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NEWS RELEASE

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**WESTERN REFINING AGREES TO PAY \$350,000 PENALTY
TO NEW MEXICO ENVIRONMENT DEPARTMENT**

Western Refining Company, the nation's fourth largest publicly traded independent oil refiner, has agreed to pay a \$350,000 civil penalty to the New Mexico Environment Department (NMED). The civil penalty was assessed in a recent compliance order alleging that compressor engines at Western's refinery east of Gallup, New Mexico violated their permitted emission limits for nitrogen oxides and carbon monoxide between March and September 2010. The violations were detected during routine testing of the engines. In consultation with the NMED, Western Refining has revised its permitted emission limits and retested the engines to demonstrate compliance. During the permitting process, the Department determined that the engine violations did not cause or contribute to an exceedance of state or federal ambient air quality standards.

The compliance order is not the first environmental compliance issue for the Gallup refinery, which Western Refining, based in El Paso, Texas, purchased from Giant Industries of Arizona in 2006. The previous year, NMED and Giant Industries entered into a stipulated final order requiring Giant to implement extensive environmental upgrades at both the Gallup and Bloomfield refineries and to pay a civil penalty of \$850,000. In 2009, NMED and Western Refining agreed to amend the stipulated final order, in part to resolve pending violations, and as part of this process, Western agreed to pay an additional \$2,250,000 in stipulated penalties to the State of New Mexico.

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