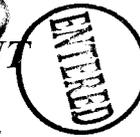




BILL RICHARDSON
GOVERNOR

State of New Mexico
ENVIRONMENT DEPARTMENT

Hazardous Waste Bureau
2905 Rodeo Park Drive East, Building 1
Santa Fe, New Mexico 87505-6303
Telephone (505) 476-6000
Fax (505) 476-6030
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RON CURRY
SECRETARY

CINDY PADILLA
DEPUTY SECRETARY

CERTIFIED MAIL – RETURN RECEIPT REQUESTED

March 14, 2007

Ed Riege
Giant Refining Company,
Route 3, Box 7
Gallup, New Mexico 87301

**RE: APPROVAL WITH DIRECTION
RAILROAD RACK LAGOON OVERFLOW DITCH AND FAN-OUT AREA,
SWMU #8 SUBSURFACE INVESTIGATION
GIANT REFINING COMPANY, CINIZA REFINERY
EPA ID #: NMD000333211, HWB-GRCC-07-002**

Dear Mr. Riege:

The New Mexico Environment Department (NMED) has reviewed and approves Giant Refining Company, Ciniza Refinery's (Permittee) *Railroad Rack Lagoon Overflow Ditch and Fan-out Area, SWMU #8 Subsurface Investigation* (Report), dated February 8, 2007. The Permittee completed the investigation, however, failed to remove residual contamination detected at concentrations greater than applicable cleanup levels at locations B-1, B-7, B-8, and B-9. The cleanup level for diesel range organics (DRO) is 200 mg/kg, established in Table 2a of NMED's total petroleum hydrocarbon (TPH) screening guidelines, and addressed in Section 5.0 (Regulatory Criteria) of the Report. Giant must conduct further corrective action as described in this letter.

The Permittee must implement the investigation activities within 90 days of receipt of this letter and submit the investigation report to NMED within 90 days of completion of the excavation. The Permittee must adhere to all requirements established below.

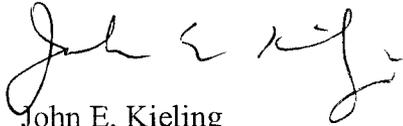
Mr. Riege
Giant Refining Company
March 14, 2007
Page 2

1. Continue to remove contaminated soils containing DRO concentrations greater than 200 mg/kg in the vicinity of sample locations B-1, B-7, B-8, and B-9. If additional contamination is discovered during the excavation activities, the additional contamination must also be removed.
2. If the excavation does not exceed three feet below ground surface (bgs), the Permittee may collect confirmation samples from the bottom of the excavations only. If the excavation exceeds three feet bgs, then confirmation samples must be collected from all sidewalls of the excavations in addition to from the base of the excavations.
3. All excavated soil must be stockpiled on plastic until disposal. If the Permittee chooses to dispose of the soil in the Oil Conservation Division (OCD) landfarm, the Permittee must contact OCD for approval. Both NMED and OCD must be informed of the final soil disposal location.
4. All samples must be submitted to a certified laboratory and analyzed for DRO by EPA Method 8015B.
5. The Permittee must submit an investigation report that describes the results of excavation activities and confirmation sampling and includes documentation of proper disposal. The report must be of similar format to the *Railroad Rack Lagoon Overflow Ditch and Fan-out Area, SWMU #8 Subsurface Investigation* Report. The report must include all analytical results and figures depicting the locations of the confirmation samples.
6. The Permittee must contact NMED one week prior to the start of the investigation/excavation activities.

Mr. Riege
Giant Refining Company
March 14, 2007
Page 3

If you have any questions regarding this letter please contact Hope Monzeglio of my staff at (505) 476-6045.

Sincerely,



John E. Kieling
Program Manager
Permits Management Program
Hazardous Waste Bureau

JEK/hm

cc: D. Cobrain, NMED HWB
C. Frischkorn, NMED HWB
H. Monzeglio, NMED HWB
W. Price, OCD
J. Lieb, GRCC
S. Morris, GRCC
R. Allen, Trihydro Corporation
File: GRCC 2007 and Reading
HWB-GRCC-07-002