

GW - 040

**GENERAL
CORRESPONDENCE**

2008

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August 1, 2008

Certified Mail: 7006 0810 0003 7020 8565

Wayne Price
Environmental Bureau Chief
New Mexico Oil Conservation Division
1220 South St. Francis Drive
Santa Fe, NM 87505

**Re: *Discharge Permit Renewal
Western Refining Former Giant Bloomfield Refinery (GW-040)
NW/4 of Section 27 and SW/4 of Section 22, Township 29 North,
Range 12 West, NMPM, San Juan County, New Mexico***

Dear Mr. Price:

I am writing on behalf of Western Refining, Inc. ("Western") in response to your letter of July 11, 2008 concerning Western's draft discharge permit renewal. I will discuss the points in the order presented in your letter.

1. Permit Fees

Western agrees to submit two checks, each for \$2,600, made payable to the New Mexico Water Quality Management Fund. The first check is for the current permit term expiring on December 9, 2008. The second check is for the permit term running from December 9, 2008 to December 9, 2013. Western understands that the pending draft discharge permit renewal covers the period from December 9, 2003 to December 9, 2013.

2. Razing the Former Refinery

Western objects to the idea that razing the former refinery should be included in the discharge permit. The operation of the refinery, which was discontinued in 1982, has never been part of discharge permit GW-040, which became effective on December 9, 1988. Instead, GW-040 covers the operation of a ground water remediation program. Any former refinery equipment not utilized for the operation of the current ground water remediation program is not covered by GW-040. In any event, Western is pursuing the dismantling of unused former refinery equipment for its own business reasons, even though it is not required by law to do so.

3. Closure Plan and Financial Assurance

Wayne Price
Environmental Bureau Chief
New Mexico Oil Conservation Division

Western is currently evaluating the final steps of the ground water remediation program subject to discharge permit GW-040. For instance, Tank 102 and certain other equipment may no longer be needed for ground water remediation. Western proposes to complete its evaluation. The evaluation findings will be presented to OCD with a conceptual path forward. Then by December 9, 2009, the first anniversary of the renewed term of GW-040, Western proposes to submit a closure plan, including an estimate of closure and post-closure costs. At that time, OCD and Western would have the information necessary to discuss any financial assurance requirement.


4. Chloride

Western agrees to continue to submit to OCD chloride maps and cross sections as required in the current draft permit.

5. Conclusion

Western appreciates the opportunity to respond to your July 11 letter. I and my colleagues are available to discuss any remaining issues concerning the draft permit with you at your convenience.

Sincerely,



Bill Robertson
Director
Health, Safety, Environmental & Regulatory
Western Refining, Logistics www.wnr.com

San Juan Regional Office
111 County Road 4990
Bloomfield, NM 87413
Main: 505-632-8006
Cell: 505-320-3415
bill.robertson@wnr.com

Cc: Ms. Ann Allen
Mr. Allen Haines

LOGISTICS

June 18, 2008

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2008 JUL 2 PM 3 01

Mr. Glenn Von Gonten
New Mexico Oil and Gas Conservation Division
1220 South Francis Drive
Santa Fe, New Mexico 87505

Certified Mail #7006 0810 0003 7020 8114

**RE: Notification of Ground Water Sampling Event
Western Refining Former Giant Bloomfield Refinery (GW-040)
NW/4 Section 27 and SW/4 of Section 22,
Township 29 North, Range 12 West, NMPM
San Juan County, New Mexico**

Dear Mr. Von Gonten,

As discussed at our meeting on May 14, 2008, Western Refining (Western) proposed to conduct an evaluation of the existing groundwater remediation system at the former Giant Bloomfield Refinery. The groundwater remediation program has been in an operation and maintenance mode over the past several years. The Constituents Of Concern (COC) concentrations in the system's influent and effluent have been at non-detect levels.

Prior to the evaluation, current groundwater gauging and sampling data must be gathered. This will be accomplished during the routine semi-annual sampling event in July 2008. To simulate semi-state ground water conditions, the remediation system will be shutdown no less than one-week prior to gauging and sampling activities. Approximately sixty-one groundwater monitoring wells will be gauged and sampled to define the area of impact.

Ground Water Sampling Protocol

Prior to sampling at monitoring wells, depth to groundwater and total depth of wells will be measured with a Keck oil/water interface probe. Presence of any free-phase crude oil will be investigated also using the interface probe. The interface probe will be decontaminated with Alconox™ soap and rinsed with de-ionized water prior to each measurement. The volume of water in the wells will be calculated, and a minimum of three casing volumes of water will be purged from each well using a 12-volt stainless steel submersible sampling pump. As water is extracted, pH, electric conductivity and temperature will be monitored with a multi-probe flow cell sampling system. Wells will be purged until these properties stabilize, indicating that the purge water is representative of aquifer conditions. Stabilization is defined as three consecutive stable readings for each water property (± 0.4 units for pH, ± 10 percent for electric conductivity and $\pm 2^\circ$ C for temperature). The flow cell sampling system will also be used to measure other water quality characteristics, including dissolved oxygen content, reduction potential, sulfate content, nitrate content and ferric/ferrous iron content. All purge water will be collected and disposed into an onsite storage tank and processed by the existing treatment system. Sampling will begin at wells anticipated to be in good condition and containing low levels of analytes. The groundwater pump and associated tubing will be decontaminated after each use with Alconox™ soap and rinsed with de-

ionized water. As progressively poorer-quality wells are sampled and groundwater conditions make decontamination impossible, tubing will be disposed of and replaced.

Once each monitoring well is properly purged, groundwater samples will be collected by filling appropriate sample bottles and glass vials. Samples will be labeled with the date and time of collection, well designation, project name, collector's name and parameters to be analyzed. They will be immediately sealed and packed on ice and shipped to Pinnacle Laboratories (Pinnacle) in Albuquerque, New Mexico before designated holding times expire. Proper chain-of-custody procedures will be followed with logs documenting the date and time sampled, sample number, type of sample, sampler's name, preservative used, analyses required and sampler's signatures. Pinnacle will analyze the samples for purgeable halocarbons and aromatics using EPA Methods 601/602 and general groundwater characteristics (pH, electric conductivity, alkalinity, total dissolved solids, hardness, chlorides, sulfate, cations and anions).

Any free-phase product identified in groundwater monitoring wells will be sampled and submitted to the current Bloomfield Refinery for analysis (distillation).

Schedule

Two weeks prior to sampling (July 14, 2008), Western will shut down the groundwater pumping system and pull all pumps from the recovery wells. One week later (July 21, 2008), Western will return to measure static water levels in each well. One week after that, sampling will begin. Western estimates five days of fieldwork to complete the sampling (July 28-August 1, 2008).

Reporting

Upon review of the semi-annual gauging and sampling results, Western will submit a formal proposal to evaluate the remediation program. If the formal proposal is approved, the semi-annual gauging and sampling results will be reported in the evaluation. The semi-annual gauging and sampling results will also be reported in 2008 Annual Data Report. In accordance with the pending OCD Discharge Permit conditions, the Annual Data Report will also contain a groundwater potentiometric surface map and isopach maps of BTEX concentrations and any other analytes of concern.

Please contact me at (505) 632-4077 with any questions.

Respectfully Submitted,



Bruce Cauthen
Environmental Engineer
Western Refining, Logistics
111 CR 4990
Bloomfield, NM 87413

VonGonten, Glenn, EMNRD

From: Hains, Allen [Allen.Hains@wnr.com]
Sent: Friday, June 06, 2008 2:40 PM
To: VonGonten, Glenn, EMNRD; Cauthen, Bruce; Robertson, Bill
Cc: Price, Wayne, EMNRD
Subject: RE: Revised Draft Permit

Glenn,

Thank you for a productive meeting in Santa Fe.

Western's comments are below.

1. Approval Condition 20. Additional Site Specific Conditions: #4 and 5 -- Please remove chlorides from the map and cross-section requirements because chlorides are not a constituent of concern. Chlorides will continue to be part of the suite of analyses.
2. Approval Condition 22. --- We believe that OCD's and Western's intent concerning the old refinery equipment are mutual. Western believes it can be addressed outside the discharge plan.

Our reasoning is the following:

- * Western must have flexibility to proceed with demolition and possible redevelopment of the of site without OCD Approval.
- * Any demolition and/or redevelopment will be performed in accordance with industry standards and appropriate regulations.
- * The refinery operations ceased before the Discharge Plan legislation originated. There is a question of jurisdiction.
- * The property is not abandoned. The property is being utilized to support Western operations.
- * The property including land is owned privately by Western.

Western respectfully requests that following revision be deleted: "Western Refining shall submit a closure plan to remove or raze all unused and/or abandoned equipment, buildings, and pipelines at the former refinery by May 31, 2009"

If there are any additional questions, we are available to discuss further.

Thank you again,

Allen S. Hains

Manager

Remediation Projects

Western Refining

7/11/2008

6500 Trowbridge Drive

El Paso, TX 79905

(915) 775-5554

(915) 775-3420 (fax)

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From: VonGonten, Glenn, EMNRD [mailto:Glenn.VonGonten@state.nm.us]

Sent: Wednesday, June 04, 2008 8:30 AM

To: Hains, Allen; Cauthen, Bruce; Robertson, Bill

Cc: Price, Wayne, EMNRD

Subject: RE: Revised Draft Permit

Allen,

Please send me your technical comments by June 6, 2008. OCD intends to issue this permit ASAP.

Thanks.

*Glenn von Gonten
Senior Hydrologist
Environmental Bureau
Oil Conservation Division
1220 South St. Francis Drive
Santa Fe, NM 87505
505-476-3488
fax -476-3462
glenn.vongonten@state.nm.us*

From: Hains, Allen [mailto:Allen.Hains@wnr.com]

Sent: Monday, June 02, 2008 1:02 PM

To: VonGonten, Glenn, EMNRD; Cauthen, Bruce; Robertson, Bill

Cc: Price, Wayne, EMNRD

Subject: RE: Revised Draft Permit

Glenn,

The purpose of this email is to update our status. Western has reviewed the draft Discharge Plan Renewal. There are one or two simple technical comments.

As I mentioned during our meeting, the changes to Special Condition 22 are beyond my authority and under review.

Western will send comments soon.

Thank you,

Allen

7/11/2008

Allen S. Hains
Manager
Remediation Projects

Western Refining
6500 Trowbridge Drive
El Paso, TX 79905
(915) 775-5554
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From: VonGonten, Glenn, EMNRD [mailto:Glenn.VonGonten@state.nm.us]
Sent: Monday, May 19, 2008 10:18 AM
To: Cauthen, Bruce; Robertson, Bill; Hains, Allen
Cc: Price, Wayne, EMNRD
Subject: Revised Draft Permit

Gentlemen,

I have made several changes to your draft permit (highlighted). The revisions include name changes, a very brief discussion on why the fee is \$5200, removal of chromium, and revised terminology (now refers to non-aqueous phase liquid rather than free phase). There is now a requirement that Western submit a closure plan to raze unused or abandoned facilities. Please review and get back to me some time this week.

*Glenn von Gonten
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Oil Conservation Division
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May 5, 2008

2008 MAY 7 PM 1 57

Glenn Von Gonten
Environmental Bureau,
Oil Conservation Division
1220 South St. Francis Drive
Santa Fe, NM 87505

Certified Mail # 7006 0810 0003 7020 8688

RE: Comments on DRAFT Discharge Plan Renewal
San Juan County, New Mexico
Former Bloomfield Refinery (GW-040)
NW/4 Section 27 and SW/4 of Section 22,
Township 29 North, Range 12 West, NMPM

Dear Mr. Von Gonten:

Western would like to meet with you in Santa Fe to discuss the Discharge Plan (GW-040) Renewal. The term of this permit renewal is December 9, 2008. The Permit Renewal Application would be due on August 11, 2008. Since there is a short duration before the next application, Western would like to discuss this permit and conditions with the next renewal in mind.

There are several inaccuracies and potential conflicts in the 2007 Application, DRAFT Discharge Permit and the Public Notice. In addition, ground water remediation has been in an operation and maintenance mode over the past several years. Western proposes to evaluate the current program and discuss a path forward with NMOCD.

On May 14th, 2008, Western will be visiting the NMOCD offices to discuss another facility. Western proposes to meet with you during the same visit. We believe that our discussion will streamline the current and future permitting process for this facility.

Thank you for your attention to this, and if you have any further questions please call Bruce Cauthen at (505) 632-4035, Environmental Engineer or Bill Robertson, Manager HSER at (505) 632-4077.



Bruce Cauthen
Environmental Engineer
Western Refining Southwest Inc.
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Bloomfield NM, 87413



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