



NEW MEXICO ENERGY, MINERALS
& NATURAL RESOURCES DEPARTMENT

OIL CONSERVATION DIVISION
2040 South Pacheco Street
Santa Fe, New Mexico 87505
(505) 827-7131

September 4, 1996

Lynn Shelton, Environmental Manager
Giant Refining Company - Bloomfield
50 Road 4990
P.O. box 159
Bloomfield, NM 87413

RECEIVED
OCT 1 1996
OIL CONSERVATION DIVISION
SANTA FE, NM

RE: OCD Notice of Violation and Civil Penalty (NOV) dated July 15, 1996

Dear Mr. Shelton:

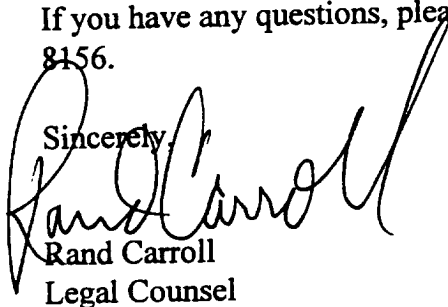
Thank you for taking the time to bring John Stokes, the Refinery Manager, and meet with us on September 3, 1996, to discuss the above-referenced NOV. We appreciate the opportunity to meet with you informally.

To follow up on that meeting, the OCD will agree to waive the three \$1,000 fines set forth on page 2 of the above-referenced NOV if Giant pays the \$5,000 fine set forth on that page 2. This waiver of the three \$1,000 fines takes into consideration the corrective actions taken by Giant regarding the violations for which the \$1,000 fines were assessed and is conditioned upon acknowledgment of violation of, and payment of the \$5,000 fine for, "Class I non-exempt non-hazardous refinery waste water leaking on to the ground surface"

Giant has three options at this point as we see it: (1) Giant can pay the \$8,000 fine imposed by the July 15 NOV; (2) Giant can pay the \$5,000 fine and have the three \$1,000 fines waived as set forth above; or (3) Giant can request a hearing as to the finding of violations and imposition of fines set forth in the NOV. If Giant chooses the third option, the OCD withdraws the waiver set forth above and will seek to have the three \$1,000 fines imposed as well as the \$5,000 fine. A request for a hearing should be filed with the OCD within thirty (30) days after receipt of this letter.

If you have any questions, please contact Roger Anderson at 505/827-7152 or me at 505/827-8156.

Sincerely,


Rand Carroll
Legal Counsel

cc: William J. LeMay, OCD Director
✓ Roger Anderson, OCD Environmental Bureau Chief
OCD Aztec Office