



STATE OF NEW MEXICO  
ENERGY, MINERALS AND NATURAL RESOURCES DEPARTMENT

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

July 9, 1996

**CERTIFIED MAIL**  
**RETURN RECEIPT NO. P-594-835-276**

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



**RE: CAP-SWMU#6/TANK 569**  
**Recovery well sampling**  
**Giant Ciniza Refinery - GW-032**

Dear Mr. Horst:

The New Mexico Oil Conservation Division (OCD) has received Giant's letter and "Corrective action Plan dated April 15, 1996, Clarification on OCD Requirements." dated July 4, 1996 ( see attachment). The OCD ( Pat Sanchez) and NMED HRMB (Bob Sweeney) have met to discuss the previously requested sampling of the two proposed recovery wells B-2 and BG-4. Upon review of sample analysis that OCD obtained as part of the discharge plan renewal process and discussion of the plant waste water handling system and the disposal of API separator sludge - the OCD will not require that the two recovery wells be sampled at this time. Giant may begin free product recovery as previously approved by the OCD on May 8, 1996 .

*Giant will however propose the appropriate constituents of concern based upon process knowledge and the appropriate skinner list constituents cross referenced with WQCC constituents for the monitor wells that will be utilized and/or installed as part of the CAP for the area of concern.*

Note, that OCD direction does not relieve Giant of liability should operations at Ciniza result in contamination of surface waters, ground waters or the environment which is a result of this directive. In addition, OCD direction does not relieve Giant of responsibility for compliance with any other Federal, State, or local laws and/or regulations.

Sincerely,

Patricio W. Sanchez  
Petroleum Engineer

xc: Mr. Denny Foust - NMOCD, Mr. Bob Sweeney - NMED, HRMB  
Attachment