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NEW MEXICO ENVIRONMENT DEPARTMENT



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CERTIFIED MAIL - RETURN RECEIPT REQUESTED

December 19, 2008

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

RE: REVISION OF THE PART A PERMIT APPLICATION AND ADDITIONAL FACILITY REQUIREMENT PERTAINING TO THE WATERWATER TREATMENT SYSTEM WESTERN REFINING SOUTHWEST, INC., GALLUP REFINERY EPA ID# NMD000333211 HWB-GRCC-MISC

Dear Mr. Riege:

The New Mexico Environment Department (NMED) inspected portions of the wastewater treatment system at Western Refining Southwest, Inc., Gallup Refinery (the Permittee) on November 20, 2008. NMED discussed the status of the Aeration Lagoons with facility representatives and confirmed that the Aeration Lagoons have been receiving and treating wastewater characteristically hazardous for benzene (D018) without a Permit for the last year (2008) and potentially during previous years. Based on the site visit, effluent water quality test results from samples of discharge into the Aeration Lagoons, and discussion with the facility representatives, the Permittee must complete the following:

- a. The over flow pipes from the new API separator and the weir box to the Aeration Lagoons should have never been installed and NMED should have been notified of this installation. The Permittee must notify NMED in writing of the actions to be taken to remove the pipes from service on or before January 12, 2009 and include a date or timeline of when the pipes will be removed from service.

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- b. Submit a revised Part A Permit Application to identify the Aeration Lagoons as interim status treatment surface impoundments. The Part A Permit Application is due to NMED on or before February 13, 2009.
- c. Beginning upon receipt of this letter, collect effluent samples from benzene strippers one and two located by the aeration lagoons, and also benzene stripper three located by the crude desalter on a weekly basis. The effluent samples must be analyzed for benzene, toluene, ethylbenzene, xylene (BTEX) and tert-Butyl methyl ether (MTBE) using EPA Method 8021B. The Permittee must submit the analytical results to NMED within one week of receipt of the final laboratory results.
- d. Collect a monthly effluent sample from the new API separator and an influent sample from benzene stripper 3. The water samples must be analyzed for BTEX plus MTBE using EPA Method 8021B. The Permittee must submit the analytical results to NMED within one week of receipt of the final laboratory results.
- e. Submit monthly flow rates into the new API separator and into the third benzene stripper to NMED on the seventh day of each month. If the seventh day falls on a weekend, then the data must be submitted on the next business day. This must begin January 1, 2009.
- f. Compile a list of dates and flow volumes (use estimates if records do not exist) of when discharges through the new API separator and weir box overflow pipes occurred. The Permittee must keep a current record of the volume of the discharge and when discharges from these overflow pipes occur until the pipes are removed from service. All discharges and volumes that have occurred from 2004 to January 1, 2009 must be submitted to NMED on or before January 16, 2009. From January 1, 2009 on, the Permittee must notify NMED in accordance with Section II.F of the Post-Closure Care Permit (notify verbally 24 hours from the time you are aware of a discharge and written notice within 5 calendar days) of any discharges that occur and also include the volume of the discharge.
- g. Via email, NMED received an excel spread sheet containing influent and effluent data from benzene strippers one and two located by the aeration lagoons from January 10, 2008 to October 20, 2008. NMED only received the actual laboratory results from July 30, 2008 to October 20, 2008. The Permittee must submit the laboratory reports for the benzene influent and effluent from January 10, 2008 to July 22, 2008 (the rest of the dates provided in the excel spread sheet.) The Permittee must also provide NMED with any influent and effluent laboratory reports for benzene strippers one and two dating back to August 2005, when the releases to the Aeration Lagoons first began (whatever information is available). If this information has already been

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submitted, it does not need to be resubmitted.

- h. Provide NMED with all influent and effluent data (laboratory reports) for the third benzene stripper at the crude desalter since it was installed. From the site visit, this would be approximately a year.(?) NMED currently has the laboratory reports from 7/30/08 to 10/20/08. The Permittee must also provide NMED with all of the sources of wastewater that goes into this third benzene stripper. If this information has already been submitted, it does not need to be resubmitted.
- i. Provide NMED HWB with a copy of any NMED/EPA air quality permits. If this information has already been submitted, it does not need to be resubmitted.

The Permittee will be submitting an engineering design and construction plan for replacement of the aeration lagoons to the Oil Conservation Division (OCD) on March 1, 2009; a requirement of the OCD Discharger Permit. This must also be submitted to NMED for review. Upon review of this information, NMED will notify the Permittee in writing of its determination on the regulatory status of the benzene strippers. The determination will be based in part, on whether the strippers will remain in service or be removed.

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All sampling requirements and frequencies will be reevaluated by NMED after the first quarter. The Permittee must submit the required information to NMED on or before the specified times stated above. If information is submitted via email, a hard copy must also be sent in the mail. If you have any questions regarding this letter, please contact Hope Monzeglio of my staff at (505) 476-6045.

Sincerely,



James P. Bearzi
Chief
Hazardous Waste Bureau

cc: J. Kieling, NMED HWB
D. Cobrain, NMED HWB
A. Vollmer, NMED HWB
H. Monzeglio, NMED HWB
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