$2,000/annual rpt
River Terrace Operation & Maintenance	III.P.1 & V.B.		\$24,000		\$24,000	GAC filters & maintenance \$8,000/yr x 3 yrs
North Barrier Wall collection operations	III.P.1		\$100,880		\$100,880	Bi-weekly fluid level measurements (labor 4hrs/biweekly event @ \$65/hr = \$6,760/yr & equipment \$1,000/yr x 13 years)
Facility Wide Ground Water Monitoring (including North Barrier Wall & Tank Farm) analytical costs	IV.A.		\$661,622		\$661,622	Table B provides detailed cost on a annual basis(\$50,894) which is multiplied by 13 years pursuant to the Order.
Facility-Wide Annual Monitoring Report (including North Barrier Wall)	IV.A.2.		\$91,000	\$26,000	\$117,000	13 yrs. Monitoring @ \$7,000/annual report & NMED fees of \$2,000/annual rpt
1# East Outfall	V.C.		\$9,230		\$9,230	See Table C for detailed estimate; annual cost of \$710/yr x 13 years
San Juan River samples			\$77,584		\$77,584	See Table D for detailed estimate; assume 13 years @\$5,968/yr
subtotal					\$1,084,216	
TOTAL ESTIMATED COSTS TO IMPLEMENT NMED ORDER (without inflation costs)					\$1,084,216	
Inflation Factor³					1.02%	
CURRENT TOTAL ESTIMATED COSTS TO IMPLEMENT NMED ORDER.					\$1,095,275	

1- capital costs associated with construction, installation, pilot testing, evaluation, permitting, and reporting of the effectiveness of the alternative

2 -continuing costs associated with operating, maintaining, monitoring, testing, and reporting on the use and effectiveness of the technology

3- Implicit price deflator for 2008/implicit price deflator for 2007 (updated 12/22/2009) = 108.483/106.214 = 1.02% <http://www.bea.gov> (Table 1.1.9 Implicit Price Deflators for GDP)

**TABLE A
RIVER TERRACE SAMPLING COST ESTIMATE**

RIVER TERRACE - AQUEOUS					
Analysis	Frequency	# of Samples	Cost/Sample	Cost per QTR	Cost per Year
8021B	4 X yr	16	\$45	\$720	\$2,880
8015B (GRO, DRO)	4 X yr	16	\$70	\$1,120	\$4,480
Total Pb, Cr, Ba (6010B)	1 X yr	14	\$50	\$700	\$700
Total Pb (6010B)	3 X yr	14	\$30	\$420	\$1,260
Total Hg (7470)	4 X yr	1	\$30	\$30	\$120
RIVER TERRACE - Vapor					
Analysis	Frequency	# of Samples	Cost/Sample	Cost per QTR	Cost per Year
8021B	4 X yr	16	\$45	\$720	\$2,880
8015B (GRO)	4 X yr	16	\$35	\$560	\$2,240
Tedlar Bags	4 X yr	16	\$10	\$160	\$640
Level 4 Data Packet	4 X yr	1	\$400	\$400	\$1,600
River Terrace Labor	4 X yr	3 days of 7 hour days	\$65/hour	\$1,365	\$5,460
GAC Breakthrough Sampling					
8021B	12 x yr	1	\$45	\$135	\$540
8015B (GRO, DRO)	12 x yr	1	\$70	\$210	\$840
8021B	4 x yr	3	\$45	\$135	\$540
8015B (GRO, DRO)	4 x yr	3	\$70	\$210	\$840
Annual analytical costs					\$25,020
Annual Sampling Labor -- 12 hours X \$65/hr					\$780
Total Annual River Terrace Sampling Costs					\$25,800

River terrace sampling conducted pursuant to May 2008 Facility-Wide Groundwater Monitoring Plan (Section 5.4) and Bioventing Monitoring Plan (Revised) River Terrace Voluntary Corrective Measures dated October 28, 2005

TABLE B

Facility-Wide Groundwater Monitoring Cost Estimate

Annual Refinery Complex (33 Wells and East Outfall #2 & #3) ²				
Analysis	Frequency	# of Samples	Cost/Sample	Cost per Year
8260B	Annual	35	\$115	\$4,025
8015B (GRO, DRO)	Annual	35	\$70	\$2,450
8270C	Annual	35	\$280	\$9,800
CO2/Alkalinity (310.1)	Annual	35	\$15	\$525
Cation Anion Balance + Diss Metals	Annual	35	\$229	\$8,015
RCRA 8 Metals	Annual	35	\$100	\$3,500
Ph	Annual	35	\$10	\$350
Filters		35	\$12	\$420
Level 4 Data Packet	Annual	1	\$3,500	\$3,500
Semi-Annual - Refinery Complex MW/RW ²				
Analysis	Frequency	# of Samples	Cost/Sample	Cost per Year
8260B	Semi-Annual ¹	11	\$45	\$495
8015B (GRO, DRO)	Semi-Annual ¹	11	\$70	\$770
Level 4 Data Packet	Semi-Annual ¹	1	\$200	\$200
Semi-Annual - North Barrier Wall OW/CW ³				
Analysis	Frequency	# of Samples	Cost/Sample	Cost per Year
8260B	Semi-Annual	16	\$45	\$1,440
8015B (GRO, DRO)	Semi-Annual	16	\$70	\$2,240
Level 4 Data Packet	Semi-Annual	1	\$200	\$400
Semi-Annual River Bluff (Outfall 2 & 3, & Seeps 1, 6, 7, 8, & 9) ⁴				
Analysis	Frequency	# of Samples	Cost/Sample	Cost per Year
8260B	Semi-Annual	7	\$45	\$630
8270C	Semi-Annual	5	\$280	\$2,800
8015B (GRO, DRO)	Semi-Annual	2	\$70	\$280
CO2/Alkalinity (310.1)	Semi-Annual	7	\$15	\$210
Cation Anion Balance + Diss Metals	Semi-Annual	7	\$229	\$3,206
RCRA 8 Metals	Semi-Annual	2	\$100	\$400
Ph	Semi-Annual	2	\$10	\$40
Filters		2	\$12	\$48
Level 4 Data Packet	Semi-Annual	2	\$150	\$600
Sampling Labor	Semi-Annual & Annual events	10 Days of 7 hour days	\$65/hour	\$4,550
Total Annual - Facility-Wide Groundwater Sampling & Analysis				\$50,894

1 - The other "semiannual event" is included with the Refinery Complex annual event

2 - Sampling pursuant to May 2008 Facility-Wide Groundwater Monitoring Plan, Section 5.1

3 - Sampling pursuant to May 2008 Facility-Wide Groundwater Monitoring Plan, Section 5.2

4 - Sampling pursuant to May 2008 Facility-Wide Groundwater Monitoring Plan, Section 5.3

TABLE C
#1 East Outfall (Tank 33) Cost Estimate ¹

Analysis	Frequency	# of Samples	Cost/Sample	Cost per year
8260B	4 X yr	1	\$45	\$180
Level 4 Data Packet	4 X yr	1	\$100	\$400
Annual analytical costs				\$580
Sampling Labor	2 X yr	1 hour each event	\$65/hour	\$130
Total Annual #1 East Outfall Sampling Costs				\$710

TABLE D
San Juan River Sampling Cost Estimate ²

Analysis	Frequency	# of Samples	Cost/Sample	Cost per year
8260B	2 X yr	4	\$45	\$360
8015B (GRO, DRO)	2 X yr	4	\$70	\$560
CO2/Alkalinity (310.1)	2 X yr	4	\$15	\$120
Cation Anion Balance + Diss Metals	2 X yr	4	\$229	\$1,832
RCRA 8 Metals	2 X yr	4	\$100	\$800
Ph	2 X yr	4	\$10	\$80
Filters		4	\$12	\$96
Level 4 Data Packet	2 X yr	1	\$800	\$1,600
Annual analytical costs				\$5,448
Sampling Labor	Semi-Annual	4 hours each event	\$65/hour	\$520
Total Annual San Juan River Sampling Costs				\$5,968

1 - Sampling pursuant to May 2008 Facility-Wide Groundwater Monitoring Plan, Section 5.3

2 - Sampling pursuant to May 2008 Facility-Wide Groundwater Monitoring Plan, Section 5.4

DELETED Interim Unit 1

Table A

Interim Status Unit No. 1 Cost Estimate	
Activity	Cost
Vigorous aeration with diesel pump	
- Operator: 168 hours @ \$30/hr	\$5,040
- Fuel for Pump: 8 gph x \$3.00/gal x 168 hrs	\$4,032
Testing of treated water	
- Benzene: 15 samples @ \$120/sample	\$1,800
Testing of residual solids	
- TCLP: 15 samples @ \$500/sample	\$7,500
Removal of residual solids	
- Labor: 2 workers @ 40 hrs/ea x \$30/hr	\$2,400
- Disposal: 40,000 lbs x \$0.20/lb + \$2,200 freight	\$10,200
Washing of impoundments	
- Mobil wash: 24 hours x \$80/hr	\$1,920
Flushing of equipment	
- Mobil wash: 8 hrs x \$80/hr	\$640
- Final testing and certification	\$2,000
Total Closure Cost	\$35,532

gph - gallons per hour