

GW - 28

**BIO-DIESEL
UNIT**

2019

OCD BIODIESEL COMMUNICATION LOG

From: Chavez, Carl J, EMNRD
Sent: Wednesday, December 11, 2019 1:23 PM
To: Denton, Scott (Scott.Denton@HollyFrontier.com) <Scott.Denton@HollyFrontier.com>
Subject: Biodiesel Unit

Scott:

Hi.

FYI: Communication on the above subject is provided below from the OCD.

- Carl on 12/11 met with Bill Brancard who indicated the Cabinet Secretary and he met with the refinery representatives regarding the bio-diesel unit permitted by the NMED at the refinery. Bill asked what the water and wastewater management plans would be for the new unit. OCD is responsible for any product and/or wastewater releases on the refinery property. Carl indicated he would capture any submittal by HFNR into the admin. record.
- Carl on 12/11 created a “Biodiesel 2019” thumbnail to capture information Bill Brancard’s requested water and wastewater management plans for the new biodiesel unit permitted by the NMED. Carl included OCD communications on the biodiesel unit with HFNR and general info. from the Internet.

Thank you.

Mr. Carl J. Chavez, CHMM (#13099)
New Mexico Oil Conservation Division
Energy Minerals and Natural Resources Department
1220 South St Francis Drive
Santa Fe, New Mexico 87505
Ph. (505) 476-3490
E-mail: CarlJ.Chavez@state.nm.us

“Why not prevent pollution, minimize waste to reduce operating costs, reuse or recycle, and move forward with the rest of the Nation?” (To see how, go to: <http://www.emnrd.state.nm.us/OCD> and see “Publications”)

From: Chavez, Carl J, EMNRD
Sent: Thursday, November 21, 2019 12:30 PM
To: 'Denton, Scott' <Scott.Denton@HollyFrontier.com>
Subject: RE: FW: Looks like Holly decided to proceed with the biodiesel plant

Thanks Scott.

From: Denton, Scott <Scott.Denton@HollyFrontier.com>
Sent: Thursday, November 21, 2019 8:48 AM
To: Chavez, Carl J, EMNRD <CarlJ.Chavez@state.nm.us>
Cc: Denton, Scott <Scott.Denton@HollyFrontier.com>
Subject: [EXT] RE: FW: Looks like Holly decided to proceed with the biodiesel plant

As far as the construction of the unit, we have permitted this through the NMED New Source Review (NRS) program. The permit has been issued.

SMD

Scott M. Denton
Environmental Manager

HollyFrontier Navajo Refining LLC
P.O. Box 159
Artesia, NM 88211-0159
575-746-5487 (o)
970-581-7268 (c)

From: Chavez, Carl J, EMNRD <CarlJ.Chavez@state.nm.us>
Sent: Thursday, November 21, 2019 8:40 AM
To: Denton, Scott <Scott.Denton@HollyFrontier.com>
Subject: RE: FW: Looks like Holly decided to proceed with the biodiesel plant

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Scott:

Good morning!

Jim thinks because it is a biodiesel plant, the NMED may be the permitting authority. OCD will contact you if we have more questions.

Thank you.

From: Denton, Scott <Scott.Denton@HollyFrontier.com>
Sent: Wednesday, November 20, 2019 5:20 PM
To: Chavez, Carl J, EMNRD <CarlJ.Chavez@state.nm.us>
Cc: Denton, Scott <Scott.Denton@HollyFrontier.com>
Subject: [EXT] Re: FW: Looks like Holly decided to proceed with the biodiesel plant

Carl,

The Renewable Diesel Unit (RDU) is not expected to change any of our discharge as currently designed. I'm happy to chat in more detail with you sometime.

Thanks,

From: Griswold, Jim, EMNRD <Jim.Griswold@state.nm.us>

Sent: Tuesday, November 19, 2019 3:10 PM

To: Chavez, Carl J, EMNRD <CarlJ.Chavez@state.nm.us>; Brancard, Bill, EMNRD <bill.brancard@state.nm.us>

Subject: Looks like Holly decided to proceed with the biodiesel plant

https://www.ogj.com/refining-processing/article/14072258/hollyfrontiers-navajo-refinery-due-new-unit?oly_enc_id=7544C9922723B1R

Jim Griswold

Environmental Bureau Chief

Oil Conservation Division

1220 South St. Francis Drive

Santa Fe, New Mexico 87505

505.476.3465

email: jim.griswold@state.nm.us

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HollyFrontier's Navajo refinery due new unit

HollyFrontier Corp. is building a new renewable diesel unit (RDU) at its 100,000-b/d Navajo refinery in Artesia, NM.

Author — Robert Brelsford

Nov 19th, 2019



Photo from HollyFrontier Corp.

HollyFrontier Corp. is building a new renewable diesel unit (RDU) at its 100,000-b/d Navajo refinery in Artesia, NM.

The RDU will have a production capacity of about 125 million gal/year, enabling the refinery and enable the refinery to process soybean oil and other renewable feedstocks into renewable diesel, HollyFrontier said.

The proposed investment will provide HollyFrontier the opportunity to meet demand for low-carbon fuels while covering the cost of the operator's annual RIN purchase obligation under current market conditions, the company said.

HollyFrontier said it expects the RDU project, which will include corresponding rail infrastructure and storage tanks, is estimated to have a total capital cost of \$350 million.

To be funded with cash on hand and anticipated to generate an internal rate of return between 20-30%, the project is scheduled to be completed during first-quarter 2022.