

Giant-Red '95



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GOVERNOR

*State of New Mexico*  
**ENVIRONMENT DEPARTMENT**  
*Hazardous & Radioactive Materials Bureau*  
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MARK E. WEIDLER  
SECRETARY  
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DEPUTY SECRETARY

**CERTIFIED MAIL  
RETURN RECEIPT REQUESTED**

July 26, 1995

Ruth S. Grijalva, Authorized Officer  
Bank of America  
ITBD Trade Operations Center  
333 South Beaudry Ave., 19th Floor  
Los Angeles, CA 90017

Dear Ms. Grijalva,

**RE: Standby Letter of Credit # LASB-221968**

Giant Industries Inc. (Giant) currently has issued to the New Mexico Environment Department (NMED) Hazardous and Radioactive Materials Bureau (HRMB) two Letters of Credit: 1) Chase Manhattan Bank (Chase) Letter of Credit # P0636731, dated Septmber 20, 1991, and 2) Bank of America (BA) Letter of Credit # LASB-221968, dated October 21, 1994. The original Chase Letter of Credit cannot be found by either NMED or Giant. Thus, on 4-12-1995, NMED's representative, Michael Chacón, requested a duplicate original from Giant. NMED has not yet received this duplicate original Letter of Credit from Giant.

Giant has expressed to HRMB the desire to cancel the BA Letter of Credit and continue their Chase Letter, as per telephone conversation of May 30, 1995. Additionally, on May 30 and June 23, 1995 HRMB received a letter from BA stateing the desire of Giant to cancel the captioned Letter of Credit. By way of cancellation, BA wishes their Letter of Credit to be returned accompanied by a written agreement from HRMB stating that HRMB no longer has any interest in the Letter of Credit. HRMB cannot cancel the BA Letter of Credit until it has received a duplicate original of the Chase Letter from Giant. In accordance with 20 NMAC Subpart IX, 40 CFR § 264 Subpart H (Financial Assurance), HRMB cannot be in the position of not having valid financial assurance from Giant.

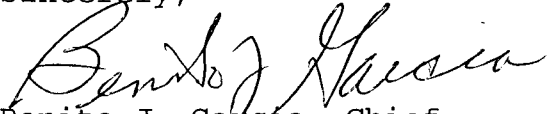
HRMB is currently attempting to resolve the issue of the Chase Letter. As soon as this is done and Giant's financial assurance is in place, HRMB will be able to return the BA Letter of Credit. To this end, HRMB proposes that Giant hand-deliver a duplicate original Chase Letter of Credit, and HRMB will simultaneously hand-deliver the BA Letter of Credit and written agreement releasing

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BA's. If this idea is acceptable, Giant and HRMB can arrange a date and time to have this simultaneous exchange.

If you have any questions, please contact Mr. Michael Chacón at (505) 827-4308.

Sincerely,



Benito J. Garcia, Chief  
Hazardous and Radioactive Materials Bureau

cc: Sandy Alofs, Giant Industries  
Dave Pavlich, Giant Refinery-Ciniza  
Mark Miller, Chase Manhattan  
Judie Amer, OGC  
File-Red 95  
File-Reading