Monzeglio, Hope, NMENV

CINITA

From: Jim Lieb [jlieb@giant.com]

Sent: Wednesday, October 25, 2006 7:26 AM

To: Chavez, Carl J, EMNRD

Cc: Ed Rios; Ed Riege; Steve Morris; Price, Wayne, EMNRD; Monzeglio, Hope, NMENV; Cobrain, Dave, NMENV

Subject: RE: Some follow-up items from OCD's October 11, 2006 site inspection

Carl:

Thank you for the follow-up and update. In consideration of the concerns you provided in your email Giant – Ciniza offers the following responses.

We believe that it is highly unlikely that a storm event in the area you mention where the fire fighting water was contained in a drainage area behind the berm could initiate an overflow that would escape this process area and thus there should never be a discharge to waters of the state. This process area is surrounded by a curb and there are berms that were located in strategic areas that serve as emergency flow blocks to prevent process area spills and storm water in this area from progressing any distance from the process area. During storm events, the curb and berms hold storm water inside this process area where the water flows into the storm sewer system. We believe the existing system will contain the equivalent to, or exceeding, a 100 year flood storm event.

During the fighting of the fire, deluge sprays were used by Giant to suppress the fire. The amount of water used was on the order of 5,000 gallons per minute administered through a number of fire water monitors surrounding the alkylation unit. Some overspray from the deluge of fire water resulted in water outside the curbing. We showed you the berm that stopped the runoff of fire fighting water from the alkylation unit fire. The berm held the overspray water as the berm was designed to do. The water from the fire was not and will not be discharged.

Yesterday morning, Steve Morris and I discussed over the telephone with Hope Monzeglio our plans in brief for the two tanks. She requested that I prepare a short letter outlining our plans for the two large tanks for use as accumulation of storm water, and as emergency process waste water storage in event of a malfunction at the new API separator. This letter will also include our plans for the NAPIS including repairing any leaks and ability to handle future flows. I anticipate providing the letter to OCD and NMED before your meeting on November 2. Vector-Arizona is currently working on an engineering design plan for the storm water/emergency tank system. We will provide the design plan to you upon completion.

Giant – Ciniza will notify you at least a day in advance of when we get to the point that we install the flume at the AL2 to EP1 location.

If you have any questions, please contact me at (505) 7220227 or jlieb@giant.com

Regards,

Jim Lieb Environmental Engineer Giant Industries, Inc. Ciniza Refinery I-40, Exit 39 Jamestown, NM 87347 (505) 722-0227 fax (505) 722-0210 jlieb@giant.com

Jim and Steve:

I am writing to follow-up with you on some issues from the OCD's October 11, 2006, fire inspection. The inspection was precipitated by an alkylation unit fire on October 5, 2006, and resulted in a comprehensive refinery inspection with discussion of past inspection items. The refinery inspection also facilitated the introduction of two new OCD Inspectors, Mr. Leonard Lowe and Mr. Ed Hansen. This e-mail serves to follow-up on some items from our meeting and to update you on what will be forthcoming.

I am in the process of completing a OCD fire investigation document pertaining to the Alkylation Unit fire. It will contain observations, recommendations and some requirements (i.e.; sampling for chlorides, fluorides and pH at a couple of locations) based on our inspection. It is interesting to note that some stormwater drainage changes have been made by Giant, since our inspection of September 8, 2005, i.e.; Giant appears to have decommissioned outfall #2 replacing it with a series of drainage blocks in the vicinity of the railroad lagoon area, which Giant indicated it had submitted a stormwater drainage map to the EPA in its most recent Stormwater Pollution Prevention Plan (SWPPP) and had yet to be contacted by the EPA. The OCD is concerned about natural natural rainfall events and the potential for overflow at the process area. Is this likely and especially if Giant combines stormwater with its process water drainage area that is contained by a berm. Any contamination in the stormwater area could present a point source of contamination.

Secondly, there were some follow-up items to previous refinery inspections that were discussed. I am working on more comprehensive write-up of our inspection. The OCD and NMED will be discussing the NAPI Unit on Thursday, November 2, 2006 around 11:30 a.m. and may contact you if we have questions. I think we need to know the maximum flow capacity of the NAPI system. It seems like Giant is moving forward with tank placement, etc., in lieu of the previously proposed fire water pond in advance of engineering plans, submittals, etc. The issues associated with the NAPI Unit may affect Giant's plans.

Regarding the proposal to bypass AL2 during the installation of a flow meter device, flow from AL1 to EP1 may be approvable if the 3 aerators are fully functional in AL1, and you can provide us with a reasonable time-frame (ex., 1/2 day); and provided there are no other plant treatment system upsets or issues that have yet to be discussed.

Please contact me if you have questions. Thanks.

Carl J. Chavez, CHMM New Mexico Energy, Minerals & Natural Resources Dept. Oil Conservation Division, Environmental Bureau 1220 South St. Francis Dr., Santa Fe, New Mexico 87505 Office: (505) 476-3491 Fax: (505) 476-3462 E-mail: <u>CarlJ.Chavez@state.nm.us</u> Website: <u>http://www.emnrd.state.nm.us/ocd/</u> (Pollution Prevention Guidance is under "Publications")

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