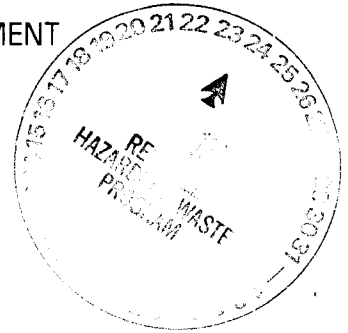


GRCC96



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 15, 1996

**CERTIFIED MAIL**  
**RETURN RECEIPT NO. P-594-835-278**

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

**RE: Approval of Discharge Plan GW-032  
Renewal "Ciniza" Refinery  
McKinley County, New Mexico**

Dear Mr. Horst:

The discharge plan renewal GW-032 for the Giant "Ciniza" Refinery located in the Section 28 and Section 33, Township 15 North, Range 15 West, NMPM, McKinley County, New Mexico, is hereby approved under the conditions contained in the enclosed attachment. The discharge plan renewal consists of the following items: The renewal application dated August 21, 1995 from Giant, the discharge plan inspection report from OCD dated January 18, 1996, the discharge plan modification letter dated January 24, 1996 from OCD, the Response from Giant dated June 24, 1996, the groundwater analytical results submitted by Giant dated June 26, 1996, the ongoing Corrective Action for SWMU No.6/Tank 569, and this renewal approval with conditions from OCD dated July 15, 1996. Enclosed are two copies of the conditions of approval. Please sign and return one copy to the New Mexico Oil Conservation Division (OCD) Santa Fe Office within five working days of receipt of this letter.

The discharge plan renewal application was submitted pursuant to Section 3106 of the New Mexico Water Quality Control Commission Regulations. Please note Sections 3109.E and 3109.F which provide for possible future amendments or modifications of the plan. Please be advised that the approval of this plan does not relieve Giant of liability should the operations associated with this facility result in pollution of surface water, ground water, or the environment.

Please be advised that all exposed pits, including lined pits and open top tanks (tanks exceeding 16 feet in diameter), shall be screened, netted, or otherwise rendered nonhazardous to wildlife including migratory birds.

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Please note that Section 3104 of the regulations requires that "When a plan has been approved, discharges must be consistent with the terms and conditions of the plan." Pursuant to Section 3107.C Giant is required to notify the Director of any facility expansion, production increase, or process modification that would result in any change in the discharge of water quality or volume.

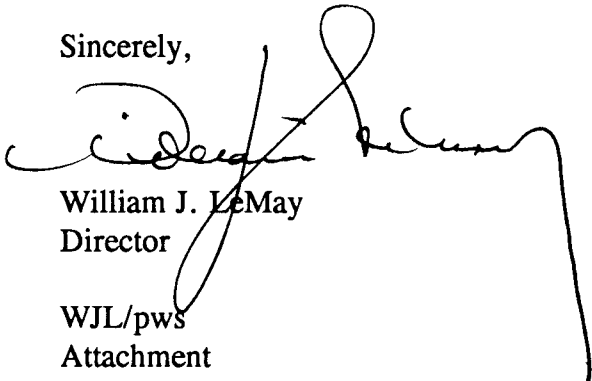
Pursuant to Section 3109.G.4, this plan is for a period of five (5) years. **This approval will expire August 1, 2001**, and an application for renewal should be submitted in ample time before that date. It should be noted that all discharge plan facilities will be required to submit plans for, or the results of, an underground drainage testing program as a requirement for discharge plan renewal.

The discharge plan renewal for the Giant "Ciniza" Refinery GW-032 is subject to the WQCC Regulation 3114 discharge plan fee. Every billable facility submitting a discharge plan will be assessed a fee equal to the filing fee of \$50. The flat fee for a Refinery discharge plan renewal is \$ 3,910.

**Note: The filing fee and flat fee have not been received by the OCD, both fees are due upon receipt of this renewal approval from the OCD.** The flat fee may be paid in one lump payment of \$ 3,910 or may be paid in five equal annual installments of \$ 782, with the first payment to include the \$ 50 dollar filing fee due upon receipt of this renewal approval. Please make all checks payable to "NMED Water Quality Management" and submit to the OCD Santa Fe Division office.

On behalf of the staff of the Oil Conservation Division, I wish to thank you and your staff for your cooperation during this discharge plan review.

Sincerely,



William J. LeMay  
Director

WJL/pws  
Attachment

xc: Mr. Denny Foust-OCD Aztec, Mr. Bob Sweeney - NMED, HRMB

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**ATTACHMENT TO DISCHARGE PLAN GW-032 RENEWAL  
Giant - "Ciniza" Refinery  
DISCHARGE PLAN REQUIREMENTS**

**(July 15, 1996)**

1. **Payment of Discharge Plan Fees:** The \$50 filing fee along with the \$ 3,910 flat fee shall be submitted upon receipt of this approval. The required flat fee may be paid in a single payment due at the time of approval, or in equal annual installments over the duration of the plan, with the first payment due upon receipt of this approval.
2. **Giant Commitments:** Giant will abide by the commitments and conditions made in the following: The renewal application dated August 21, 1995 from Giant, the discharge plan inspection report from OCD dated January 18, 1996, the discharge plan modification letter dated January 24, 1996 from OCD, the Response from Giant dated June 24, 1996, the groundwater analytical results submitted by Giant dated June 26, 1996, the ongoing Corrective Action for SWMU No.6/Tank 569, and this renewal approval with conditions from OCD dated July 15, 1996.
3. **Drum Storage:** All drums containing materials other than fresh water must be stored on an impermeable pad and curb type containment. All empty drums should be stored on their sides with the bungs in place and lined up on a horizontal plane. Chemicals in other containers such as sacks or buckets should also be stored on an impermeable pad and curb type containment.  
  
All drums and chemical containers shall be clearly labeled to identify their contents and other emergency information necessary if they were to rupture, spill, or ignite.
4. **Process Areas:** All process and maintenance areas which show evidence that leaks and spills are reaching the ground surface must be either paved and curbed or have some type of spill collection device incorporated into the design.

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5. **Above Ground Tanks**: All above ground tanks which contain fluids other than fresh water must be bermed to contain a volume of one-third more than the total volume of the largest tank or of all interconnected tanks. All new facilities or modifications to existing facilities must place the tank on an impermeable type pad.

6. **Above Ground Saddle Tanks**: Above ground saddle tanks must have impermeable pad and curb type containment unless they contain fresh water or fluids that are gases at atmospheric temperature and pressure.

7. **Tank Labeling**: All tanks should be clearly labeled to identify their contents and other emergency information necessary if the tank were to rupture, spill, or ignite.

8. **Below Grade Tanks/Sumps**: All below grade tanks, sumps, and pits must be approved by the OCD prior to installation or upon modification and must incorporate secondary containment and leak-detection into the design. All pre-existing sumps and below-grade tanks that do not have secondary containment and leak detection must demonstrate integrity on an annual basis. Integrity tests include pressure testing to 3 pounds per square inch above normal operating pressure and/or visual inspection of cleaned out tanks /or sumps.

9. **Underground Process/Wastewater Lines**: All underground process/wastewater pipelines must be tested to demonstrate their mechanical integrity at present and then every 5 years there after. Companies may propose various methods for testing such as pressure testing to 3 pounds per square inch above normal operating pressure or other means acceptable to the OCD. The OCD will be notified at least 72 hours prior to all testing so that an OCD representative may witness the testing.

10. **Housekeeping**: All systems designed for spill collection/prevention should be inspected to ensure proper operation and to prevent overtopping or system failure.

Any contaminated soils that are collected at the facility will be tested for hazardous constituents, and after receiving OCD approval, will be disposed of at an OCD approved site.

11. **Spill Reporting**: All spills/releases shall be reported pursuant to OCD Rule 116 and WQCC 1203 to the Aztec OCD District Office at (505)-334-6178.

12. **Transfer of Discharge Plan**: The OCD will be notified prior to any transfer of ownership, control, or possession of a facility with an approved discharge plan. A written commitment to comply with the terms and conditions of the previously approved discharge plan must be submitted by the purchaser and approved by the OCD prior to transfer.

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13. **New Mexico Oil Conservation Division Inspections:** Additional requirements may be placed on the facility based upon results from New Mexico Oil Conservation Division inspections.

14. **Closure:** The OCD will be notified when operations of the facility are discontinued for a period in excess of six months. Prior to closure of the facility a closure plan will be submitted for approval by the director. Closure and waste disposal will be in accordance with the statutes, rules and regulations in effect at the time of closure.

15. **Conditions accepted by:** \_\_\_\_\_  
Company Representative                      Date

\_\_\_\_\_

Title