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# New Mexico Energy, Minerals and Natural Resources Department

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Division Director  
Oil Conservation Division



March 12, 2008

Mr. Mark B. Turri  
General Manager  
Western Refining Southwest, Gallup Refinery  
Route 3 Box 7  
Gallup, New Mexico 87301

**Re: Revised Schedules for OCD Discharge Permit GW-032**

Dear Mr. Turri:

The New Mexico Oil Conservation Division (NMOCD) has received Western Refining Southwest (WRSW), Gallup Refinery's letter dated February 22, 2008, which requests a change in schedules from the Discharge Permit (Permit). The request for date changes to the discharge permit was made subsequent to the meeting held in Santa Fe, New Mexico on February 11, 2008.

The NMOCD will not handle the schedule changes as a modification(s) to the Permit, but as revisions in this letter. Please note that any revisions (i.e., March 1, 2009 date) approved herein must be met. The revisions are as follows:

1) Condition 9 Above Ground Tanks Impermeable Secondary Containment Requirement: WRSW proposes an alternative to installing secondary containment liners under existing and new tanks at the refinery. WRSW proposes to install an automatic tank gauging system in all of its large liquid storage tanks in the tank farm. The installation after the engineering design is completed and capital funding is obtained from "Corporate" has been approved. The automatic tank gauges will be installed initially in the highest priority liquid storage tanks (i.e., marketing tanks).

The NMOCD does not feel that the proposed "automatic tank gauging system" will in itself satisfy the Permit requirements. We will consider alternative technologies that will satisfy permit requirements where liner retrofitting is not proposed. The NMOCD will require an inventory of all refinery tanks, chemical contents, volumes, and projected dates for alternative technology testing or other type of testing, liner emplacement or retrofitting. Any new tanks will be required to install secondary containment with leak detection underneath any new installed tank.

The NMOCD approves the lining of containments of smaller sized storage tanks where the containments are currently native soil. This would include any tanks less than 10,000 <sup>gallons?</sup> bbls. A 60-mil HDPE or LLDPE reinforced seamless liner (welded seams if seams are present) is acceptable or concrete pad and berm. As mentioned, many of the smaller tanks (i.e., additive tanks are already on concrete secondary containments and leak detection will be evident.



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NMOCD require berming to contain 1 + 1/3 volume of the single largest tank or volume of interconnected tanks where required to contain spills.

2) Condition 16.B. Repair New API Separator

The NMOCD approves the March 15, 2008 date.

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

The NMOCD approve the March 1, 2009 deadline for submittal of the treatment study and the engineering design of the tank based activated sludge treatment process or equivalent. This time schedule. In addition, a schedule for the implementation of the activated sludge or alternative treatment process and tentative closure of the aeration lagoons will be included.

It appears that WRSW in addition to consideration of replacement of the aeration lagoons (ALS 1 & 2) with a tank based activated sludge treatment process or alternative equivalent system, is also evaluating whether lining the ALs is feasible. The NMOCD does not approve of this, since the tank based treatment system is the preferred technology.

4) Condition 16.E. Evaporation Ponds- Engineering Design/Construction Plan to Single Line the Evaporation Pond No. 1 (EP-1) or Alternative Plan.

Since 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. WRSW proposes to move this deadline for a plan also to March 1, 2009.

The NMOCD approves the March 1, 2009 deadline for submittal of lining EP-1. If the tank based treatment system is installed, the lining of EP-1 may not be necessary.

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

Similar to Item # 4 above, WRSW proposes to change the deadline for construction of the dual separation device and the emergency 48-hours storage to March 1, 2009. WRSW 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.

The NMOCD approves the March 1, 2009 deadline. The engineering and design will be completed by April 2008 and sent to the agencies by June 2008. The construction will be completed by March 1, 2009.

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

WRSW proposes to change the due date for the plan to March 1, 2009 to be consistent with the other requirements for the waste water treatment study and design.

The NMOCD approves the March 1, 2009 deadline.

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Please contact me at (505) 476-3491 or [carli.chavez@state.nm.us](mailto:carli.chavez@state.nm.us) if you have questions.  
Thank you for your cooperation in this matter.

Sincerely,



Carl J. Chávez  
Environmental Engineer

CJC/cjc

xc: OCD District Office