



Western Gallup Refinery

NEW MEXICO ENERGY, MINERALS AND NATURAL RESOURCES DEPARTMENT

OIL CONSERVATION DIVISION

2040 South Pacheco
Santa Fe, NM 87505
(505)-827-7131

January 18, 1996

CERTIFIED MAIL
RETURN RECEIPT NO. Z-765-962-989

Mr. David C. Pavlich
HSE Manager
Giant Refining - Ciniza
Route 3, Box 7
Gallup, NM 87301

RE: Renewal Inspection
Discharge Plan # GW-32
Giant Ciniza Refinery

Dear Mr. Pavlich:

The New Mexico Oil Conservation Division (OCD) has completed its analysis of the information gathered by the OCD on October 4,5, and 6, 1995 as part of the renewal process for GW-32. Also, included with this inspection report you will find photographs (attachment No. 2) taken during the inspection by the OCD as well as sample results (attachment No. 3) from the October 24 and 25, 1995 sampling collected by the OCD. Also included with this inspection report is the August 9, 1991 commitment letter (attachment No. 1) from Giant Ciniza to the OCD outlining actions that would be undertaken by Giant as part of the 1991 renewal - upon review of this letter it should be noted that some of these commitments have not yet been implemented and need to be addressed promptly as part of this renewal process.

Note: OCD and Giant collected samples as part of the permit renewal requirements. The OCD collected samples on pond no. 9, no. 11, no. 2, OW-13, and OW-20. During the week of the sampling Giant also had to gather samples for the NMED and therefore did not collect samples on all the other OW series wells, Giant did however assure the OCD verbally that the samples would be taken by December of 1995. The samples taken by Giant on the remaining wells will be submitted to the OCD Santa Fe office for review as part of the renewal process, at which point OCD will then review all of the samples at once.

The comments that follow will refer to the enclosed photographs that were taken by the OCD during the October 4,5, and 6, 1995 inspection of the "Ciniza Refinery."

I. October 4, 1995 - API Separator, Aeration Lagoons, Solar evaporation ponds, OCD permitted Land farm, and Western Tank Area.

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**1. API Separator area - including Benzene stripper. (Photos: 1-6)**

- The soil in this immediate area needs to be cleaned up, there were several patches of ground that showed visible contamination.
- The API Separator itself may be lacking in integrity-see the seam in photo No. 5. If the API Separator is going to remain in use as a sludge trap as part of the approved waste water modification (dated March 15, 1995 from OCD), it will have to be cleaned and inspected yearly by Giant to verify integrity as this is a below grade area. *Note: Giant shall document the yearly inspections and keep a record of these inspections at the facility.* Further some method of covering the API should be proposed.
- The benzene stripper was carrying over at the time of the inspection and exhausting a mist to the atmosphere - see photo 6, right-hand stripping tower. This type of upset condition needs to be minimized. Also note in the same photo the free liquid that is on the ground near the inlet line to the Benzene stripper-these types of leaks need to be eliminated.
- See photo 39 - These tanks were in temporary use by Giant at the time of the inspection. Giant did have a plastic liner underneath the tanks and is a good practice and should be continued each time that Giant uses temporary tanks to store API separator contents. However, Giant should also use a temporary earthen berm to contain 1 1/3 times the tank volume.

**2. Aeration Lagoon area - photos No. 8.**

- During the inspection there appeared to be some sort of floating product on the aeration lagoons as well as a sludge on the rocks containing the lagoons-see photo 8. This floating scum may have been due to the lack of aeration pumps in operation -i.e. at the time of the inspection one of the pumps was down. Giant needs to maintain the condition of the lagoons-perhaps when the new waste water treatment system begins operation many of these problems will be eliminated.

**3. Solar evaporation ponds area.**

- The next item on the inspection was the solar evaporation ponds. The observations that follow will address the specific issues of concern to the OCD.

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- A. The use of the temporary evaporation ponds will cease immediately - as was stated verbally by the OCD during the inspection.
- B. The metal posts that surround the ponds are not part of the OCD requirements for this facility upon review of the OCD file for GW-32.

**Note:** Giant needs to research their own records to verify this point and find out what the exact propose of these metal posts is/was? If the posts serve no permit need of the OCD or other regulatory agency, as was requested by Mr. Shelton with Giant the metal posts should be removed. OCD agrees with this proposal but would require Giant to fill the holes with a bentonite plug to prevent the post holes from becoming conduits to the subsurface.

#### 4. NMOCD Land Farm. (See photo number 10)

At the time of the inspection free liquids and other items such as rubber gloves and shop floor sweep were present in the land farm area.

- Free liquids are not allowed on the land farm facility permitted by NMOCD.
- Only non-hazardous and RCRA Subtitle C exempt materials are under NMOCD jurisdiction - therefore some means of assuring that only non-hazardous or RCRA Subtitle C exempt materials are placed on the NMOCD permitted land farm. Mr. Foust with the NMOCD Aztec District office did provide Giant Ciniza with some example forms for tracking the wastes to be remmediated at the NMOCD permitted land farm. Mr. Shelton proposed some sort of log book to be utilized - it is the OCD Santa Fe office opinion that a form C-138 be utilized for non-exempt-non-hazardous materials and the log book be utilized for the RCRA subtitle C exempt soils. (See enclosure number 1 - form C-138)
- The disking frequency that was part of the NMOCD land farm approval was requested by Giant to be modified. Giant should address what disking frequency would be more workable in order to optimize the Bioremmediation process.
- Also of concern was the site security of the NMOCD land farm - Mr. Pavlich suggested gates be put on the berms. Giant should also consider the idea of fencing the entire land farm area as well. Perhaps better tracking as discussed above would prevent non-compliance issues such as shown in photo no. 8 from occurring. Giant needs to address how the security of the NMOCD land farm will be addressed. Giant should require that all wastes placed on the NMOCD land farm be under the direct control on the Giant Ciniza Health, Safety, and Environment office.

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- Treatment zone monitoring as attached as part of the NMOCD discharge plan modification - the OCD Santa Fe office has not received any of the sampling/monitoring as required in the discharge plan GW-032 modification approval dated June 14, 1995. (see enclosure no. 2 - approval letter from NMOCD dated June 14, 1995.)

**5. Western tank area - photos number 11 - 19.**

**A. Empty drum area.**

- This area needs immediate attention - drums need to be stored properly: i.e. bungs in place, with the drums on their side, and bungs horizontal to the ground.
- Note, at the time of the inspection many of the drums were partially full and the contents of many of them were unknown. Giant needs to make certain that "empty" drums are in fact empty, and those that contain usable products are stored separately on pad and curb type containment and with proper labels.
- Sump near the empty drum area needs to be cleaned annually and inspected for integrity. (see photo no. 11) Giant needs to document this sump inspection in the facility records.

**B. Tank 102/101 area.**

- Pumps - several centrifugal type transfer pumps are in need of better housekeeping practices. (See photo no. 13). 5 gallon buckets shall not be allowed to overflow due to pump priming operations or wind blowing the buckets off of the pump.
- Water draws need to be cleaned and inspected at least yearly and documented by Giant Ciniza. (See photo no. 14)
- No. 1 diesel tank appears to be leaking - Giant needs to propose an inspection plan for this tank in order to confirm mechanical integrity. ( See photo no. 16)

**C. Additive section.**

- Texaco, Amoco, and Giant need to address secondary containment and pad and curb options for their respective additive areas.

**D. Loading rack area.**

- Long-Horizontal sumps in the loading rack area need to be cleaned and inspected yearly

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and Giant must document the inspection and keep a file at the facility.

**Giant also needs to propose and schedule a mechanical integrity test for the below grade piping in this area and all other OCD regulated below ground effluent, product, and waste water lines.**

E. Carpenters shop area.

- Many cans/5 Gallon buckets partially full are discarded throughout this area- this situation needs to be addressed and housekeeping practices put in place to ensure proper disposal of empty paint and solvent cans and proper storage of partially used containers. (See photo no. 17 and 18)
- Benzene air stripper cleaning pad area needs better housekeeping. (See photo no. 19 and note the concrete trench in front of this area.)

II. **October 5, 1995 - Lab, South east tank area, Plant process area, and Railroad loading area.**

1. **Lab area**

- Lab wastes streams need to be characterized and stored/disposed of according to waste profile in terms of hazardous and/or non-hazardous characteristics.
- A written plan for lab employees to follow in terms of spill procedures and clean-up procedures should be prepared by Giant Ciniza.
- Mr. Pavlich proposed to eliminate many of the chemicals present in the lab area that are not needed. Giant should provide the OCD a list of chemicals that will remain in use.
- On January 16, 1996 Mr. Ed Horst Faxed the OCD a section of the 40 CFR 261.3 that discuss' exemptions from Hazardous waste regulations for certain lab facilities - Giant should follow up on this information and how it does or does not relate to this facilities lab waste stream.
- Several tanks and sample areas outside of the lab do not meet the OCD guidelines for secondary containment and pad/curb type containment. ( See photos no. 20,21 and 22)

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**2. South east tank area**

- Many of the general housekeeping concerns apply to this area - see photo no. 24 and 25. i.e. sumps/drip pans need to be maintained and inspected in order to prevent overtopping, pipe areas need to be maintained as far as spill clean-ups.

**Note:** Any below grade sump that is to be replaced shall have secondary containment and leak detection as part of the design.

**3. Plant process area**

- In general Giant has made headway as far as installing concrete pad/curb type containment throughout the entire process and appears to be headed towards covering the entire process area with pad/curb type containment. ( See photo no. 23)
  - A. Caustic tanks need secondary containment. ( 1 1/3 volume of the tank) See photo no. 33
  - B. Brine tank needs replacement and secondary containment or placement on an elevated skid with impermeable pad/curb type containment. Salt encrusted pump near brine tank needs clean up( See photo 30, 31, and 32)

**4. Railroad loading area.**

- A. Former lead house - (See photo no.26 ) - The water contained in this area should be removed, during the inspection Mr. Pavlich stated that the water could be pumped out and into the waste water treatment system.
- B. Pipe runs in this area showed evidence of spills and needs to be cleaned up - see photo no. 27.
- C. Old railrack lagoon - see photo no. 28.
- A question of regulatory authority at this site needs to be addressed by Giant, OCD, and EPA/NMED so that the impoundment may be closed and cleaned up. A first step to this is to verify if in fact the waste that was put into the lagoon is non-hazardous or exempt - then it would appear to fall under OCD, if Hazardous it would probably fall under EPA/NMED. Giant should bring this point up with the other agencies as well as OCD so that this issue may be resolved and the lagoon closed properly so that it is protective of human health, safety, and the environment.

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**III. October 6, 1995 - Plant and shop/warehouse area, North tank farm, Truck stop.**

**1. Plant and shop/warehouse area**

- The general housekeeping in this area needs to be addressed - see photo no. 34 and 35. As can be seen in these photographs spills are present throughout the area and are in need of clean-up. Also, note the drums in photo no. 34 and the oil/water mixture between buildings in photograph no. 35.

**2. North tank farm - photos no. 36 through no. 43**

- Piperuns and pump areas throughout this area in need of clean-up, It should also be noted that Giant has taken steps to put pad/curb type containments under many of the pumps and has cleaned under many of the piperuns-OCD understands this is an ongoing process of renovation-Giant should therefore propose a plan and time line for installing pad/curb for all pumps and a spill clean up plan to address the current spills/leaks currently on the ground in this area. The plan should address onsite/or offsite disposal options or site specific insitu remedial options.
- North empty drum areas - photo no. 39 and no. 40, Giant should look at the option of consolidating these empty drum areas with the empty drum area in the *Western Tank Area*. Provide the OCD with a description of the disposal of the empty drums.

**Note: It is OCD's policy that all empty drums be stored on their side with the bungs in place and horizontal to the groundlevel.**

- Tank area in general - spills/leaks need to be cleaned up, berms for the most part appear to be in compliance. See photo no. 37,38, and no. 42.

**3. Truck stop**

- In the fueling area all below grade sumps need to be cleaned and inspected annually and recorded at the facility by Giant Ciniza.
- Giant Ciniza also needs to propose a mechanical integrity test for the underground piping from the Truck Stop to the Refinery waste water treatment system.

**IV. Other issues to be considered as part of the renewal.**

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1. **Tank 569 Characterization Plan - see Enclosure no. 3.**

- On June 14, 1995 the OCD approved of the "Tank 569 Characterization Plan" with certain conditions of approval. Upon verbal discussion with Mr. Pavlich and Mr. Shelton with Giant Ciniza the OCD will allow Giant to Amend the Approval dated June 14, 1995 to address point condition No. 2. It is now the position of the OCD that Giant should first delineate the contamination and log the geologic sections in the investigation well bores in order to determine the optimal clean-up/remmediation strategy. Note: The uncased investigatory well bores must be plugged with a bentonite/cement type grout. Also the State Engineers office and the land owner must be notified prior to drilling any wells.

2. **Discharge Plan sampling and monitoring requirements.**

- Giant should re-evaluate the current sampling frequency and requirements and propose a revision to the current sampling/monitoring conditions based on current data trends and cost effectiveness while considering risk to the environment and human Health and Safety.

3. **Rail Spur Addition.**

- If Giant is proposing to add a rail spur or any other modifications they should be included in this renewal so as to save time and money for both the OCD and Giant.

If you have any questions with regards to this inspection report feel free to contact me at (505)-827-7156 or Mr. Roger Anderson at (505)-827-7152.

Sincerely,



Patricio W. Sanchez  
 Petroleum Engineer

enclosure and attachment

XC: Mr. Denny Foust w/o enclosures or attachments.

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