

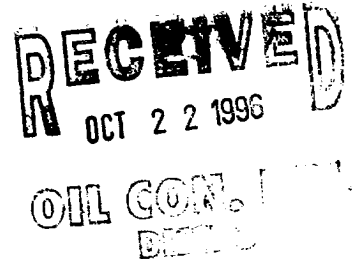


October 15, 1996

Mr. Frank Chavez
District Supervisor
New Mexico Oil Conservation Division
1000 Rio Brazos Road
Aztec, New Mexico 87410

50 Road 4990
P.O. Box 159
Bloomfield, New Mexico 87413
505
632-8013

Re: SWD Disposal Well #WD-1
Giant Refining Company - Bloomfield Refinery



Dear Mr. Chavez:

Giant Refining Company - Bloomfield (GRC) submits the following report on the natural gas pressure that is building up on the Braden Head of the above referenced well. As I had relayed to you in the September 16, 1996 letter to you, a gas meter was installed on the Braden Head on August 26, 1996 to determine the volume of the release.

As of today, the total volume of natural gas that has flowed from the Braden Head is 726 cubic feet. This appears to be a minor discharge in that it does not appear to be a threat to human health or the environment and does not pose a safety hazard.

Considering that the cement on the 856 feet of surface casing was circulated to the surface; that the formations above the surface casing are protected by the surface casing, the well casing and the production tubing; and the low volume of the release, GRC proposes to install piping on the Braden Head with a tee, valve and gauge (see attached drawing) to allow for the gas to bleed off continuously and to monitor the pressure on the Braden Head on an intermittent basis.

If you have additional questions, please call me at (505) 632 8013.

Sincerely:

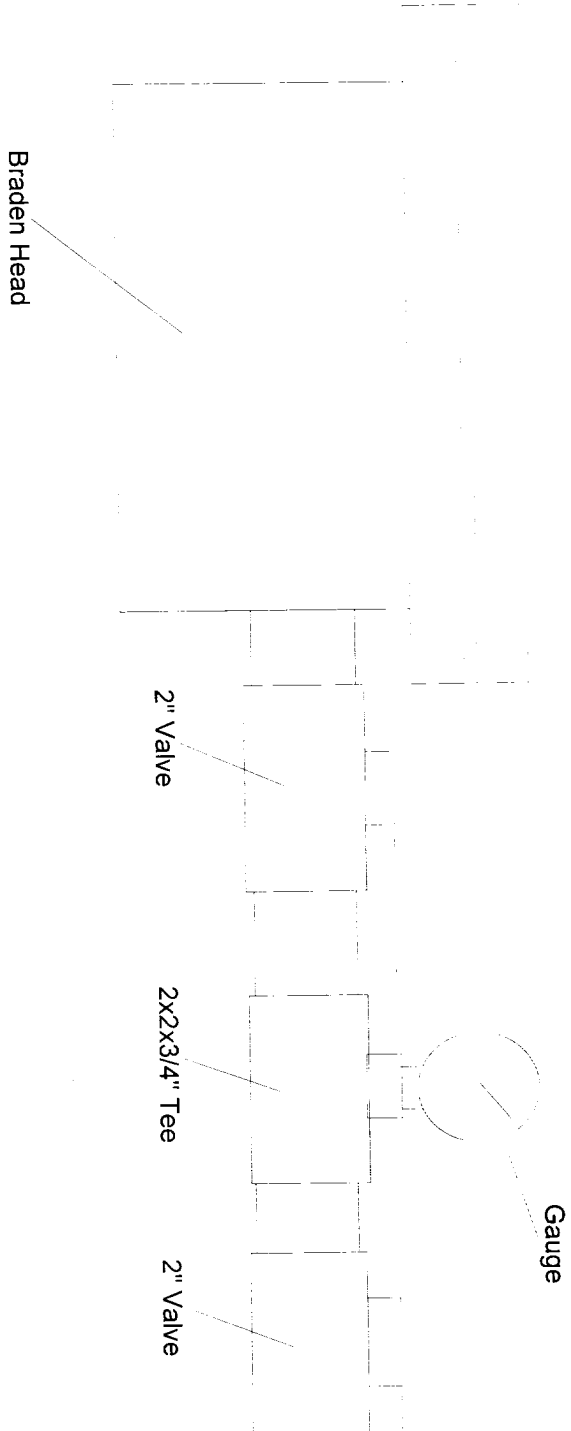
A handwritten signature in cursive script, appearing to read "Lynn Shelton".

Lynn Shelton
Environmental Manager
Giant Refining Company - Bloomfield

TLS:tl

Enclosure

cc: John Stokes, Refinery Manager
Mark Ashley, NMOCD, Santa Fe



GIANT REFINING COMPANY - BLOOMFIELD

BRADEN HEAD MODIFICATIONS

Oct-96