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NEW MEXICO
ENVIRONMENT DEPARTMENT

Hazardous Waste Bureau

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DAVE MARTIN
Secretary

RAJ SOLOMON, P.E.
Deputy Secretary

CERTIFIED MAIL - RETURN RECEIPT REQUESTED

April 15, 2011

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

**RE: FINANCIAL ASSURANCE COST ESTIMATE – JANUARY 2011
PER ORDER NO. HWB 07-34 (CO)
WESTERN REFINING SOUTHWEST, INC., BLOOMFIELD REFINERY
EPA ID # NMD089416416
HWB-WRB-MISC**

Dear Mr. Schmaltz

The New Mexico Environment Department (NMED) has completed its review of the Western Refining Southwest, Inc., Bloomfield Refinery (Western) January 28, 2011 financial assurance cost estimate. The cost estimate was submitted pursuant to Section III.P.2 (Adjustments to Cost Estimates) of the July 27, 2007 Order NO. HWB 07-34 (Order).

Pursuant to Section III.P.2 of the Order, Western must continue to adjust the cost estimates annually and submit the adjusted cost estimates to NMED by January 31 of each year. In accordance with Section III.P.4, within 90 days of this approval, Western shall establish and continuously maintain financial assurance for corrective action in the amount equivalent to the current estimated cost of work. Western shall use one or more of the mechanisms set forth in 40 CFR 264.143 and 264.145 to establish financial assurance. Western shall establish and maintain such financial assurance substantially in compliance with 40 CFR 264.143, 264.145, and 264.151, except that there shall be no "pay-in period" unless a required change in the cost estimate will result in an increase of at least one million dollars and Western proposes a pay-in-period that NMED approves in writing. Any changes to the financial assurance mechanisms

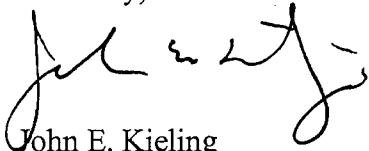
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must be approved by NMED. Western shall submit a signed copy of each financial assurance document to NMED within thirty days after the document is executed.

The cost estimate does not include a cost estimate for final closure of the North and South Aeration Lagoons. The *Final Closure Plan North and South Aeration Lagoons* (Closure Plan), dated January 2011 is not yet approved. Within 90 days of NMED's approval of the Closure Plan, Western must submit a cost estimate for final closure (40 CFR 264.112(b)(8)) that assumes complete removal of the lagoons and all underlying contaminated soils. The estimate must include all costs for removal of equipment, structures, and contaminated soils, sampling and chemical analyses, monitoring, reporting, transport and disposal of removed materials, backfilling and any engineering or other related costs. The cost estimate must include complete descriptions of the assumptions made for each activity (e.g., volumes, unit costs).

If you have questions regarding this letter please contact Hope Petrie of my staff at 505-476-6045.

Sincerely,



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

cc: D. Cobrain, NMED HWB
H. Monzeglio, NMED HWB
C. Chavez, OCD
A. Hains, Western
File: HWB-WRB-MISC and Reading File 2011