



SUSANA MARTINEZ  
Governor

JOHN A. SANCHEZ  
Lieutenant Governor

NEW MEXICO  
ENVIRONMENT DEPARTMENT



*Hazardous Waste Bureau*

2905 Rodeo Park Drive East, Building 1  
Santa Fe, New Mexico 87505-6303  
Phone (505) 476-6000 Fax (505) 476-6030  
[www.nmenv.state.nm.us](http://www.nmenv.state.nm.us)



DAVE MARTIN  
Secretary

BUTCH TONGATE  
Deputy Secretary

CERTIFIED MAIL - RETURN RECEIPT REQUESTED

May 8, 2012

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: **FINANCIAL ASSURANCE FOR  
WESTERN REFINING SOUTHWEST INC., GALLUP AND  
BLOOMFIELD REFINERIES  
EPA ID# NMD000333211  
EPA ID # NMD089416416  
HWB-WRG-MISC  
HWB-WRB-MISC**

Dear Ms. Allen:

The New Mexico Environment Department (NMED) has received the Western Refining, Southwest, Inc. (Western) March 29, 2012 financial assurance submittal. No further financial assurance information is required for the Gallup or Bloomfield facilities at this time. Western has complied with the requirements to submit financial assurance information in accordance with 20.4.1.500 NMAC incorporating 40 CFR 265.142. The original copies of the Financial Test, Corporate Guarantee, Annual Report on Form 10K, and Special Report from an independent certified public accountant will be returned to Western.

The wording of the Chief Financial Officer's (CFO) letter and the corporate guarantee comply with the prescribed wording of 40 CFR 264.151(f) and 40 CFR 264.151(h), respectively. The numbers used in the CFO's letter are identical to the financial data reported in Western's audited financial statements.

Western Refining Southwest, Inc.

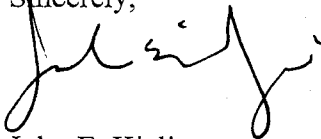
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A corporate guarantee was submitted by Western (Alternative I) to demonstrate financial responsibility for closure and post-closure costs at its Bloomfield and Gallup facilities. The U.S. Environmental Protection Agency (EPA) notes that Western is currently in junk bond status with both Moody's (B3) and Standard & Poor's (B). As a result of the status of the bonds, Western does not meet the Financial Test Criteria for closure and post-closure in accordance with 40 CFR 164.143(f)(1)(ii) and 164.145(f)(1)(ii). EPA recommends that Western continue to monitor their use of Alternative I on a quarterly basis by reviewing their financial report filed with the SEC every quarter (i.e., Form 10-Q) and re-run their quarterly financial data to ensure the company continues to pass Part 1 of Alternative I. However, NMED will accept submission of a semi-annual review to be submitted to NMED 30 days after the second Form 10-Q is filed to demonstrate that Part 1 of Alternative I continues to pass the financial test. Should Western fail to pass Part 1 of the Alternative I at any time during the year, Western will be required to put in place an alternate financial assurance mechanism.

If you have any questions, please contact Leona Tsinnajinnie of my staff at 505-476-6057.

Sincerely,



John E. Kieling  
Chief  
Hazardous Waste Bureau

JEK:lt

cc: D. Cobrain, NMED HWB  
L. Tsinnajinnie, NMED HWB  
K. Van Horn, NMED HWB  
L. King, EPA Region 6 (6PD-N)  
C. Chavez, OCD  
A. Hains, Western

File: WRB and WRG 2012 Reading  
HWB-WRB-MISC, HWB-WRG-MISC