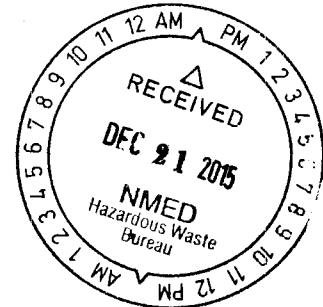


Via Certified Mail
No. 7004 1350 0003 7983 2985

December 17, 2015

Mr. John E. Kieling, Chief
New Mexico Environment Department
Hazardous Waste Bureau
2905 Rodeo Park Drive East, Bldg 1
Santa Fe, New Mexico 87505-6303



**RE: RESPONSE TO DISAPPROVAL
2015 FINANCIAL ASSURANCE
WESTERN REFINING SOUTHWEST INC.,
BLOOMFIELD REFINERY
EPA ID # NMD089416416 HWB-WRG-MISC**

Dear Mr. Kieling:

Western Refining Southwest, Inc. ("Western") has reviewed the New Mexico Environmental Department (NMED) comment letter dated October 21, 2015 and provides the following response to comments.

Comment 1

NMED indicates there appears to be a clerical error from the *2015 Financial Assurance Cost Estimate* (2015 Cost Estimate) received January 27, 2015 for the Bloomfield Refinery that was carried over through the *2015 Financial Assurance Submittal*. In NMED's October 21, 2015 Disapproval letter for the 2015 Cost estimate, the Permittee is required to review and correct the error in Table 1C (Facility-Wide Groundwater Monitoring Cost Estimate) and submit a revised cost estimate.

Please revise the 2015 Financial Assurance Submittal with the correct 2015 Cost Estimate for the Bloomfield Refinery.

Response

Western has reviewed Table 1C and determined the 2015 cost estimate was accurately prepared in accordance with the June 2013 Facility-Wide Groundwater Monitoring Plan, the approved plan of record at the time the estimate was prepared. A more detailed response has been sent to NMED under a separate cover letter transmitting Western's response to NMED's October 21, 2015 disapproval letter of the 2015 cost estimate.

Since Western believes the 2015 cost estimate to be accurate, a revised 2015 Financial Submittal is not included in this response.

Mr. John Kieling
New Mexico Environment Department
Hazardous Waste Bureau
December 17, 2015
Page 2

Comment 2

To facilitate the review process, please provide a letter describing how data from the Annual Report Form on 10K is used to calculate the values on the Alternative I worksheet. (See attached example letter).

Response

The Alternative I worksheet and supporting documentation is provided in Attachment 1. In particular, note the last page of Attachment 1 which contains references to the page numbers in the WNR Form 10-K filed for fiscal year 2014 from which the values in the Alternative I worksheet are derived.

If there are any questions, please contact me at (915) 534-1480.

Sincerely,



Leslie Ann Allen
Senior Vice President
Environmental and Regulatory Affairs

Attachment

cc D. Cobrain NMED HWB
 Via Certified Mail No. 7004 1350 0003 7983 2992

 N. Dhawan, NMED HWB
 Via Certified Mail No. 7004 1350 0003 7983 3005

 K. Van Horn, NMED HWB
 Via Certified Mail No. 7004 1350 0003 7983 3012

 L. Tsinnajinnie, NMED HWB
 Via Certified Mail No. 7004 1350 0003 7983 3029

 A. Hains, Western El Paso
 E. Riege, Western Gallup
 R. Schmaltz, Western Bloomfield

Attachment 1

Gallup
2015 RCRA Financial Assurance Estimate
3-31-15



Cost estimate per attached

Closure cost	\$3,450,493
Post-closure cost	<u>133,756</u>
Total cost	<u><u>\$3,584,249</u></u>

This is a current year estimate - no inflation factor required

Bloomfield
2015 RCRA Financial Assurance Estimate
3-31-15



Cost estimate per attached

Closure cost	\$ 1,265,486
Post-closure cost	<u>345,740</u>
Total cost	<u><u>\$ 1,611,226</u></u>

This is a current year estimate - no inflation factor required

Western Refining, Inc.
 Financial assurance support
 12-31-14

All amounts are stated in '000s and are included in the Company's Form 10-K as of and for the year ended 12-31-14. Page references relate to the Form 10-K as filed with the SEC and available at <http://www.sec.gov/Archives/edgar/data/1339048/000133904815000018/wnr12311410k.htm>

Current liabilities	\$ 1,013,701	Pg 63, face of balance sheet
Long-term liabilities	<u>1,881,213</u>	Pg 63, face of balance sheet
Total liabilities	<u>\$ 2,894,914</u>	
Current assets	\$ 1,768,463	Pg 63, face of balance sheet
Restricted cash	\$ 167,009	Pg 63, face of balance sheet
Property, plant and equipment	2,153,189	Pg 63, face of balance sheet
Goodwill	1,289,443	Pg 63, face of balance sheet
Intangible assets, net	85,952	Pg 63, face of balance sheet
Equity method investment	96,080	Pg 63, face of balance sheet
Other assets, net	<u>122,422</u>	Pg 63, face of balance sheet
Total assets	5,682,558	Pg 63, face of balance sheet
Less		
Goodwill	(1,289,443)	Pg 63, face of balance sheet
Intangible assets	(85,952)	Pg 63, face of balance sheet
Unamortized loan fees	<u>(40,383)</u>	Pg 84, Fn 12
Total tangible assets	<u>\$ 4,266,780</u>	
Net worth	\$ 2,787,644	Pg 63, face of balance sheet
Less		
Goodwill	(1,289,443)	Pg 63, face of balance sheet
Intangible assets, other than goodwill	(85,952)	Pg 63, face of balance sheet
Unamortized loan fees	<u>(40,383)</u>	Pg 84, Fn 12
Tangible net worth	<u>\$ 1,371,866</u>	
Current assets	\$ 1,768,463	Pg 63, face of balance sheet
Less current liabilities	<u>(1,013,701)</u>	Pg 63, face of balance sheet
Working capital	<u>\$ 754,762</u>	
Net income (loss)	\$ 710,072	Pg 64, face of statement of operations
Plus		
Depreciation and amortization	190,566	Pg 64, face of statement of operations
Amortization of loan fees	7,786	Pg 64, face of statement of operations
Less		
Loss and impairments on disposals, net		
Loss on extinguishment of debt		
Net income (loss) plus non-cash items	<u>\$ 908,424</u>	