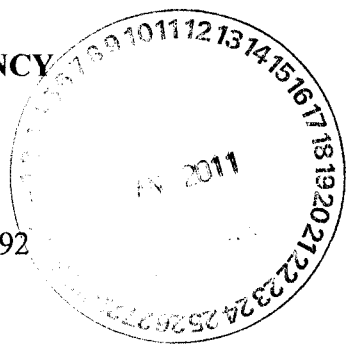


ENTERED

John



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



CERTIFIED MAIL: RETURN RECEIPT REQUESTED 7007 1490 0004 0582 1192

January 3, 2011

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, and the CAFO Modification filed September 1, 2010.

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 Resource Conservation and Recovery Act (RCRA) requirements.” The 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. All sampling and monitoring requirements specified by the NMED pursuant to the Interim Measures Workplan, became part of, and enforceable under, the CAFO.

Currently, Western is required to collect samples according to the schedule prescribed in the Interim Measures Workplan, in order to show whether or not wastewater is meeting the RCRA regulatory limit for benzene, prior to discharge to two aeration lagoons. On November 13, 2010, the benzene concentration in the sample of wastewater exiting the benzene strippers was 0.780 milligrams per Liter (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.

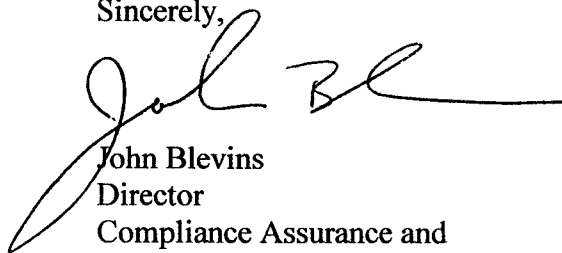
Western has illegally disposed hazardous waste. Therefore, Western has failed to comply with the terms of the CAFO. Paragraph 110 of the CAFO prescribes Stipulated Penalties if the Respondent fails to comply with any provision in the CAFO. For the first through the fifteenth day of noncompliance, the Respondent is required to pay one thousand dollars (\$1,000.00) per day. On September 24, 2010, we sent you a demand letter for stipulated penalties for three days of noncompliance with the CAFO. On November 1, 2010, we sent you a demand letter for stipulated penalties for eleven days of noncompliance with the CAFO. EPA has received payment in full for these two prior demands. EPA views the current violation as day fifteen of noncompliance.

Re: Western Refining Southwest
Gallup Refinery

It is hereby demanded that Western pay one thousand dollars (\$1,000.00) 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.

If you have any questions, or if you object to this decision, please contact Mark Hansen, Associate Director, Hazardous Waste Enforcement Branch.

Sincerely,



John Blevins
Director
Compliance Assurance and
Enforcement Division

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