

LETTER OF CONCERN

CERTIFIED MAIL - RETURN RECEIPT REQUESTED

December 9, 1999

Mr. Mike Hardy
Vice President Transportation Distribution
Giant Industries - Arizona, Inc.
23733 North Scottsdale Road
Scottsdale, Arizona 85267

CPF No. 49602-C

Dear Mr. Hardy:

On September 14 - 16, 1999, a representative of the New Mexico Public Regulation Commission (NMPRC) made an inspection of your Ciniza Pipe Line facilities in Farmington, New Mexico. He acted under an agreement with the Southwest Region, Office of Pipeline Safety, pursuant to Chapter 601 of 49 United States Code.

During the inspection, NMPRC found a concern with the lack of prevention for atmospheric corrosion. During the field evaluation, the inspector found indications of inadequate protection against atmospheric corrosion on piping in the east valve box at the Wingate Pump Station and on exposed piping at the mainline valve on the West line at the inlet to Ciniza Refinery. This office understands that Ciniza has taken measures to correct this matter.

Because of the good faith that you have exhibited up to this time, we expect that you will act to ensure that the problem discussed in this letter will be addressed. Please refer to CPF No. 49602-C in any correspondence/communication on this matter.

Sincerely,

R. M. Seeley
Regional Director, Southwest Region

cc: New Mexico Public Regulation Commission