



STATE OF NEW MEXICO
ENERGY, MINERALS AND NATURAL RESOURCES DEPARTMENT

OIL CONSERVATION DIVISION

2040 S. PACHECO
SANTA FE, NEW MEXICO 87505
(505) 827-7131

June 20, 1996

CERTIFIED MAIL

RETURN RECEIPT NO. P-594-835-146

Mr. Edward L. Horst
Environmental Manager
Giant Refining - Ciniza
Route 3, Box 7
Gallup, NM 87301

**RE: Corrective Action Plan Dated April 15, 1996(CAP)
Discharge Plan GW- 32
Giant Ciniza Refinery**

Dear Mr. Horst:

The New Mexico Oil Conservation Division (OCD) has received Giant's letter and "Corrective action Plan" (CAP) dated April 15, 1996. The OCD has completed its review of the above mentioned plan and has included for Giant's reference comments received by the OCD from the NMED HRMB and EPA Region Six. The review that follows will contain OCD's requirements before the final approval of this proposed "Corrective Action Plan" may be granted:

- Per Verbal phone conversation with Mr. Horst with Giant the OCD requests that the recovery water from the two proposed recovery wells be sampled for WQCC Section 3103 A, B, and C constituents of concern using EPA approved sampling collection and analysis methods before the effluent is disposed of into the API Separator and plant waste water system. Each well shall be purged three wellbore volumes before the sample is collected. Further, the OCD requests that Giant determine the thickness of the free product in the proposed recovery wells B-2 and BG-4. Also, Giant needs to estimate the additional quantity of waste water that will be discharged to the API Separator.

Note: On May 8, 1996 the OCD granted Giant approval to begin recovery of the free product - the OCD requests that Giant not begin recovery and discharge to the API Separator and plant waste water system until the results from the sampling of the effluent generated from wells B-2 and BG-4 are obtained and reviewed by the OCD.

- Pursuant to WQCC Section 4105 A. 6 Giant is exempt from filing an Abatement plan provided: "under the authority of a ground-water discharge plan approved by the secretary, provided that such abatement is consistent with the requirements and provisions of Sections 4101, 4103, 4106.C, 4106.E, 4107 and 4112 of this part."

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Giant shall therefore review the WQCC regulations (a copy of which is provided for Giants reference) and requirements stated on the previous page and submit additional information to the "Corrective Action Plan" dated April 15, 1996 to OCD addressing all the items required by the WQCC regulations.

The OCD concurs with the items of concern as listed by the NMED and EPA excluding the following issues:

See NMED memo dated May 29, 1996 from Bob Sweeney to Ron Kern:

1. Under General Comment 1:

- It is OCD's understanding that the source of the contamination was due to old operational practices of tank cleaning and not leaking AST's or below grade lines leaking (see previous Tank 569 correspondence from OCD dated March 23, 1995 and Giant reply dated April 4, 1996.), is this still the position of Giant or has new information regarding the integrity of the AST's been obtained to prove otherwise?

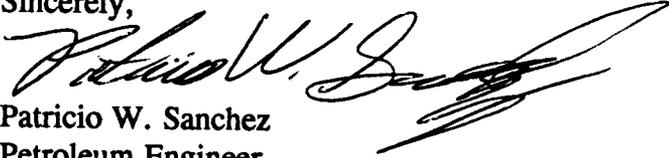
2. Specific Comments: Page 11, Paragraph 2:

- The OCD in this letter has stated that the recovery well(s) effluent will be sampled for WQCC 3103 A, B, and C constituents of concern before discharge to the API Separator. Therefore the issue of sampling API Separator effluent then becomes a non-issue.

Giant shall submit all the requested information within 60 days of receipt of this review letter and shall copy Mr. Benito Garcia - NMED HRMB, with all correspondence regarding this "Corrective Action Plan."

If Giant has any questions please feel free to call me at (505)-827-7156.

Sincerely,


Patricio W. Sanchez
Petroleum Engineer

xc: Mr. Denny Foust - NMOCD, Mr. Benito Garcia and Mr. Bob Sweeney - NMED, HRMB

Attachments