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Hazardous Waste Bureau
2905 Rodeo Park Drive East, BLDG 1
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RE: Revised Schedules for OCD Discharge Permit GW-032

Dear Carl and Hope:

During our meeting on February 11th, Wayne Price mentioned that the Western Refining Gallup Refinery would be allowed more time for meeting conditions in the OCD Discharge permit and that the changed schedules could be adopted as a minor permit modification. Western presents a revised schedule. These schedule changes will allow Western sufficient time to evaluate cost effective alternatives and complete the permit requirements in a timely manner. For some requirements, Western respectfully requests additional time beyond the 120 days change provided in your February 19th email to Western. Western's reasons for the additional time are presented in the following sections.

Condition 9 Above Ground Tanks Impermeable Secondary Containment Requirement

As discussed in the meeting on February 11, as an alternative to lining secondary containments, Western proposes to implement an automatic tank gauging system in all of its large liquid storage tanks in the tank farm. We will install the gauges after final engineering design of the system is completed and the necessary capital funding from Corporate has been approved. The automatic tank gauges will be installed initially in our highest priority liquid storage tanks

(tanks with the highest volumetric turnover rates) such as our Marketing tanks. Western will install radar assembly bells on two Marketing tanks in 2008; the console for monitoring the signals from these two gauges will be installed at a later time. Some tanks have the 6- or 8-inch diameter thief vents on their roofs so that the radar bells could be installed without needing to take the tanks out of service for installation. Western will conduct an inventory of each of our tank farm tanks to determine the tanks with the existing thief vents where the gauges can be installed. Radar gauges could be installed fairly quickly in the tanks with existing thief vents over the course of a few years. Tanks without existing thief vents will be modified when the tanks are taken out of service according to Western's API 653 inspection schedule. This would allow for as many as 7 or 8 tanks per year to be fitted with radar gauges. According to this schedule, each of the liquid storage tanks in the tank farm should be equipped with the automatic gauges within a fifteen year period beginning in 2008, many much sooner.

Western will line the containments of smaller sized storage tanks where the containments are currently diked clay. Most of the Gallup Refinery's smaller tanks, such as our additive tanks, are already equipped with concrete secondary containments.

As we discussed during the meeting, Western is installing secondary bottoms on tanks that fail inspection during the API 653 inspections. In the system that Western uses at the Gallup Refinery, a thick HDPE or FRP liner is laid over the steel tank bottom and fusion lined along the side of the tank. Three to five inches of sand is spread and compacted over the liner. Next, a leak detection network of perforated piping, arranged in a radial starfish pattern, is constructed on the sand. Additional sand from a freshwater beach is mounded on the leak detection piping and compacted into a convex form. A new steel floor is then installed on top of the sand.

Condition 16.B. Repair New API Separator

Western expects the work to repair the New API separator to be completed by March 15, 2008.

Condition 16. C. Activated Sludge Wastewater Treatment Study and Design and Condition 16. D Aeration Lagoons Replacement Engineering Design/Construction Plan and Schedule

Western is requesting a change on the deadline for submitting the activated sludge waste water treatment study, design and the aeration lagoons

replacement plan and schedule. Changing the deadline for these items to March 1, 2009 will provide Western with the time it will need to obtain results from piloting alternative wastewater treatment systems including a membrane bio-reactor (MBR) in conjunction with an activated sludge process and to evaluate other technologies and options. This change is based on the fact that the suggested period by the vendor for a thorough MBR pilot study is at least three months. The availability of the MBR pilot is pretty tight so it may take at least a month to acquire and several weeks to get it up and running (need to first get the activated sludge process running smoothly). Then it may take up to month for the pilot plant data to be analyzed by the consultant and presented to Western. Western will need time to evaluate the report and select the best alternative to implement. The activated sludge process or equivalent treatment system will be a large and complex project requiring significant engineering and design effort requiring time and funding. Hence, Western requests March 1, 2009 as the deadline for submittal of the treatment study and the engineering design of the tank based activated sludge treatment process or equivalent. This time schedule will also coincide with the Section 16.C.2. requirement for monthly grab samples at EP-1 through December 2008 allowing time for analysis of the December 2008 data.

As noted, Western is considering replacing the existing aeration lagoons with a tank based activated sludge treatment process or alternative equivalent systems. Western is also evaluating whether lining the lagoons is feasible. Hence the activated sludge treatment engineering design or alternatives will serve also as the aeration lagoons replacement engineering design/construction plan.

Western will also provide by March 1, 2009, the schedule for the implementation of the activated sludge or alternative treatment process and tentative closure of the aeration lagoons. Between now and December 31, 2008, Western will sample the sludge in the lagoons to determine the proper handling and disposition of the sediments that will be removed from the lagoons prior to their closure unless Western decides to line the aeration lagoons.

Condition 16. E. Evaporation Ponds - Engineering Design/Construction Plan to Single Line the Evaporation Pond EP-1 or Alternative Plan

The design of the activated sludge treatment or alternative process will have a bearing on the decision as to whether single lining or an alternative will be needed in EP-1. Hence Western proposes to move this deadline for a plan also to March 1, 2009.

**Condition 24.A. and 24.B. Installation of Dual Separation Device and
Emergency Holding Tank for Pilot Travel Center Waste Water**

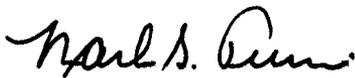
Western proposes to change the deadline for construction of the dual separation device and the emergency 48-hours storage to March 1, 2009. Western expects the engineering and design will be completed by April 2008. Requests for proposal will be sent by June 2008. The change will provide Western with the time to negotiate a new contract with the Pilot Travel Center (Pilot) to share the capital costs for the Pilot wastewater treatment and storage equipment.

Condition 24.E. Biohazard O&M Plan for WW Treatment Facility

Western proposes to change the due date for the biohazard O&M plan also to March 1, 2009 to be consistent with the other requirements for the waste water treatment study and design.

Attached is a schedule with Western's proposed deadlines as presented in this letter. The requested changes are shaded. Your consideration in approval of Western's proposed schedule and plan is greatly appreciated. If you have any questions regarding the plan presented in this letter, please feel free to contact Ed Riege at (505) 722-0217 or Jim Lieb at (505) 722-0227.

Sincerely,



Mark B. Turri
General Manager, Gallup Refinery

\Cc: Ed Riege
Don Riley
Jim Lieb
Ann Allen
Allen Hains
Ed Cote - HRC
Wayne Price - OCD
Dave Cobrain - NMED

**OCD Discharge Permit (GW-032)
Minor Permit Modification
February 22, 2008
Schedule
Western Refining Southwest - Gallup Refinery**

Section No.	Requirement	Conditions Deadline	Proposed Deadline	Reason for the Change
Cover Letter	Signed Discharge Permit Approval Conditions GW-032 and \$8,400.00 Fee	9/27/2007	Completed	
2	OCD Discharge Permit Renewal	4/1/2011	Same	
9	Above Ground Tanks Impermeable Secondary Containment Requirement - Retrofit all tanks by 8/1/11 or propose alternate plan or schedule by 2/15/08.	2/15/2008	6/15/2008	Alternative Plan and Schedule development requires: 1. Data Collection and evaluation 2. Engineering 3. Design 4. Funding
11. A.	Underground Sumps - Retrofit with secondary containment and leak detection.	8/1/2011	Same	
16.A.	Old API Separator - Storm Water Engineering Plan to decommission and Replace	12/31/2007	Completed	
16.B.	Repair new API Separator	12/31/2007	3/15/2008	
16.C.	Activated Sludge Wastewater Treatment Study and Design (including installation of Flow meters and analysis of Phenol, BOD, COD into AL1, AL2 & EP1)	6/6/2008	3/1/2009	The study is an extensive undertaking requiring: 1. Modification of equipment such as tanks, piping, valves and controls. 2. Data collection and evaluation 3. Engineering 4. Design This study should coincide with the Section 16.D schedule
16.C.2.	Grab samples for VOC, BOD, COD, Chlorides, DRO, GRO, MTBE, pH & Phenol. Monitoring monthly at EP1 for 12 months or by 12/31/08	12/31/2008	Same	
16.D.	Aeration Lagoons Replacement Engineering Design/Construction Plan and Schedule	6/6/2008	3/1/2009	
16.E.	Evaporation Ponds - Engineering Design/Construction Plan to single-line the evaporation pond EP-1 or alternative plan.	6/6/2008	3/1/2009	
16.F.	Temporary Landfarms - Closure Plan	12/31/2007	3/17/2008	None of Western's landfarms are temporary.
20. A.	Annual Ground Water Report	Annually due by 9/1	Same	

OCD Discharge Permit (GW-032)
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Section No.	Requirement	Conditions Deadline	Proposed Deadline	Reason for the Change
21. A.	If decide not to landfarm, submit a closure plan within 3 months of permit issuance	NA	NA	
24. A.	Pilot by-pass be disconnected and plugged. Installation of Dual Primary Separation Device with secondary containment and leak detection	7/16/2008	3/1/2009	Pilot bypass will be locked closed and would only be opened in event of an emergency until the 48 hours storage can be installed. Installation requires: 1. Data Collection and evaluation 2. Engineering 3. Design 4. Funding 5. Delivery and/or Construction/Installation
24. B.	Installation of emergency tank holding system for Pilot waste water (48 hours accumulation)	7/16/2008	3/1/2009	
24. D.	Maintain a sampling and metering station on incoming Pilot waste water line	Permit Issuance Date	Completed	
24. E.	Biohazard O&M Plan for WW treatment facility	6/30/2008	3/1/2009	
27	Closure Plan and Financial Assurance cost estimate for unlined waste water and/or evaporation ponds	12/31/2007	Completed	