

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

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

Form C-141
Revised October 10, 2003

Submit 2 Copies to appropriate
District Office in accordance
with Rule 116 on back
side of form

9MLB/129953297

Release Notification and Corrective Action

nMLB/12995381 iMLB/129954242

OPERATOR Initial Report Final Report

Name of Company	Holly Energy Partners 242939	Contact	Jeff Stubblefield
Address	1602 W Main Street Artesia, NM 88210	Telephone No.	972-322-5782
Facility Name	Navaho Federal / Apache DAD Lateral	Facility Type	Gathering Line

Surface Owner	BLM	Mineral Owner		Lease No.	
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LOCATION OF RELEASE

Unit Letter	Section 30	Township T17S	Range 29E	Feet from the	North/South Line	Feet from the	East/West Line	County
				1650'	FSL	2308'	FEL	Eddy

Latitude N 32' 48.167

Longitude W 104' 06.730

32.8028

NATURE OF RELEASE 104.1122

Type of Release	Crude Oil	Volume of Release	~100 bbls	Volume Recovered	bbl
Source of Release	3" steel pipeline	Date and Hour of Occurrence	10/22/2011 unknown	Date and Hour of Discovery	10:10 a.m.
Was Immediate Notice Given?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> Not Required	If YES, To Whom?	Randy Dade 575-626-1372		
By Whom?	Lori Coupland	Date and Hour	10/22/2011 1:55 p.m.		
Was a Watercourse Reached?	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No	If YES, Volume Impacting the Watercourse.	N/A		
If a Watercourse was Impacted, Describe Fully.*	N/A				

RECEIVED
OCT 26 2011
NMOCD ARTESIA

Describe Cause of Problem and Remedial Action Taken.*

Possible internal or external corrosion on a 3" steel pipe tie-in from Concho Resources Navaho Federal #8. The leak is located below ground at the tie-in of the Apache DAD lateral. Clean-up crews have been dispatched and free product will be removed. Contaminated soil will also be removed and placed on plastic near the site.

Describe Area Affected and Cleanup Action Taken.*

Lease road - nearest well: Concho Resources Navaho Federal #8. Lease road has been closed on both sides of release and earthen dikes built to prevent surface migration. The free product will be recovered and the contaminated soil will be excavated and placed on plastic to allow for natural aeration. The soil will be hauled to an approved land farm once analytical tests have been completed and the levels are at acceptable levels for disposal.

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: <u>Lori Coupland</u>	OIL CONSERVATION DIVISION	
Printed Name: Lori Coupland	Signed By <u>Mike Brannon</u> Approved by District Supervisor:	
Title Mgr - Regulatory Compliance	Approval Date: OCT 26 2011	Expiration Date:
E-mail Address: lori.coupland@hollyenergy.com	Conditions of Approval:	Attached <input type="checkbox"/>
Date: 10/22/2011 Phone: 575.748.4076	Remediation per OCD Rules & Guidelines. SUBMIT REMEDIATION PROPOSAL NOT LATER THAN:	<u>2RP-942</u>

* Attach Additional Sheets If Necessary

11/26/2011