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CERTIFIED MAIL - RETURN RECEIPT REQUESTED

January 16, 2008

Mr. Ed Riege
Environmental Superintendent
Giant Refining Company
Route 3, Box 7
Gallup, New Mexico 87301

**RE: NOTICE OF DISAPPROVAL
OIL CONSERVATION DIVISION (OCD) 2006 ANNUAL GROUNDWATER
REPORT (AND OCD ADDENDUM)
GIANT REFINING COMPANY, CINIZA REFINERY; HWB-GRCC-07-004
EPA ID # NMD000333211**

Dear Mr. Riege:

The New Mexico Environment Department (NMED) has completed its review of the *Oil Conservation Division 2006 Annual Groundwater Report (and OCD Addendum)* (Report), dated August 31, 2007, submitted on behalf of Giant Refining Company, Gallup Refinery (Permittee). NMED hereby issues this Notice of Disapproval (NOD) and provides the following comments.

Comments 1-11 Apply to Binder 1: Annual Groundwater Report

Comment 1

The Permittee states in the Executive Summary on page 3, paragraph 2 that "[t]he monitoring in 2006 has shown that although contamination has entered the shallow perched groundwater at one location (OW-14), the contamination is limited in extent and has not migrated to the wells that that were placed nearby OW-14, (OW-12, OW-13, OW-29, OW-30)."

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This statement is not accurate. *MTBE* was detected in OW-30 from an October 27, 2006 sampling event. (see "VOLATILES 8021B" table found in Section 4 (Groundwater Monitoring Results)). The Permittee must revise the above statement to indicate contamination was detected in OW-30. The Permittee must also revise the sentence under "OW-14 Recommendation" found in Section 6 (Summary of Groundwater Testing) accordingly.

Comment 2

The Permittee states in Section 1.2 (Background Information) in paragraph 1 that "[t]he Gallup Refinery is located within a rural and sparsely populated section of McKinley County in Giant New Mexico."

NMED is assuming the reference to "Giant New Mexico" should be to Jamestown, New Mexico. The Permittee must revise this sentence.

Comment 3

The Permittee states in Section 2 (Scope of Activities) on page 14, second paragraph that "[q]uarterly visual checks for artesian flow conditions at OW-1 and level measurements at OW-10 were conducted on 3-9-06, 6-27-06, 7-26-06, and 10-13-06."

The data were collected four times in 2006, but not on a quarterly basis. Quarterly measurements for OW-1 and OW-10 began on March 9, 2007; the quarterly measurements should have occurred in June, September, and December. The Permittee must ensure the visual checks are collected on a quarterly basis in order to determine if there is seasonal fluctuation. This must be corrected for the next annual report. Additionally, the Permittee must provide an explanation as to why the measurements were not collected on a quarterly basis.

Comment 4

Section 2 (Scope of Activities) on page 13 identifies GWM-1 as being sampled on August 2, 2006. Section 4 (Groundwater Monitoring Results) on page 23 identifies GWM-1 as being sampled on August 8, 2006.

The Permittee must revise the Report to provide the correct date that GWM-1 was sampled.

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Comment 5

Section 2 (Scope of Activities), page 14, states that samples collected from well PW-3 were analyzed for RCRA 8 metals. The table (on page 15) that presents the “observation, measurement, sampling frequency, and type of analysis” indicates that PW-3 samples were analyzed for heavy metals.

The Permittee must revise the tables to clarify the actual metals analyses.

Comment 6

There is a typographical error in the table presented in Section 4 (Groundwater Monitoring Results), page 24, which identifies two wells as BW-3B.

The Permittee must revise the table to provide the correct well names with the correct data. In addition, the last column in this table is cut off; the revised table must be presented in its entirety.

Comment 7

In Section 4 (Groundwater Monitoring Results), the Permittee uses 0.62 as the WQCC standard for methyl tertbutyl ether (MTBE). There is no WQCC standard for MTBE. The 2007 EPA Region 6 Human Health Medium Specific Screening Level for MTBE for Tap Water is 11 µg/L.

The Permittee must revise the tables containing the MTBE standard to cite the correct MTBE cleanup level and source.

Comment 8

The Permittee provides a “Dissolved Metals” table containing data for the boundary well in Section 4.0 (Groundwater Monitoring Results). The boundary wells were analyzed for total metals, not dissolved metals.

The Permittee must revise the table to identify the correct analyses.

Comment 9

The Permittee states in Appendix A (Gallup Field Sampling Collection and Handling Procedures) under “Field Data Collection” that “[a]ll facility monitoring wells were gauged in January, March, May, June, July, October, and December of 2005.”

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The Permittee must revise this sentence to identify what sampling activities occurred in 2006.

Comment 10

The Permittee states in Appendix A (Gallup Field Sampling Collection and Handling Procedures), paragraph 2 that “[a]ll water/product levels are measured to an accuracy of the nearest 0.01 foot using an electrical conductance based meter.” This statement is not accurate. Tables provided in Section 7 (List of Tables) of the Report present water or product levels in inches (e.g., RW-1 Hydrocarbon Recovery Log, Quarterly measurements of product layer thickness and bailing of product sheets, and Well Inspection sheets).

Reporting of water/product levels in inches is an on-going problem. NMED made similar comments in the “Notice of Deficiency Oil Conservation Division (ODC) 2005 Annual Groundwater Report (And OCD Addendum)” dated October 31, 2006 and water/product measurements are still being reported in inches. The Permittee must revise all tables in the Report to report all water/product measurements in units of hundredths of a foot. All future reports must report water/product measurements in hundredths of a foot and not in inches.

Comment 11

The Permittee must ensure the next annual groundwater monitoring report incorporates OCD’s Discharge Plan requirements, including the most current groundwater sampling schedule.

Comment 12

In Binder 2, Section 3e. (Summary of All Leaks, Spills & Releases & Corrective Actions), the Permittee presents (in the last row of the table) information concerning the “Tank 102 Spill” of 2,100 gallons on December 31, 2006. The Form C-141 submitted to NMED reporting this same spill reported the release volume as 250 gallons.

The Permittee must provide an explanation why the release volumes were reported differently, or otherwise resolve this discrepancy.

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The Permittee must submit a revised report addressing all comments contained in this NOD and submit a revised Binder 1: Annual Groundwater Report. The revised report must include a response letter that details where all revisions have been made, cross-referencing NMED's numbered comments. All requirements must be incorporated in future groundwater monitoring reports unless the requirement was specific to this reporting period. The revised report must be submitted to NMED no later than March 16, 2008.

If you have questions regarding this Notice of Disapproval please contact Hope Monzeglio of my staff at 505-476-6045.

Sincerely,



James P. Bearzi
Chief
Hazardous Waste Bureau

cc: J. Kieling, NMED HWB
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File: Reading File and GRCC 2008 File
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