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ENVIRONMENT DEPARTMENT

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RON CURRY
Secretary

CINDY PADILLA
Deputy Secretary

Certified Mail - Return Receipt Requested

August 16, 2007

Mr. Mark Cox
Senior Vice President and Treasurer
Western Refining, GP, LLC
6500 Trowbridge Drive
El Paso, TX 79905-3402

**RE: FINANCIAL ASSURANCE-FINANCIAL TEST
GIANT REFINING COMPANY, CINIZA EPA ID# NMD000333211 AND
BLOOMFIELD REFINERIES EPA ID # NMD 089416416**

Dear Mr. Mark Cox:

The New Mexico Environment Department (NMED) has reviewed Giant Refining Company's (Giant) submittal titled *Response to Financial Assurance Update Request for Giant Industries Arizona, Inc.*, dated, July 6, 2007. The submittal indicates Giant has changed their financial assurance mechanism from a letter of credit to the financial test. The language of the financial documents provided by Giant is not in compliance with the specific language required by regulations established in 40 CFR subpart H. The discrepancies identified by NMED are addressed below.

1. Some of the language in the Corporate Guarantee is not identical to the language provided in 40 CFR 264.151(h). Giant must revise the Corporate Guarantee to make the wording in the letter is identical to the wording specified in 40 CFR 264.151(h).
2. The first paragraph of the Corporate Guarantee states "This guarantee is made on behalf of Giant Industries Arizona, Inc, 23733 N Scottsdale Road, Scottsdale, AZ. 85255 which is our second-tier subsidiary,". The regulations do not provide for inserting a "second-tier subsidiary". Giant must explain why "second-tier subsidiary" was used instead of what the regulations require. Giant must revise this to conform to the regulations.

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3. Recital 2 must list each facility, their corresponding EPA Identification Numbers and the addresses. The addresses for the Bloomfield and Ciniza refineries are not listed. Giant must revise Recital 2 accordingly.
4. Some of the wording in the letter from the Chief Financial Officer (CFO) is not identical to the wording provided in 40 CFR 264.151.(f). Giant must revise the CFO letter to make the wording in the letter identical to the wording specified in 40 CFR 264.151(f).
5. 40 CFR 264.151(f), number 2 specifies "The current cost estimates for the closure or post-closure care so guaranteed are shown for each facility." The closure and post-closure cost found in the CFO letter do not identify which costs are for closure, post-closure, or to which facility the costs will be applied. Giant must revise the letter to clarify how the costs are distributed.
6. A special report does not appear to have been submitted. Giant must submit a special report in accordance with 40 CFR 264.143(f)(3)(iii)(A) and (B) and 264.145(f)(3)(iii)(A) and (B).

Giant must revise the financial assurance documents to ensure they are compliant with the regulations established in 40 CFR 264 subpart H. If you have any questions regarding this letter, please contact Hope Monzeglio of my staff at 505-476-6045.

Sincerely,



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

cc: J. Bearzi, NMED HWB
D. Cobrain, NMED HWB
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R. Schmaltz, Giant Bloomfield
E. Riege, Giant Ciniza
Reading File and GRCB 2007 and GRCC 2007