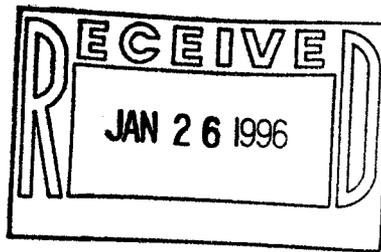


23733 North Scottsdale Road  
Scottsdale, Arizona 85255

P.O. Box 12999  
Scottsdale, Arizona 85267

602  
585-8888



January 18, 1996

Ms. Barbara Hoditschek  
State of New Mexico Environment Department  
2044 A. Galisteo  
Santa Fe, New Mexico 87502

RE: Bank of America Irrevocable Standby Letter of Credit No. LASB-221968

Dear Ms. Hoditschek,

I spoke with Michael Chacon today regarding the above mentioned Letter of Credit. He agreed that it can be canceled immediately due to the fact that Giant Industries has been approved for the use of financial self assurance obligation for closure. Mr. Chacon stated that the determination for Class I modification has been done and the fee from Giant Industries has been collected.

Please forward the original Letter of Credit to Bank of America at the following address as soon as possible:

Ms. Eloise Kubota  
Bank of America  
Trade Operations Center 2621  
333 S. Beaudry Avenue, 19th Floor  
Los Angeles, CA 90017

Thank you for prompt assistance.

Sincerely,

Gary L. Nielsen  
Vice President Finance and Treasurer

GLN:llp