GRCC 96

GIANT REFINING CO.

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SEP 11 1996

September 4, 1996

Mr. Patricio Sanchez
New Mexico Oil and Gas Division
2040 South Pacheco Street
Santa Fe, New Mexico 87505

Dear Mr. Sanchez:

SUBJECT: CORRECTIVE ACTION PLAN-SWMU-6-RESPONSE

In your letter of June 20, 1996, you point out that 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 for Section 4101, 4103, 4106C, 4107, and 4112 of this part." In reviewing these sections of the WQCC it appears as if Giant is not required to submit an Abatement Plan, however, because this area is identified as a Solid Waste Management Unit (SWMU) in the Hazardous and Solid Waste Act (HSWA) portion of Giant's Resource Conservation and Recovery Act (RCRA) Permit, a Corrective Action Plan is required to be submitted to the regulatory agencies. Therefore Giant submitted the April 15, 1996, Corrective Action Plan (CAP).

The CAP was submitted not as a completed document but rather one that would allow Giant to begin product recovery from two (2) recovery wells, BG-4 and B-2. In reviewing the comments submitted by the New Mexico Oil Conservation Division (NMOCD), New Mexico Hazardous and Radioactive Materials Bureau (NMHRMB) and the U.S. Environmental Protection Agency (USEPA), it appears that the CAP must be expanded to address the various comments. The following information is being submitted in an effort to address these comments, however, Giant still feels that as this project develops and additional information is gathered, further modification to the CAP will likely be necessary.

In reviewing your June 20, 1996 letter, General Comment 1, you state that it is OCD's understanding that the source of contamination was due to old operational practices of tank cleaning and not leaking AST's or below grade lines. To insure all potential sources of contamination are addressed, Giant is presently reviewing all records, including tank inspection records. As stated on page 12 of the CAP, Giant will be submitting a written quarterly progress report which will include the findings of the record review.

As a part of the June 20, 1996 letter, NMOCD included comments, as attachments, from NMHRMB and USEPA. HRMB had four (4) "General Comments" and four (4) "Specific Comments" that will be addressed as follows:

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GENERAL COMMENT 1: SWMU-6 is included in the Hazardous and Solid Waste Amendments module of Giant Refining Company's Resource Conservation and Recovery Act Permit and, as such, requires certain corrective actions to be taken when hazardous constituents have been released to the environment. The following issues need to be addressed:

⇒ The source of contamination must be determined and further release prevented. Are the storage tanks in SWMU-6 now active? Have they been checked for releases? Has all piping in the area been tested for leaks? What other potential contamination sources exist at the site?

GIANT'S RESPONSE: As stated above, an extensive review of all records will be conducted to insure all potential contamination sources have been identified. All storage tanks in SWMU-6 are active with the exception of Tank 573. This tank was removed from service in 1995. Many of these tanks have been checked for leaks. Giant's environmental staff is presently reviewing the tank inspection records and will report their findings in the first progress report. As for the piping, again Giant's environmental staff is reviewing all available records and will report on them in the first progress report. The only other sources of contamination would be the mishandling, for example spills and tank cleanings, of the products or their residues over the past 40 years.

⇒ Contaminant characterization must be completed. What contaminant types and concentrations are in the groundwater and soils at SWMU-6? At what rate is the contamination spreading away from the SWMU-6? What is the extent (both vertical and horizontal) of contamination?

GIANT'S RESPONSE: As stated in the CAP, Giant anticipates modifying or amending the CAP so as to reflect "reality". Presently, a six hole drilling/boring program is underway to characterize and determine the extent, both horizontal and vertical, of the contamination. Giant will present its findings in the first progress report.

⇒ What are the hazardous constituents of concern for the site? How and where will environmental media be sampled for hazardous waste contamination? What will be done for hazardous constituents in both soils and groundwater?

GIANT'S RESPONSE: To fully answer this comment, the six (6) hole drilling/boring program must be completed and samples analyzed. Giant will sample the soils every two feet. Each sample will be placed in a sample container and field screened with a Photo-Ionizer Detector (PID). If the PID indicates that there maybe contamination present, the sample will be sent off for analytical testing. Initial analytical testing will concentrate on finding any constituents found in gasoline, i.e. benzene, toluene, ethylbenzene, total xylenes (BTEX) but may be expanded to include constituents found in other products produced by the refinery. In addition to the soil, if water bearing

zones are encountered, then water samples will be obtained and handled in the same manner as the soil samples.

GENERAL COMMENT 2: The proposed pump & treat method of product removal is likely to alter the characteristics of the contaminant plume. How does GRC-C proposed to monitor the changes?

GIANT'S RESPONSE: The characteristic base line will be established once the initial six (6) hole drilling/boring program is completed and the samples analyzed. From this point a sampling and analysis plan will be submitted to the regulatory agencies for review and approval.

GENERAL COMMENT 3: A timetable for completion of the several tasks associated with corrective action for SWMU-6 must be submitted.

GIANT'S RESPONSE: As set out in the CAP, Giant proposes to begin remediation through a pump and treat method. Initially, two (2) submergible pumps will be installed at wells B-2 and BG-4 by the end of the third quarter 1996. Monitoring of the success of this operation will be conducted through water sampling at down gradient wells OW-13 and OW-14 on the same schedule as presently required by the New Mexico Oil Conservation Divisions approved Ground Water Discharge Permit 32 (twice a year). Establishing one additional monitoring well will be completed by the end of the third quarter of 1996.

In addition, as stated above, Giant is performing a six (6) hole drilling/ boring and sampling/analytical program that began on August 22, 1996 and will be completed during the fourth quarter of 1996. Results from these efforts will be submitted to the regulatory agencies before the end of the fourth quarter of 1996.

GENERAL COMMENT 4: NMED needs construction & lithology logs and ground levels for the OW wells in order to determine if they're usable, as proposed. in the proposed corrective action.

GIANT'S RESPONSE: Attached as a part of this response is a copy of the typical construction of the OW wells throughout the facility. Lithology logs and ground levels for OW-13 and OW-14 are also included in the attachment.

SPECIFIC COMMENTS:

◊ Page 10, Paragraph 2: The bore-holes will be sampled and analyzed for hazardous constituents every two feet until two "clean" samples are found.

GIANT'S RESPONSE: There appears to be a misunderstanding about what Giant is stating in this paragraph. This was historical "Site Assessment" information and not

how the site will now be assessed. Giant did however follow NMHRMB's recommendations to gather bore hole soil samples every two feet for its current drilling/boring program. As stated above, each sample then was field screened with a PID, and, if there was any indication of organic compounds, the sample was sent to an independent analytical laboratory to be analyzed.

◊ Page 11, Paragraph 2: How will the API Separator effluent water be check for dissolved constituents? How will any contaminated water be handled?

GIANT'S RESPONSE: It is Giant's understanding, as above explained, that due to the small amount of liquid being placed into the API Separator system and the fact that all Giant's processed water passes through the API Separator, no additional monitoring would be required (see letter from NMOCD dated July 9, 1996). All contaminated water would be handled the same as process waters. Hydrocarbon would float on the surface, be captured by surface skimming, and be returned to the process to recover usable product.

◊ Page 11, Paragraph 2: Does GRC-C assume all free product will be removed by pumping for wells B-2 and BG-4. How will contaminated soil and groundwater be remediated?

GIANT'S RESPONSE: In reviewing the submitted CAP, I find myself again apologizing for causing a misunderstanding of what Giant is trying to accomplish. The purpose of the CAP was to begin a recovery process and begin a more complete site characterization. Once additional information is gathered, a Corrective Action Plan for handling contaminated soils and waters would be submitted. It is, however, anticipated that the contaminated groundwater would be also removed through the recovery wells and placed into the API Separator. The amount of water would be less then 3 gallons per minute and, more likely, due to the very slow recharge of the recovery wells, less then 1.5 gallons per minute.

◊ Page 12, Paragraph 1: Are the wells OW-14 and OW-13 down gradient of SWMU-6? Across which sands are the two wells screened?

GIANT'S RESPONSE: In addressing this comment, please refer to the attached information for answering NMHRMB's "GENERAL COMMENT 4:"

In reviewing USEPA's recommendations, it appears as though NMHRMB has incorporated USEPA's recommendations in their recommendations. Thus responding to NMHRMB's comments would in fact be responding to the USEPA's comments.

In summary, Giant is presently proceeding to fully characterize SWMU-6 through record searches, drilling/boring, sampling and analysis work. Giant will continue to monitor and sample existing OW wells near SWMU-6 and establish new monitoring wells down

gradient from SWMU-6. These new monitoring wells will be completed in the same geologic zones that appear to be contaminated and will be located in front of any plume that might be migrating.

If you have any questions on this matter, please contact Mr. Dave Pavlich at (505) 722-0217or Mr. Steve Morris at (505) 722-0258.

Sincerely,

Edward L. Horst, Environmental Manager
Giant Refinering Company
Ciniza Refinery

cc: Mr. Denny Foust - NMOCD
Mr. Bob Sweeney - NMED/HRMB
Mr. Dick Platt, General Manager - Giant Refining Company
Mr. Dave Pavlich, HSE Manager - Giant Refining Company
Mr. Steve Morris, Environmental Specialist - Giant Refining Company

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STATE OF NEW MEXICO
ENERGY, MINERALS AND NATURAL RESOURCES DEPARTMENT
OIL CONSERVATION DIVISION
2040 S. PACHECO
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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