



May 17, 2011

Mr. Carl J. Chavez
Environmental Engineer
New Mexico Energy, Minerals, and Natural Resources Department
Oil Conservation Division
1220 South St. Francis Drive
Santa Fe, NM 87505

RE: Proposed Background Soil Concentrations, Oil Conservation Division Landfarms,
Western Refining Company Southwest, Inc., Gallup Refinery, Gallup, New Mexico

Dear Mr. Chavez:

Western Refining Company's Gallup Refinery (Gallup) is submitting this correspondence to present the proposed background soil concentrations for Gallup's Oil Conservation Division (OCD) landfarms. Gallup's OCD Discharge Permit GW-032 (Discharge Permit) allows for comparison to background soil concentrations if they are higher than applicable soil screening standards. To date, OCD background soil concentrations for Gallup's OCD landfarms have not been established. During 2009, Gallup worked with OCD to determine an appropriate background sampling approach. Based on this approach, a five-point composite soil sample was collected on February 17, 2010, from approximately 6 to 12 inches below ground surface at locations illustrated on Figure 1. This data was submitted to OCD for approval via email on February 22, 2011. In an email dated February 24, 2011, OCD agreed that the sample locations should suffice for the landfarms listed in the Discharge Permit. Additionally, OCD suggested that background values should be the greater of the detected concentration or the Practical Quantitation Limit (PQL) listed in the laboratory analytical report. OCD requested that Gallup finalize the background values and submit them to OCD by March 24, 2011.

Gallup intended to submit finalized background values by March 24, 2011, as requested. However, subsequently, it was discovered that certain analytes requiring analysis per the Discharge Permit are not included in the February 17, 2010 background data set. Therefore, Gallup requested that an additional background sample be collected and incorporated into the finalized background values. In an email to OCD dated March 7, 2011, Gallup proposed procedures for collecting the additional background sample. In summary, the sample would be collected from the same location as the February 17, 2010 sample utilizing the same procedures. The sample would be analyzed for the analytes listed in Subsections A and B of 20.6.2.3103 NMAC (NMAC 3101 list). OCD approved this approach in an email dated March 8, 2011.

The above-referenced additional background sample (sample ID "BG-NE-033011") was collected by Trihydro Corporation (Trihydro) on March 30, 2011 and analyzed for the NMAC 3103 list. To verify

that the background data set is representative of the entire site, two additional samples were collected on the same date (BG-W-033011 and BG-S-033011). These additional samples were collected in areas that have not been impacted by refinery operations, and were collected utilizing the same procedures described above. Soil destined for Gallup's OCD Landfarms may potentially come from anywhere on refinery property. Therefore, Gallup believes it is appropriate to include data obtained from Samples BG-W-033011 and BG-S-033011 in the background soil concentration evaluation as these soils may be representative of soil treated at Gallup's OCD Landfarms. Locations of the three March 2011 background soil samples are illustrated on Figure 2. The samples were hand-delivered to Hall Environmental Analysis Laboratory of Albuquerque, New Mexico on March 31, 2011. Trihydro conducted a Tier II data validation on the March 2011 data set, and no data were rejected as a result of the data validation. The data validation is provided as Attachment A. Soil sampling logs prepared by field personnel are provided as Attachment B. Hall's analytical reports of the February 2010 data set and the March 2011 data set are provided as Attachment C.

The proposed background data are summarized in Table 1. If an analyte was not detected, the PQL is utilized as the background value. The highest concentration of the available data for each analyte is utilized as the Proposed Background Value.

Pending OCD approval of this correspondence, Gallup intends to utilize the Proposed Background Values included in this correspondence and the NMAC 3103 list with a 20X dilution factor for comparison with Gallup's OCD landfarm soil samples. The Proposed Background Values may also be used for other OCD-related evaluations, as applicable. If you have any questions or comments, please do not hesitate to call us at (505) 722-0217.

Sincerely,
Western Refining Company



Ed Riege
Environmental Manager

697-039-002

Attachments

cc: C. Johnson, Western Refining
G. Price, Trihydro Corporation
K. Van Horn, NMED

TABLE

FIGURES