



SUSANA MARTINEZ
Governor
JOHN A. SANCHEZ
Lieutenant Governor

NEW MEXICO **ENTERED**
ENVIRONMENT DEPARTMENT

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RYAN FLYNN
Cabinet Secretary
BUTCH TONGATE
Deputy Secretary

CERTIFIED MAIL – RETURN RECEIPT REQUESTED

October 21, 2015

Mr. Randy Schmaltz
Health, Safety, Environmental, and
Regulatory Director
Western Refining Southwest, Inc.
Bloomfield Refinery
P.O. Box 159
Bloomfield, New Mexico 87413

**RE: DISAPPROVAL
2015 FINANCIAL ASSURANCE COST ESTIMATE
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's) *Financial Assurance Cost Estimate – January 2015* (2015 Cost Estimate), dated January 23, 2015. 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 any selected remedy 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 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.

NMED has the following comment on Western's January 23, 2015 financial assurance cost estimate.

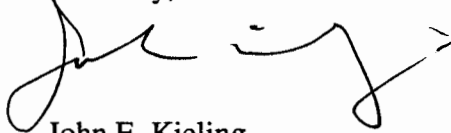
Comment 1

There appears to be an error in the Annual Refinery Complex (RCRA Investigation Wells) calculation in Table 1C (Facility-Wide Groundwater Monitoring Cost Estimate). Up to twenty wells have been included in the # of *Sample Locations* column and only five are reported as being sampled in the # of *Samples* column. This error is carried forward to the *Total Annual – Facility-Wide Groundwater Sampling & Analysis* (\$60,023) estimate. This *Total Annual – Facility-Wide Groundwater Sampling & Analysis* (\$60,023) estimate is multiplied by 8 years for a total of \$480,184 which is reported in Table 1, page 4, Interim Measures & Facility Wide Groundwater Monitoring, and is calculated as part of the *Total Estimated Costs to Implement NMED Order (without inflation costs)* (\$1,248,014). The Permittee must review and revise Table 1C to ensure that the number of samples to be collected for the 2015 Annual Refinery Complex (RCRA Investigation Wells) is reflected in the number of sample locations. Please revise Table 1 by recalculating the Total Estimated Cost for 2015.

Provide a revised 2015 Cost Estimate and Tables to NMED by **December 18, 2015**.

If you have questions regarding this letter please contact Leona Tsinnajinnie of my staff at 505-476-6057.

Sincerely,



John E. Kieling
Chief
Hazardous Waste Bureau

cc: D. Cobrain, NMED HWB
N. Dhawan, NMED HWB
K. Van Horn, NMED HWB
L. Tsinnajinnie, NMED HWB
A. Hains, Western Refining, El Paso, TX
K. Robinson, Western Refining, Bloomfield Refinery
S. Crouch, DiSorbo Environmental Consulting

File: HWB-WRB-MISC and Reading File 2015