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Lieutenant Governor

NEW MEXICO  
ENVIRONMENT DEPARTMENT

*Hazardous Waste Bureau*

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DAVE MARTIN  
Secretary

RAJ SOLOMON, P.E.  
Deputy Secretary

**CERTIFIED MAIL - RETURN RECEIPT REQUESTED**

April 15, 2011

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

**RE: NMED RESPONSE TO THE MARCH 31, 2011  
FINANCIAL ASSURANCE SUBMITTAL FOR  
GALLUP REFINERY EPA ID# NMD000333211 AND  
BLOOMFIELD REFINERY EPA ID # NMD089416416  
WESTERN REFINING SOUTHWEST, INC.  
HWB-WRG-MISC AND HWB-WRB-MISC**

Dear Ms. Allen:

The New Mexico Environment Department (NMED) has reviewed Western Refining, Southwest, Inc. (Western) March 31, 2011 financial assurance submittal. Western indicates the performance bonds currently held by NMED are subject to renewal May 24, 2011. Western requests a reduction of both performance bonds to the amounts identified in the 2011 cost estimate submittals (Bloomfield cost estimate-January 28, 2011 and Gallup cost estimate-March 30, 2011). NMED hereby approves the cost reduction of the Gallup performance bond from \$2,874,786 to \$1,394,252. NMED does not approve the reduction of the Bloomfield performance bond to \$1,045,191. The cost estimate of the January 28, 2011 submittal does not account for the cost estimate for closure and post-closure care of the North and South Aeration Lagoons. As previously stated by NMED, Western must either add an addition \$1,100,000 to the closure and post closure cost estimate for the Aeration Lagoons or demonstrate that the additional financial assurance necessary for closure is different from the estimate provided by NMED (a detailed cost estimate must be included). The performance bond for Bloomfield may

Western Refining Southwest, Inc.

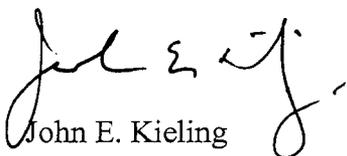
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be reduced to \$2,145,191 (January 28, 2011 cost estimate \$1,045,191 plus the \$1,100,000 NMED's April 5, 2011 response to Westerns March 15, 2010 Financial Assurance submittal). At this time there were no noted deficiencies with the Hazardous Waste Facility Certificate of Liability Insurance.

The updated financial assurance documents are due to NMED on or before May 24, 2011. If you have any questions, please contact Hope Petrie of my staff at 505-476-6045.

Sincerely,



John E. Kieling

Program Manager

Permits Management Program

Hazardous Waste Bureau

cc: D. Cobrain, NMED HWB  
H. Monzeglio, NMED HWB  
K. VanHorn, NMED HWB  
L. King EPA Region 6 (6PD-N)  
C. Chavez, OCD  
A. Hains, Western  
WRB & WRG 2011 Reading File  
HWB-WRG-MISC, HWB-WRB-MISC