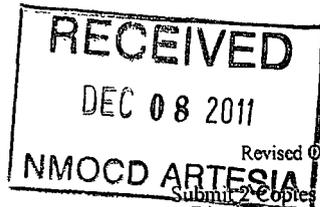


District I
1625 N. French Dr., Hobbs, NM 88240
District II
1301 W. Grand Avenue, Artesia, NM 88210
District III
1000 Rio Brazos Road, Aztec, NM 87410
District IV
1220 S. St. Francis Dr., Santa Fe, NM 87505

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

Release Notification and Corrective Action

§ MLB 1205456296 OPERATOR Initial Report Final Report

Name of Company : Holly Transportation LLC. <u>278721</u>	Contact: R.B. Simmons
Address: 1602 W. Main Artesia, NM 88210	Telephone No. (575)513-8314
Facility Name: North Loco Lact #176	Facility Type: Crude oil unloading facility

Surface Owner : BLM	Mineral Owner :	Lease No.
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LOCATION OF RELEASE

Unit Letter	Section 29	Township 16, S.R.	Range 30 E	Feet from the	Line North/South	Feet from the	East/West line	County Eddy
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Latitude N32°53.136' Longitude W 103°59.167'

32.8856 NATURE OF RELEASE 103.9861

Type of Release: Crude oil	Volume of Release: 40-50 bbls	Volume Recovered : 5 bbls
Source of Release : 1/2" Pipe on lact unit broke	Date and Hour of Occurrence 12-03-11 ukn hour	Date and Hour of Discovery 12-03-11 1000 hrs.
Was Immediate Notice Given? Yes <input type="checkbox"/> No <input checked="" type="checkbox"/> Not Required <input type="checkbox"/>	If YES, To Whom? NMOCD General voice mail (this was at first determined to be state land) Notified BLM 12-5-11	
By Whom? R.B. Simmons	Date and Hour 12-03-11 1026 hrs.	
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.*
A 1/2 inch pipe on the lact unit broke causing crude oil to leak onto the ground. Upon discovery, the valves on the back of the unloading tanks were shut off, stopping the flow of oil to the lact.

Describe Area Affected and Cleanup Action Taken.*
On the site pad, an area of approximately 6' x 20' Off the pad, into the pasture, an area approximately 30' x 80'. Being misinformed that this was state land I immediately made notification via voice mail, to the New Mexico Oil Conservation District in Artesia, NM. JWS out of Riverside, NM responded with a vacuum truck and recovered approximately 5 bbls. of crude from the ground. Hungry Horse Environmental Services out of Hobbs, NM, responded for clean up. Excavation began off the site pad due to the ground being sand and believing the oil would soak in faster. On 12-05-11 excavation work off the site pad was stopped after speaking to Terry Gregston with BLM, until such time a BLM representative can inspect the site. The contaminated soil that was removed prior to speaking to BLM was taken to CRI in Hobbs, NM for disposal storage

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: R.B. Simmons	Signed By <u>Mike Simmons</u> Approved by District Supervisor:	
Title: Regulatory Coordinator	Approval Date: <u>FEB 23 2012</u>	Expiration Date:
E-mail Address: roger.simmons@hollyfrontier.com	Conditions of Approval	Attached <input type="checkbox"/>
Date: 12-06-11 Phone: (575)513-8314	Remediation per OCD Rules & Guidelines. SUBMIT REMEDIATION PROPOSAL NOT LATER THAN:	

* Attach Additional Sheets If Necessary

PROJECT COMPLETE 2/22/12

2 RP-1044

