



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



June 28, 2012

CERTIFIED MAIL - RETURN RECEIPT REQUESTED: 7010 2780 0002 4355 7667

Mr. Mark B. Turri, Refinery Manager
Western Refining Southwest, Inc. – Gallup Refinery
Route 3, Box 7
Gallup, NM 87301

Dear Mr. Turri:

The U.S. Environmental Protection Agency, Region 6 (EPA) finds Western Refining Southwest, Inc. – Gallup Refinery (Western) in non-compliance with the terms of the Complaint, Consent Agreement and Final Order (CAFO) filed August 26, 2009, as modified on September 1, 2010.

Pursuant to the schedule of milestones in paragraph 100(I), Western was to have completed Milestone #8 – “[C]omplete connection of the storm water management system to the new Waste Water Treatment System and commission and Start-up of DGF and MPPE units[.]” – by February 29, 2012. Correspondence submitted by you to EPA on May 2, 2012, indicated that Western did not complete Milestone #8 until April 29, 2012, sixty (60) days later than required.

However, in a previous demand letter, EPA assessed penalties for six days of delay in meeting Milestone #7. While the milestone dates are based on specific dates, they are also inter-connected as a linear timeline for completing construction of the new waste water treatment system. A delay in meeting one deadline will ripple through the remaining deadlines for achieving construction milestones. EPA has elected, in its discretion, to mitigate six days from the current penalty to avoid the cumulative assessment of stipulated penalties.

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. For the sixteenth through the thirtieth day of noncompliance, the Respondent is required to pay one thousand five hundred dollars (\$1,500.00) per day. For the thirty-first day and beyond, the Respondent is required to pay two thousand dollars (\$2,000.00) per day.

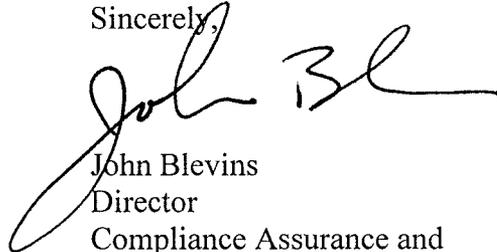
Western had previously violated the terms of the CAFO sixty-three times since June 24, 2010, for which EPA assessed and Western paid, stipulated penalties. Therefore, these violations will be assessed at \$2,000 per day.

Re: Western Refining Southwest, Inc.
Gallup Refinery

For missing the Milestone #8 deadline by fifty-four (54) days, EPA demands that Western pay one hundred and eight thousand dollars (\$108,000.00) 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 Potts, Associate Director for Hazardous Waste Enforcement, at (214) 665-2723. Please direct legal questions to Jeffrey Clay in the Office of Regional Counsel at (214) 665-7297.

Sincerely,

A handwritten signature in black ink, appearing to read "John Blevins", is written over the typed name and title.

John Blevins
Director
Compliance Assurance and
Enforcement Division

Enclosure

cc: John Kieling, Chief
Hazardous Waste Bureau
New Mexico Environment Department



WNR
LISTED
NYSE

GALLUP REFINERY

May 2, 2012

VIA EMAIL AND CERTIFIED MAIL No. 7010 1670 0001 3141 2747

Mr. John E. Kieling, Acting Chief
Hazardous Waste Bureau
New Mexico Environmental Department
2905 Rodeo Park Drive East, Building 1
Santa Fe, New Mexico 87505-6303

Mark Hansen
Associate Director
Hazardous Waste Enforcement Branch
U.S. EPA Region 6, Suite 1200
1445 Ross Avenue
Dallas, TX 75202-2733

Joel Dougherty (6EN-HE)
Hazardous Waste Enforcement Branch
U.S. EPA Region 6, Suite 1200
1445 Ross Ave.
Dallas, TX 75202-2733

RE: COMPLETION OF MILESTONE CERTIFICATION
WESTERN REFINING SOUTHWEST, INC., GALLUP REFINERY
EPA ID #NMD000333211

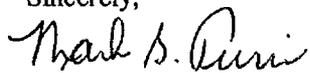
Dear Mr. Kieling:

This letter is to notify NMED and EPA that Western Refining Southwest, Inc., Gallup Refinery ("Gallup") has met Milestone #8, in Paragraph 100.I of the Complaint and Consent Agreement and Final Order (CAFO), Docket No. RCRA-06-2009-0936: "Complete connection of the storm water management system to the new Waste Water Treatment System and commission and Start-Up of DGF and MPPE units." Western met this milestone on April 29, 2012. Please reference the earlier letter dated March 9, 2012, "Certification Of Completion Of Activities" certifying the activities that were completed by February 29, 2012.

I certify that the information contained in or accompanying this submission is true, accurate and complete. As to those identified portions of this submission for which I cannot personally verify the truth and accuracy, I certify as the company official having supervisory responsibility for the person(s) who, acting upon my direct instructions, made the verification, that this information is true, accurate, and complete.

Please feel free to contact Ed Riege at 505-722-0217 with any questions.

Sincerely,



Mark B. Turri
Refinery Manager

cc: Kristen Van Horn NMED HWB
Carl Chavez OCD
Ann Allen Western Refining
Ed Riege Western Refining
Don Starr Western Refining
Frank Keys Western Refining