

Cobrain, Dave, NMENV

ENTERED

From: Jeanine Grachuk <JGrachuk@bdlaw.com>
Sent: Monday, January 23, 2017 3:40 PM
To: Cobrain, Dave, NMENV
Subject: Western Refining Question

Mr. Cobrain,

Thank you very much for talking with me today. As we discussed, my client, Tesoro, is planning to acquire the stock of Western Refining Inc., via merger, in a publically announced transaction. There is a possibility that the closing will occur in mid-March, although that is not definite.

Western Refining Southwest, Inc. is the owner and operator of the Gallup Refinery and holds a RCRA Post-Closure Permit. I am requesting clarification as to whether this transaction requires advance approval of the NMED under 40 CFR 270.40, 270.42 and the RCRA Post-Closure Permit section I.J.3.

You asked for a written explanation of the relationship between the holder of the permit, Western Refining Southwest, Inc. and the company that is being acquired, Western Refining Inc. Here is my understanding:

- Western Refining Southwest, Inc. is owned by two entities – Western Acquisition Holdings, LLC and Giant Industries, Inc.
- Western Acquisition Holdings, LLC is owned by Giant Industries, Inc.
- Giant Industries, Inc., is owned by Western Refining Inc.

As such, it is essentially the “grandfather” company that is being acquired by Tesoro via a merger. Please note that the name of Western Refining Southwest, Inc., will not change and we are not anticipating any change in operations at the facility.

Please let me know whether NMED views this as a “change in operational control” that requires advance approval.

I appreciate your time and efforts in resolving this question. Thank you.

Jeanine

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Principal

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