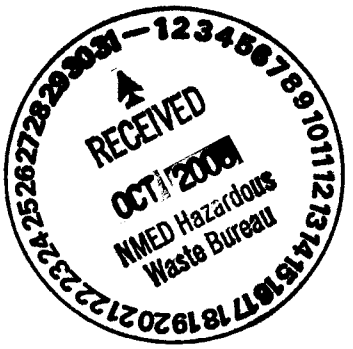
Ciniza



GIANT
Giant Refining Company
Route 3, Box 7
Gallup, NM 87301

October 27, 2006

Carl Chavez,
Oil Conservation Division
Environmental Bureau
1220 S. Saint Francis
Santa Fe, NM 87505

Brandon Powell
Oil Conservation Division
1000 Rio Bravo Rd
Aztec, NM 87410

Hope Monzeglio
New Mexico Environment Department
Hazardous Waste Bureau
2905 Rodeo Park Drive East, BLDG 1
Santa Fe NM 87505

RE: Outline of Giant - Ciniza Refinery Plans for Storm Water Retention Tanks and NAPIS

Dear all:

In this letter Giant - Ciniza outlines its plans for handling storm water from the process area using the two existing large storage tanks. We have mentioned in brief discussions previously over the telephone with OCD and NMED, this method for handling storm water rather than routing to the existing pond that Giant was considering earlier for conversion to storm water retention pond and use as emergency water supply in event of a refinery fire. Giant thinks the tanks would be better than the pond because the two tanks would be more amenable for usage as a temporary storage system in event of a malfunction of the new API separator (NAPIS). Wayne Price, in a previous meeting this last March, had asked us for ideas on how to handle process water in the event of a NAPIS malfunction. The two tanks are NSPS Subpart Kb compliant with floating roofs. Each tank has 5,000 barrels capacity (210,000 gallons) for a total combined capacity of 10,000 barrels or 420,000 gallons. I include a diagram showing the location of the tanks.

Piping would be installed between the two tanks and the influent pipe to the NAPIS that would enable Giant to route untreated process waste water to the tanks in the event of a malfunction of the NAPIS. A shut-off valve would be installed at the influent pipe to the NAPIS. If a malfunction occurred, the valve could be closed and the untreated process waste water would shunt through the proposed piping to the tanks. Once the API was repaired, the accumulated untreated process waste water in the tanks would be pumped at a controlled rate to the NAPIS for treatment.

Piping would be installed to connect the tanks to the existing storm sewer line that presently inputs to the Old API Separator (OAPIS). The tanks are positioned at a low spot compared to the storm sewer line so that flow to the tanks may be by gravity flow. Vector Arizona will determine during the engineering phase whether supplemental pumping may be required to fully utilize the capacity of the tanks. The tanks will be piped such that accumulated storm water in the tanks can be pumped to the NAPIS for treatment. The water would be pumped at a rate to accommodate the design flow rate of the NAPIS. The NAPIS consists of two separate sections or bays. The NAPIS design rate is 150 gallons per minute per bay or a total of 300 gpm total. Typically, only one bay is used because Giant's flow to the NAPIS is typically only in the 90 gpm to 120 gpm range. 120 gpm is the maximum expected *process waste water* flow rate to the NAPIS experienced by the refinery.

The Giant - Ciniza refinery has been operating at less than its full crude oil processing capacity for a long period. A new pipeline will soon bring in west Texas crude. The new crude input will enable the Ciniza refinery to operate at full capacity. The NAPIS was selected and designed to accommodate process waste water flows at the full crude processing rate so there is not expected to be any increase in waste water flows due to the full crude processing that the NAPIS would not be capable of handling. In fact, waste water flows are expected to drop because the new SWAATS unit will recycle water that was previously discharged as waste water.

Because the process water flow to the NAPIS is considerably less than the design capacity, and because waste water flows are not expected to increase as a result of new crude processing, the NAPIS has sufficient capacity to handle storm water flows. The pump rate of storm water to the NAPIS from the two large tanks will be determined based on the results of Vector Arizona's engineering design. The pump rate of storm water to the NAPIS will be selected to remain within the design treatment capacity of the NAPIS with sufficient safety margin to ensure overfill does not occur.

I am in contact with supplier of protective coatings that will be used to repair the cracks in the NAPIS. We will work with supplier to ensure a tough flexible sealant capable of handling the freeze/thaw cycles is used for the repairs. We are also examining appropriate coatings that would be suitable for coating the entire inside of the NAPIS to provide essentially an inner liner.

Giant will provide the NMED and OCD with a copy of Vector Arizona's engineering design report when it is completed. This is anticipated in late 2006 or early 2007

timeframe. If you have any questions regarding this letter, please contact me at jlieb@giant.com or (505) 722-0227.

Sincerely,
Giant Refining Company - Ciniza

Jim Lieb
Environmental Engineer

Cc: Ed Rios
Ed Riege
Steve Morris

List of Solid Waste Management Units

SWMU #1 - Aeration Basin
SWMU #2 - Evaporation Ponds
SWMU #3 - Heat Exchanger Bundle Cleaning Pad
SWMU #4 - Old Burn Pit
SWMU #5 - Land Fill Area
SWMU #6 - Tank Farm
SWMU #7 - Fire Training Area
SWMU #8 - Railroad Rack Lagoon
SWMU #9 - Inactive Land Farm
SWMU #10 - Sludge Pits
SWMU #11 - Secondary Oil Skimmer
SWMU #12 - Contact Waste Water Collection System
SWMU #13 - Drainage Ditch

Monitoring Wells

OW - 1	MW - 1
OW - 10	MW - 4
OW - 11	MW - 5
OW - 12	SMW - 2
OW - 13	SMW - 4
OW - 14	
OW - 29	
OW - 30	

Plugged / To Be Plugged Wells

OW - 2	OW - 25
OW - 3	OW - 26
OW - 7	SMW - 1
OW - 9	SMW - 3
OW - 16	SMW - 5
OW - 17	
OW - 20	
OW - 24	

EXIT 39

EAST I-40

WEST I-40

New Wells

New Wells

New Wells

New Well

OW-01

OW-02

OW-03

OW-24

OW-07

OW-09

OW-10

OW-11

OW-12

OW-13

OW-14

OW-20

OW-30

OW-17 (RW-4)

SMW-5

MW-1

SMW-4

MW-5

SMW-3

SMW-1

SWMU #13

SMW-2

MW-4

SWMU #2

SWMU #11

SWMU #10

SWMU #1

SWMU #12

SWMU #5

SWMU #3

SWMU #4

SWMU #7

SWMU #9

SWMU #8

SWMU #12

9A 9B 9C 9D

6B 6A 5 4 3 2 1

7 11 12

89° 57' 30"

90° 02 30"

TWO LARGE EXISTING TANKS

EMPTY

MARKED ROCK IN ROCK MOUND
SE CORNER OF SECTION 33, T15N, R15W

2" IP SET IN CONCRETE, NE CORNER OF PROPERTY
N. 6589.30', E 0'

CINIZA REFINERY

Plant Site Drawing

Scale 1" : 300'