



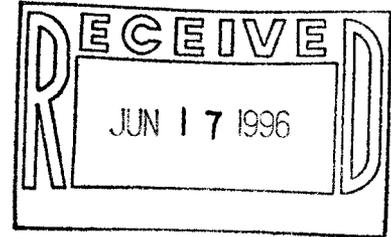
23733 North Scottsdale Road
Scottsdale, Arizona 85255

P.O. Box 12999
Scottsdale, Arizona 85267

602
585-8888

June 13, 1996

Michael Chacone
New Mexico Environment Department
Hazardous & Radioactive Material Bureau
P.O. Box 26110
Santa Fe, New Mexico 87502



Re: Financial Assurance for Giant Industries Arizona, Inc.

Dear Mr. Chacone:

Enclosed please find the updated financial assurance information for Giant Industries, Inc. Giant Industries, Inc. is the parent corporation of Giant Industries Arizona, Inc. ("GIA"). GIA owns the Ciniza Refinery and operates the Bloomfield Refinery.

If you have any questions, please give me a call at (602) 585-8807.

Sincerely,

A handwritten signature in cursive script that reads "Kathleen M Shildmyer".

Kathleen M. Shildmyer *C. Leary*
Regulatory Affairs Coordinator

cc: Dave Pavlich
Lynn Shelton



23733 North Scottsdale Road
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April 29, 1996

Michael Chacone
New Mexico Environment Department
Hazardous & Radioactive Material Bureau
P.O. Box 26110
Santa Fe, New Mexico 87502

Re: Financial Assurance for Giant Industries Arizona, Inc.

Dear Mr. Chacone:

I am the Chief Financial Officer of Giant Industries, Inc. This letter is in support of this firm's use of the financial test to demonstrate financial assurance for closure and post-closure costs, as specified in subpart H of 40 CFR parts 264 and 265.

1. This firm is the owner or operator of the following facilities for which financial assurance for closure care is demonstrated through the financial test specified in subpart H of 40 CFR parts 264 and 265. The current closure and /or post -closure cost estimates covered by the test are shown for each facility:

None

2. This firm guarantees, through the guarantee specified in subpart H of 40 CFR parts 264 and 265, the closure or post-closure care of the following facility owned or operated by the guaranteed party. The current cost estimates for the closure or post-closure so guaranteed are shown for each facility:

Giant Refining Company - Ciniza Refinery
EPA ID Number: NMD 000333211
Exit 39, East Interstate Highway 40
Gallup, New Mexico 87301
Closure cost estimate -

\$231,251

San Juan Refining Company - Bloomfield Refinery
EPA ID Number: NMD 089416416
#50 County Road 4990
Bloomfield, New Mexico 87413
Closure cost estimate - \$22,360

The firm identified above (Giant Industries Inc.) is the direct or higher-tier parent corporation of the owner or operator (Giant Industries Arizona, Inc.).

3. In States where EPA is not administering the financial requirements of subpart H of 40 CFR parts 264 or 265, this firm, as owner or operator or guarantor, is demonstrating financial assurance for the closure or post-closure care of the following facilities through the use of a test equivalent or substantially equivalent to the financial test specified in subpart H of 40 CFR parts 264 and 265. The current closure and/or post-closure cost estimates covered by such a test are shown for this facility:

None

4. This firm is the owner or operator of the following hazardous waste management facilities for which financial assurance for closure or, if a disposal facility, post-closure care is not demonstrated either to EPA or a State through the financial test or any other financial assurance mechanism specified in subpart H of 40 CFR parts 264 and 265 or equivalent or substantially equivalent State mechanisms. The current closure and/or post-closure cost estimates not covered by such financial assurance are shown for each facility:

None

5. This firm is the owner or operator of the following UIC facilities for which financial assurance for plugging and abandonment is required under part 144. The current closure cost estimates as required by 40 CFR 144.62 are shown for each facility:

None

The firm is required to file a Form 10K with the Securities and Exchange Commission (SEC) for the latest fiscal year.

The fiscal year of this firm ends on December 31. The figures of the following items marked with an asterisk are derived from this firm's independently audited, year-end financial statements for the latest completed fiscal year, ended December 31, 1995.

1.	Sum of current closure and post-closure cost estimate:	\$253,611
*2.	Total liabilities:	\$215,130,000

*3.	Tangible net worth:	\$106,807,000
*4.	Net worth:	\$109,732,000
*5.	Current assets:	\$108,869,000
*6.	Current liabilities:	\$58,541,000
7.	Net working capital (line 5 minus line 6)	\$50,328,000
*8.	The sum of net income plus depreciation, depletion, and amortization:	\$21,221,000
*9.	Total assets in U.S. (required only if less than 90% of firm's assets are located in the U.S.):	Not required
10.	Is line 3 at least \$10 million?	Yes
11.	Is line 3 at least 6 times line 1?	Yes
12.	Is line 7 at least 6 times line 1?	Yes
*13.	Are at least 90% of the firm's assets located in the U.S.? If not, complete line 14.	Yes
14.	Is line 9 at least 6 times line 1?	Not required
15.	Is line 2 divided by line 4 less than 2.0?	Yes
16.	Is line 8 divided by line 2 greater than 0.1?	No
17.	Is line 5 divided by line 6 greater than 1.5?	Yes

I hereby certify that the wording of this letter is substantially identical to the wording specified in 40 CFR 264.151 (f) as such regulations were constituted on the date shown immediately below.

A. Wayne Davenport
A. Wayne Davenport
Chief Financial Officer

April 29, 1996
Date

cc: Morgan Gust

Board of Directors and Stockholders
Giant Industries, Inc.
Scottsdale, Arizona

We have audited the accompanying consolidated balance sheets of Giant Industries, Inc. and subsidiaries as of December 31, 1995 and 1994, and the related consolidated statements of earnings, stockholders' equity and cash flows for each of the three years in the period ended December 31, 1995. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audits.

We conducted our audits in accordance with generally accepted auditing standards. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

In our opinion, the consolidated financial statements referred to above present fairly, in all material respects, the financial position of Giant Industries, Inc. and subsidiaries as of December 31, 1995 and 1994, and the results of their operations and their cash flows for each of the three years in the period ended December 31, 1995 in conformity with generally accepted accounting principles.

Deloitte & Touche LLP

DELOITTE & TOUCHE LLP

Phoenix, Arizona

March 4, 1996



**INDEPENDENT ACCOUNTANTS' REPORT ON APPLYING AGREED-UPON
PROCEDURES**

Giant Industries, Inc.
Giant Refining Company
Scottsdale, Arizona

We have performed the procedures included in the Code of Federal Regulations (CFR) Title 40, Part 264, Section 143 (40 CFR 264.143), which were agreed to by the Environmental Protection Agency, the New Mexico Environment Department, and Giant Industries, Inc., solely to assist the users in evaluating management's assertion about Giant Industries, Inc.'s compliance with the financial test option as of December 31, 1995, included in the accompanying letter dated April 29, 1996 from A. Wayne Davenport of Giant Industries, Inc. This agreed-upon procedures engagement was performed in accordance with standards established by the American Institute of Certified Public Accountants. The sufficiency of these procedures is solely the responsibility of the specified users of the report. Consequently, we make no representation regarding the sufficiency of the procedures described below either for the purpose for which this report has been requested or for any other purpose.

The procedures that we performed and related findings are as follows:

1. We compared the amounts included in item 5, numbers 4, 5 and 6 in the letter referred to above with the corresponding amounts in the audited financial statements of Giant Industries, Inc. as of and for the year ended December 31, 1995, on which we have issued our report dated March 14, 1996, and noted that such amounts were in agreement.
2. We recomputed from, or reconciled to, the financial statements referred to in procedure 1, the information included in item 5, numbers 2, 3, 7 and 8, in the letter referred to above and noted no differences.

We were not engaged to, and did not, perform an examination, the objective of which would be the expression of an opinion on the accompanying letter dated April 29, 1996. Accordingly, we do not express such an opinion. Had we performed additional procedures, other matters might have come to our attention that would have been reported to you.

This report is intended solely for the use of the board of directors and management of Giant Industries, Inc., the Environmental Protection Agency and the New Mexico Environment Department, and should not be used by those who have not agreed to the procedures and taken responsibility for the sufficiency of the procedures for their purposes.

Deloitte & Touche LLP

June 6, 1996