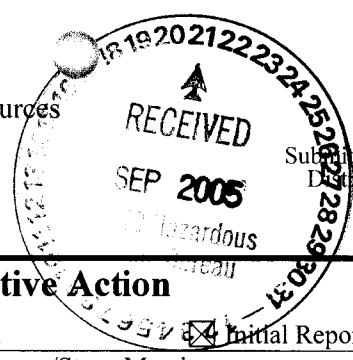


District I
1625 N. French Dr., Hobbs, NM 88240
District II
1301 W. Grand Avenue, Artesia, NM 88210
District III
1000 Rio Brazos Road, Aztec, NM 87410
District IV
1220 S. St. Francis Dr., Santa Fe, NM 87505

GRCCOS
State of New Mexico
Energy Minerals and Natural Resources
Oil Conservation Division
1220 South St. Francis Dr.
Santa Fe, NM 87505



Ciniza
Form C-141
Revised October 10, 2003
Submit 2 Copies to appropriate District Office in accordance with Rule 116 on back side of form

Release Notification and Corrective Action

OPERATOR

Initial Report Final Report

Name of Company Giant Industries, Inc.	Contact James Romero/Steve Morris
Address Rt. 3, Box 7	Telephone No. 505-722-0227
Facility Name Giant Industries, Inc.	Facility Type Refinery
Surface Owner Giant Industries, Inc.	Mineral Owner Giant Industries, Inc.
Lease No. _____	

LOCATION OF RELEASE

Unit Letter	Section 33	Township 15N	Range 15W	Feet from the	North/South Line	Feet from the	East/West Line	County McKinley
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Latitude 30° 29' 30" Longitude 108° 24' 40"

NATURE OF RELEASE

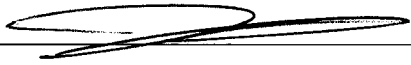
Type of Release Diesel	Volume of Release 20 gallons	Volume Recovered 20 gallons
Source of Release Marketing Tank #4	Date and Hour of Occurrence 9/14/05 @ 4am	Date and Hour of Discovery 9/14/05 @ 4:15am
Was Immediate Notice Given? <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> Not Required	If YES, To Whom? Wayne Price via email dated 9/14/05	
By Whom? Steve Morris	Date and Hour 9/14/05 @10:31 am	
Was a Watercourse Reached? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No	If YES, Volume Impacting the Watercourse.	

If a Watercourse was Impacted, Describe Fully.

Describe Cause of Problem and Remedial Action Taken. **The process sewer line was found plugged and maintenance dept was working on unplugging the line on 9/13/05. However, accumulation of water and hydrocarbon slop in the sewer line from the truck rack overflowed at the lowest point near MKT #4 on 9/14/05**

Describe Area Affected and Cleanup Action Taken. **The overflow was contained within the marketing tank area and did not flow toward the containment berm or drain. The pumper and shifter took the GI vacuum truck to the spill and vacuumed up the diesel slop.**

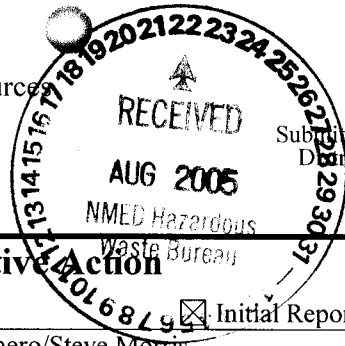
I hereby certify that the information given above is true and complete to the best of my knowledge and understand that pursuant to NMOCD rules and regulations all operators are required to report and/or file certain release notifications and perform corrective actions for releases which may endanger public health or the environment. The acceptance of a C-141 report by the NMOCD marked as "Final Report" does not relieve the operator of liability should their operations have failed to adequately investigate and remediate contamination that pose a threat to ground water, surface water, human health or the environment. In addition, NMOCD acceptance of a C-141 report does not relieve the operator of responsibility for compliance with any other federal, state, or local laws and/or regulations.

Signature:  Printed Name: JAMES ROMERO Title: Environmental Engineer E-mail Address: Jromero@Giant.com Date: 9/15/05 Phone: 505-722-0227	OIL CONSERVATION DIVISION Approved by District Supervisor: Approval Date: _____ Expiration Date: _____ Conditions of Approval: Attached <input type="checkbox"/>
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* Attach Additional Sheets If Necessary

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Release Notification and Corrective Action

OPERATOR

Initial Report Final Report

Name of Company Giant Industries, Inc.	Contact James Romero/Steve Morris	
Address Rt. 3, Box 7	Telephone No. 505-722-3833	
Facility Name Giant Industries, Inc.	Facility Type Refinery	
Surface Owner Giant Industries, Inc.	Mineral Owner Giant Industries, Inc.	Lease No.

LOCATION OF RELEASE

Unit Letter	Section 33	Township 15N	Range 15W	Feet from the	North/South Line	Feet from the	East/West Line	County McKinley
-------------	------------	--------------	-----------	---------------	------------------	---------------	----------------	-----------------

Latitude 30° 29' 30" Longitude 108° 24' 40"

NATURE OF RELEASE

Type of Release Wastewater	Volume of Release 1,152,000 gal	Volume Recovered Ongoing
Source of Release API	Date and Hour of Occurrence Est. 1-3 days prior to sampling Est. (Aug 7, 2005)	Date and Hour of Discovery 8/15/05 Received Lab Results 8/15/05 Notified OCD/NMENV
Was Immediate Notice Given? <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> Not Required	If YES, To Whom? Phone call to Wayne Price, Denny Foust (OCD), and Hope Monzeglio	
By Whom? James Romero and Steve Morris	Date and Hour 8/9/05 Sample Date 8/12/05	Lab Results
Was a Watercourse Reached? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No	If YES, Volume Impacting the Watercourse.	

If a Watercourse was Impacted, Describe Fully.* N/A

Describe Cause of Problem and Remedial Action Taken.*

The API sump pump was not working properly (20-30% capacity) which resulted in a reportable discharge into our aeration lagoons/ponds
***See attached Remediation Plan**

Describe Area Affected and Cleanup Action Taken.

***See attached Remediation Plan**

I hereby certify that the information given above is true and complete to the best of my knowledge and understand that pursuant to NMOCD rules and regulations all operators are required to report and/or file certain release notifications and perform corrective actions for releases which may endanger public health or the environment. The acceptance of a C-141 report by the NMOCD marked as "Final Report" does not relieve the operator of liability should their operations have failed to adequately investigate and remediate contamination that pose a threat to ground water, surface water, human health or the environment. In addition, NMOCD acceptance of a C-141 report does not relieve the operator of responsibility for compliance with any other federal, state, or local laws and/or regulations.

Signature:		OIL CONSERVATION DIVISION	
Printed Name: JAMES ROMERO		Approved by District Supervisor:	
Title: Environmental Engineer		Approval Date:	Expiration Date:
E-mail Address: Jromero@Giant.com		Conditions of Approval:	
Date: Phone: 505-722-0227 <i>Aug 17, 2005</i>		Attached <input checked="" type="checkbox"/>	

* Attach Additional Sheets If Necessary

REMEDIATION PLAN API/LAGOON/POND SPILL

Background: The API sump pump not working properly resulted in a reportable release of wastewater into the aeration lagoons/ponds. Grab samples on Evaporation Pond #1 and Lagoon #1 were taken on August 9, 2005. On August 15, 2005 Giant's Ciniza Refinery received lab results (attachment 1) indicating levels above the regulatory limit for Benzene. Giant immediately contacted the New Mexico Office of Oil Conservation Division (OCD) and the New Mexico Environmental Department (NMENV) via phone/email (attachment 2).

ENVIRONMENTAL CONSEQUENCES:

On average the API output is 50-100 gpm (144,000 gpd). Based on these numbers, it is estimated 1,152,000 gallons of untreated oily water was discharged into the environment (aeration lagoon and ponds) through August 15th. However, the discharge was and continues to be contained within the lagoons and ponds; no waterways were/are being impacted and no releases have left the property. Giant evaluated isolating the ponds to limit the area of contamination, however, due to heavy rainfall >5.0" (see rainfall data), and on-going operations, it was logistically impracticable.

Based on knowledge of the process, no discharge of any listed wastes occurred. This is due to the fact the sludge material (F, K wastes) dropped out before exiting the API (see attachment 3).

Ground water sampling per 2005 OCD permit is scheduled to occur later this month. Any Ground water contamination (if detected) will be immediately reported to OCD and NMENV.

IMMEDIATE ACTION TAKEN:

Immediate notification was given (via telephone/email) to OCD and NMENV. Giant requested permission to utilize vac-trucks to clean out lagoons and store material in two 55,000-barrel tanks. OCD granted emergency approval with the following conditions:

- (1) All water sales from the ponds shall cease, unless approved by OCD
- (2) No storm water shall be released that exceeds the WQCC standards.
- (3) The emergency actions shall be continuous (24 hour) until API problem is correct.
- (4) A daily E-mail report shall be submitted until emergency is over.
- (5) Giant shall isolate the other ponds, if possible during the emergency condition

ON-GOING ACTIONS:

Giant Management (Ed Rios) notified all personnel via email of the importance of spill prevention.

Giant personnel developed a detailed scope of work (see attachment 4). This included preparing two 55,000-barrel tanks (see map) to receive material from the lagoons.

Moreover, a contract was given to Riley Industrial Services to use 2-3 large capacity vacuum trucks and personnel to vacuum, and transport lagoon material to the tanks. Giant has verified the contractor has an Environmental Management System in place (see attachment 5) and is aware of Giant's SPCC plan. Work will commence on August 18th and continue until completion. Trucks will run during daylight hours (see map for truck routes), however, due to inclement weather conditions, and associated safety concerns, work may be temporarily stopped.

In addition to pumping material from the lagoons, the lagoon/pond banks will require cleaning. Any soil removed will be stockpiled on plastic lining and tested TCLP. Based on the results of the TCLP, disposal of soils will be onsite and/or shipped off site as hazardous waste.

Moreover, to fix the API, a new chopper pump has been ordered and should arrive within 6-8 weeks. A complete installation plan will be developed and forwarded to OCD.

Ground water sampling for Giant's OCD Permit is scheduled for later this month. Any ground water contamination (if detected) will be immediately reported to OCD and NMENV.