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CERTIFIED MAIL - RETURN RECEIPT REQUESTED

August 14, 2009

Ms. Leslie Ann Allen
Senior Vice President
Health, Safety, Environment and Regulatory Affairs
Western Refining Company
123 W. Mills Avenue, Suite 200
El Paso, TX 79901

**RE: FINANCIAL ASSURANCE
WESTERN REFINING SOUTHWEST, INC.
GALLUP REFINERY EPA ID# NMD000333211 AND THE
BLOOMFIELD REFINERY EPA ID # NMD 089416416
HWB-GRCC-MISC AND HWB-GRCB-MISC**

Dear Ms. Allen:

The New Mexico Environment Department (NMED) has reviewed Western Refining, Southwest, Inc., (Western) annual financial assurance submittal, dated April 9, 2009. The financial assurance mechanism used by Western for both the Gallup and Bloomfield refineries is the financial test and corporate guarantee. The submittal does not fully comply with the regulations found in 40 CFR 264.143(f) and 264.151(f), omitted required information, and contains some typographical errors. The following discrepancies are identified below.

1. The first page of the Cover Letter, Western states “[f]inancial assurance for the Bloomfield refinery facilities is provided under 40 CFR 265.143(e) for closure and for post closure care pursuant to 40 CFR 265.145(e).” Western must revise this sentence to reference the regulation found in 40 CFR 264 because 40 CFR 264 are the

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regulations cited in Section III.P of the Order NO. HWB-07-34(CO). In addition, the “Bloomfield refinery facilities” must be referred to as “facility;” it is NMED’s understanding that there is only one Bloomfield refinery facility.

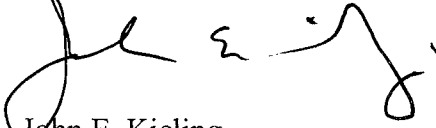
2. The first page of the April 9, 2009 cover letter (Cover Letter), Western states “[a]s discussed in Section II.P (Financial Assurance) of the Order NO. HWB 07-37 (CO)...” Financial assurance is addressed in Section III.P of the Order NO. HWB-07-34(CO). Western must revise this typographical error in the revised submittal.
3. Page 1 and 2, item 2 of the April 9, 2009 letter (Letter) from the Chief Financial Officer, Western refers to the Gallup and Bloomfield Refineries as “Giant Industries Arizona, Inc.” Western must revise the letter to include the correct names of the facilities to comply with 40 CFR 264.151(f) (i.e., Western Refining Southwest, Inc.).
4. Page 2, the last sentence in item 2 of the Letter states “[t]he firm identified above is the direct or higher-tier parent corporation of Western Refining Southwest, Inc.” According to 40 CFR 264.151(f), this sentence should state “The firm identified above is the direct or higher-tier parent corporation of the owner or operator.”
5. The last sentence on page 2 of the Letter states “[a] non-cash charge of \$61,005,000 related to a lower-of-cost or market write-down of inventory has been added back to net income in line 8.” This sentence must be removed from the letter because the wording does not comply with the wording specified in 40 CFR 264.151(f). Western must remove this sentence and address this in the Cover Letter by providing a full explanation of its meaning including a listing of all related bookkeeping entries made to account for the adjustment. Western must also explain how this effects the items identified in “Alternative I” on page 3 of the Letter.
6. The Letter is also missing the information identified in 40 CFR 264.143(f)(3)(ii) and (iii). Western must include this information in the revised submission.

Western must address all items identified above and resubmit the financial assurance information to NMED on or before September 15, 2009.

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If you have any questions regarding this letter, please contact Hope Monzeglio of my staff at 505-476-6045.

Sincerely,

A handwritten signature in black ink, appearing to read "John E. Kieling". The signature is fluid and cursive, with a large initial "J" and a long, sweeping underline.

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

cc: J. Bearzi, NMED HWB
D. Cobrain, NMED HWB
H. Monzeglio, NMED HWB
L. King EPA Region 6 (6PD-N)
R. Schmaltz, Western Bloomfield
E. Riege, Western Gallup
Reading File and GRCB 2009 and GRCC 2009