



4/11/2000

Dave Cobrain
New Mexico Environment Department
Hazardous and Radioactive Material Bureau
P.O. Box 26110
Santa Fe, New Mexico 87502

23733 NORTH
SCOTTSDALE ROAD
SCOTTSDALE
ARIZONA 85255

P. O. BOX 12999
SCOTTSDALE
ARIZONA 85267

PHONE
480-565-8888
INTERNET
WWW.GIANT.COM

Dear Mr. Cobrain:

Enclosed is a copy of the Letter of Credit in the amount of \$776,840 issued to the State of New Mexico by Bank of America on behalf of Giant Industries Arizona, Inc. This Letter of Credit has been in place since June 1, 1998. Also enclosed is the Financial Assurance test that shows the sum of the current closure and post-closure costs estimated to be \$396,710.

Please contact me if I can be of additional assistance.

Regards,

A handwritten signature in black ink, appearing to be "Mark B. Cox", is written over the typed name and title.

Mark B. Cox
V.P. Treasurer and Financial Officer



23733 NORTH
SCOTTSDALE ROAD
SCOTTSDALE
ARIZONA 85255

P. O. BOX 12999
SCOTTSDALE
ARIZONA 85267

PHONE
480-585-8888
INTERNET
WWW.GIANT.COM

March 22, 2000

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. and San Juan Refining Company

Dear Mr. Chacone:

I am the 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:

Giant Refining Company - Ciniza Refinery	
EPA ID Number: NMD 000333211	
Exit 39, East Interstate Highway 40	
Gallup, New Mexico 87301	
Closure cost estimate -	\$
Post-closure cost estimate -	\$
Total closure/post-closure cost estimate-	\$371,756

San Juan Refining Company - Bloomfield Refinery
EPA ID Number: NMD 089416416

#50 County Road 4990	
Bloomfield, New Mexico 87413	
Closure cost estimate -	\$ 24,954
Post-closure cost estimate -	\$
Total closure/post-closure cost estimate-	\$ 24,954

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 -	\$371,756

San Juan Refining Company - Bloomfield Refinery	
EPA ID Number: NMD 089416416	
#50 County Road 4990	
Bloomfield, New Mexico 87413	
Closure cost estimate -	\$24,954

The firm identified above (Giant Industries Inc.) is the direct or higher-tier parent corporation of the owner or operator (San Juan Refining Company and Giant Refining Company).

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

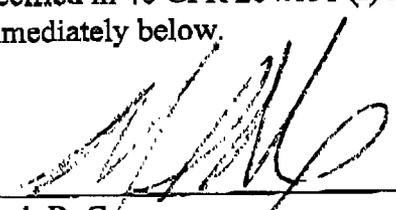
The firm is required to file a Form 10K with the Securities and Exchange Commission (SEC) for the latest fiscal year.

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, 1999.

1.	Sum of current closure and post-closure cost estimate:	\$396,710
*2.	Total liabilities:	\$414,336,000
*3.	Tangible net worth:	\$132,462,000
*4.	Net worth:	\$132,462,000
*5.	Current assets:	\$171,983,000
*6.	Current liabilities:	\$122,587,000
7.	Net working capital (line 5 minus line 6)	\$ 49,396,000
*8.	The sum of net income plus depreciation, depletion, and amortization:	\$41,907,000
*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? No
- 16. Is line 8 divided by line 2 greater than 0.1? Yes
- 17. Is line 5 divided by line 6 greater than 1.5? No

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.



 Mark B. Cox
 Financial Officer



 Date

cc: Sarah Allen



PAGE: 1

DATE: JUNE 1, 1998

IRREVOCABLE STANDBY LETTER OF CREDIT NUMBER: C7354858

BENEFICIARY
STATE OF NEW MEXICO ENVIRONMENT
DEPT.
P.O. BOX 26110
SANTA FE, NM 87502

APPLICANT
✓ GIANT INDUSTRIES ARIZONA, INC.
23733 NO. SCOTTSDALE ROAD
SCOTTSDALE, AZ 85255

AMOUNT
USD 776,840.00
SEVEN HUNDRED SEVENTY SIX THOUSAND
EIGHT HUNDRED FORTY AND 00/100'S US
DOLLARS

EXPIRATION
JUNE 1, 1999 AT OUR COUNTERS

WE HEREBY ESTABLISH OUR IRREVOCABLE STANDBY LETTER OF CREDIT NO. C7354858 IN YOUR FAVOR, AT THE REQUEST AND FOR THE ACCOUNT OF GIANT INDUSTRIES ARIZONA, INC., 23733 NO. SCOTTSDALE ROAD, SCOTTSDALE, ARIZONA 85255 UP TO THE AGGREGATE AMOUNT OF USD 776,840.00 (SEVEN HUNDRED SEVENTY SIX THOUSAND EIGHT HUNDRED FORTY AND NO/100 UNITED STATES DOLLARS), AVAILABLE UPON PRESENTATION OF THE FOLLOWING DOCUMENTS:

1. YOUR SIGHT DRAFT, BEARING REFERENCE TO THIS LETTER OF CREDIT NO. C7354858; AND
2. YOUR SIGNED STATEMENT READING AS FOLLOWS:

"I CERTIFY THAT THE AMOUNT OF THE DRAFT IS PAYABLE PURSUANT TO REGULATIONS ISSUED UNDER AUTHORITY OF THE RESOURCE CONSERVATION AND RECOVERY ACT OF 1976 AS AMENDED."

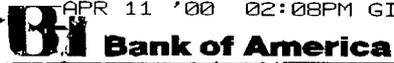
THIS LETTER OF CREDIT IS EFFECTIVE IMMEDIATELY AND SHALL EXPIRE ON JUNE 1, 1999, BUT SUCH EXPIRATION DATE SHALL BE AUTOMATICALLY EXTENDED FOR A PERIOD OF ONE YEAR ON JUNE 1, 1999 AND ON EACH SUCCESSIVE EXPIRATION DATE, UNLESS, AT LEAST 120 DAYS BEFORE THE CURRENT EXPIRATION DATE, WE NOTIFY YOU AND GIANT INDUSTRIES ARIZONA, INC. BY CERTIFIED MAIL OR COURIER THAT WE HAVE DECIDED NOT TO EXTEND THIS LETTER OF CREDIT BEYOND THE CURRENT EXPIRATION DATE. IN THE EVENT YOU ARE SO NOTIFIED, ANY UNUSED PORTION OF THE CREDIT SHALL BE AVAILABLE UPON PRESENTATION OF YOUR SIGHT DRAFT FOR 120 DAYS AFTER THE DATE OF RECEIPT BY BOTH YOU AND GIANT INDUSTRIES ARIZONA, INC. OF OUR NOTICE AS SHOWN ON THE SIGNED RETURN RECEIPTS.

WHENEVER THIS LETTER OF CREDIT IS DRAWN ON UNDER AND IN COMPLIANCE WITH THE TERMS OF THIS CREDIT, WE SHALL DULY HONOR SUCH DRAFT UPON PRESENTATION TO US, AND WE SHALL DEPOSIT THE AMOUNT OF THE DRAFT DIRECTLY INTO THE STANDBY TRUST FUND OF GIANT INDUSTRIES ARIZONA, INC. IN ACCORDANCE WITH YOUR INSTRUCTIONS.

WE CERTIFY THAT THE WORDING OF THIS LETTER OF CREDIT IS IDENTICAL TO THE WORDING SPECIFIED IN 40 CFR 264.151 (D) AS SUCH REGULATIONS WERE CONSTITUTED ON THE DATE SHOWN IMMEDIATELY ABOVE.

THIS CREDIT IS SUBJECT TO THE UNIFORM CUSTOMS AND PRACTICE FOR DOCUMENTARY CREDITS (1993 REVISION), INTERNATIONAL CHAMBER OF

COPY



PAGE: 2

THIS IS AN INTEGRAL PART OF LETTER OF CREDIT NUMBER: C7354858

COMMERCE PUBLICATION NO. 500.

IF YOU REQUIRE ANY ASSISTANCE OR HAVE ANY QUESTIONS REGARDING THIS TRANSACTION, PLEASE CALL 312-923-5885.

BANK OF AMERICA

[Signature]
FOR CASHIER

[Signature]
FOR CASHIER

THIS DOCUMENT CONSISTS OF 2 PAGE(S).

COPY



23733 North Scottsdale Road
Scottsdale, AZ 85255
(480) 585-8888 ♦ (480) 585-8893 FAX

TELECOPY COVER SHEET

To: <u>DAVE COBRAN</u>	From: <u>MARK C/F</u>
Number: <u>505 827 1544</u>	Subject: <u>L.C.</u>
We are transmitting <u>8</u> pages (including this cover sheet). If you do not receive all the pages, please inform us as soon as possible at (480) 585-8888.	
Date: <u>04/11/00</u>	Time: <u>1400</u>
Comments: _____ _____ _____	