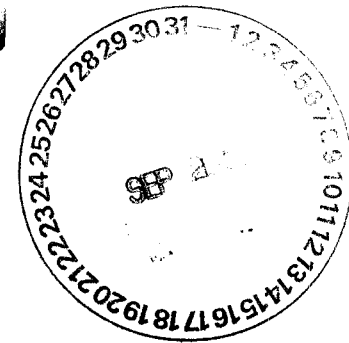




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UNITED STATES ENVIRONMENTAL PROTECTION AGENCY
REGION 6
1445 ROSS AVENUE, SUITE 1200
DALLAS, TX 75202-2733



September 24, 2010

CERTIFIED MAIL – RETURN RECEIPT REQUESTED: 7010 1060 0002 1872 0399

Mr. Mark B. Turri
Refinery Manager
Western Refining Southwest, Inc. – Gallup Refinery
Route 3, Box 7
Gallup, NM 87301

Dear Mr. Turri:

The Environmental Protection Agency, Region 6, (EPA) finds Western Refining Southwest, Inc. – Gallup Refinery (Western) in noncompliance with the terms of the Complaint, Consent Agreement and Final Order (CAFO) filed August 26, 2009.

Pursuant to paragraph 100 D of the CAFO, discharge of any hazardous wastewater to any surface impoundment shall cease within 120 days following the New Mexico Environment Department (NMED) approval of the Interim Measures Workplan, unless such discharge complies with applicable RCRA requirements. NMED approved the Interim Measures Workplan on December 16, 2009. Therefore, any and all discharge of hazardous waste must have ceased by April 16, 2010.

On June 24, 2010, the benzene concentration in the wastewater exiting benzene strippers 1 & 2 was 2.8 milligrams per Liter (mg/L). On June 25, 2010, the benzene concentration was 1.8 mg/L. On August 23, 2010, the benzene concentration was 2.5 mg/L. Wastewater containing benzene at a concentration of 0.5 mg/L (or greater) is a hazardous waste. Wastewater discharge from benzene strippers 1 and 2 enters Aeration Lagoons 1 and 2 – unpermitted surface impoundments. Therefore, Western has failed to comply with the terms of the CAFO.

Paragraph 110 of the CAFO prescribes Stipulated Penalties if the Respondent fails to comply with any provision in the CAFO. For the first through the fifteenth day of noncompliance, the Respondent is required to pay One Thousand Dollars (\$1,000.00) per day. Western is hereby ordered to pay Three Thousand Dollars (\$3,000.00) to the Treasurer of the United States as prescribed by Paragraphs 110 through 114 of the CAFO. Payment is required within 30 days of receipt of this demand letter.

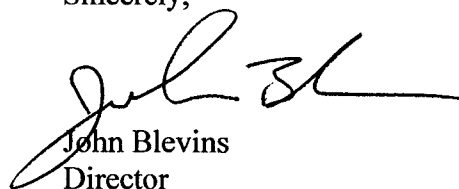
Re: Western Refining
Gallup Refinery CAFO

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In addition, EPA notes that wastewater samples taken on August 20, 21, and 22, 2010, were collected improperly. The laboratory noted bubbles in the samples and there was "headspace" in the sample vials. Western is reminded that samples collected for volatile organic analyses cannot be aerated and there must be no headspace left in the sample vials once the samples are collected. Failing to adhere to these techniques allows compounds like benzene to volatilize from the sample prior to analysis, which leads to erroneously low concentrations and renders invalid the analysis. In the future, EPA will not accept analytical data on samples that have not been properly collected and stipulated penalties will be imposed for those events.

If you have any questions, or if you object to this decision, please contact Ragan Broyles, Associate Director, Hazardous Waste Enforcement Branch, at (214) 665-6746.

Sincerely,



John Blevins
Director
Compliance Assurance and
Enforcement Division

cc: James Bearzi, Chief
Hazardous Waste Bureau
New Mexico Environment Department