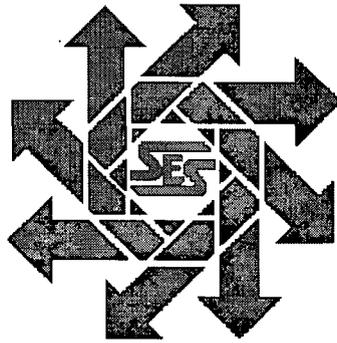


**Holly Energy Partners
T #2 Release
Delineation Report/Work Plan
Section 15, Township 20S, Range 28E
Eddy County, New Mexico**

August 20, 2009



Prepared for:

**Holly Energy Partners
P.O. Box 1260
Artesia, New Mexico 88211**

By:

**Safety & Environmental Solutions, Inc.
703 East Clinton
Hobbs, New Mexico 88240
(575) 397-0510**

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I. Company Contacts

NAME	Company	Telephone	E-mail
Dickie Townley	Holly Energy Partners	(575) 748-8949	Dickie.Townley@hollyenergy.com
Bob Allen	SESI	505-397-0510	ballen@sesi-nm.com

II. Background

Safety and Environmental Solutions, Inc. (SESI) was engaged by Holly Energy Partners to perform site assessment at a release area at the T #2 located in Eddy County, New Mexico. A pipeline leak released an unknown volume of hydrocarbon fluid onto the ground.

III. Surface and Ground Water

The closest groundwater of record listed with the New Mexico office of the state engineer is located in the same section, range and township. The depth of water in this well was 48'.

IV. Soils

The surface soils in the area are predominantly sand and sandy loam.

V. Work Performed

On June 19, 2009 SESI was onsite to delineate the exposed pipeline leak utilizing a hand auger. D&D Construction was previously onsite and had excavated the around the flowline to a depth of five (5) feet.

On June 25, 2009 SESI was onsite to delineate the excavation utilizing a hand auger. Auger refusal was encountered at a depth of 15 feet due to hard rock layer. A sample was retrieved at a depth of 15 feet and was properly preserved and transported under Chain-of-Custody to Cardinal Laboratories of Hobbs, New Mexico for analysis. The sample was analyzed for Total Petroleum Hydrocarbons (EPA Method 418.1) and BTEX (EPA Method SW-846-8021B).

The results of the analysis are as follows:

Sample ID	TPH (mg/kg)	Benzene (mg/kg)	Toluene (mg/kg)	Ethyl Benzene (mg/kg)	Xylenes (mg/kg)
15' BGL	26,500	12.5	200	118	746

On August 7, 2009 SESI was onsite with Atkins Drilling to further delineate the affected area. Borehole #1 was drilled to a depth of 30'.

Samples were retrieved at the depths of 20' 25' and 30' below ground level. The samples were transported under Chain of Custody to Cardinal Laboratories of Hobbs, New Mexico for analysis. The sample was analyzed for Total Petroleum Hydrocarbons (EPA Method 418.1) and BTEX (EPA Method SW-846-8021B).

The results of the analysis are as follows:

Sample ID	TPH (mg/kg)	Benzene (mg/kg)	Toluene (mg/kg)	Ethyl Benzene (mg/kg)	Xylenes (mg/kg)
20' BGL	8,840	4.60	23.3	7.22	52.5
25' BGL	<100	0.641	5.17	2.04	15.0
30' BGL	<100	0.183	0.519	0.356	2.05

Based upon the analytical results, the vertical extent of TPH contamination was determined at a depth of twenty-five (25) feet.

VI. Action Plan

Based on the characterization of the site, the cleanup level reached by the application of the “**Guidelines for Remediation of Leaks, Spills and Releases**” *New Mexico Oil Conservation Division (NMOCD) – August 13, 1993 (Guidelines)* to this site is 100 parts per million (ppm) Total Petroleum Hydrocarbons (TPH). Application of the New Mexico Oil Conservation Division’s ranking criteria for contaminated soils at this site is presented below:

Depth to Ground Water:	20 points
Distance to Well Head or Water Source:	0 points
Distance to Surface Water/Waterways:	0 points
<hr/> Total Score:	20 points

It is requested that the area be excavated horizontally to 100 ppm and that the most highly contaminated soil be transported to a New Mexico Oil Conservation Division (NMOCD) approved facility for disposal. The area will then be backfilled with clean soils and contoured to natural grade.

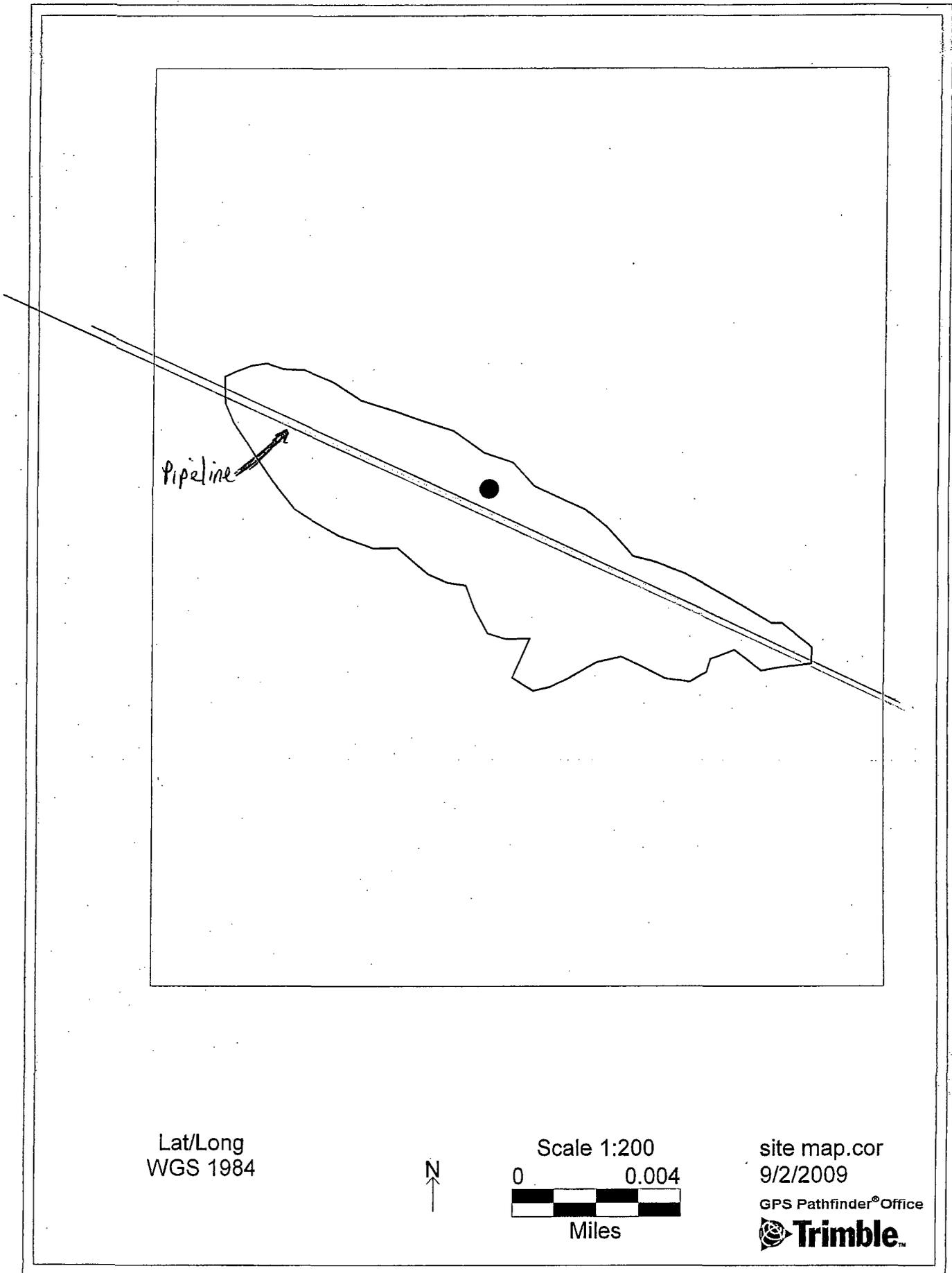
VII. Figures & Appendices

- Figure 1 – Vicinity Map
- Figure 2 – Site Plan
- Figure 3 – Logs of Boring
- Appendix A – Analytical Results
- Appendix B – Site Photos

Figure 1

Vicinity Map

Figure 2 Site Plan



Pipeline

Lat/Long
WGS 1984



Scale 1:200
0 0.004
Miles

site map.cor
9/2/2009

GPS Pathfinder[®] Office
 **Trimble.**



Pipeline * * Borehole #1
Excavation #1

Image NMRGIS
© 2009 Tele Atlas

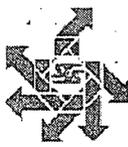
2009 Google

102 ft
Imagery Date: Jul 2005

32°34'33.01"N 104°09'43.45"W elev 3246 ft

Eye alt 3908 ft

Figure 3
Logs of Boring



Holly Energy Partners
 T#2 Pipeline Release
 Unit letter G, Section 15, T20S, R28E
 Eddy County, New Mexico
 N32° 34' 32.9", W104° 09' 43.3"

Date, Time Started : 08/07/09, 0800
 Date, Time Complete : 08/07/09, 0835
 Hole Diameter : 8 1/4 in.
 Drilling Method : Hollow Stem Auger
 Drilling Equipment : Foremost-Mobile B-58

Drilled By : Atkins Engineering
 Sampling Method : 2 ft. split spoon
 Logged By : Isaac Kincaid
 Company Rep. :

Depth in Feet	Sample Type	Recovery (ft.)	USCS	GRAPHIC	Sample Type:	Lab No.	TPH-418.1 (mg/Kg)	Benzene (mg/Kg)	Toluene (mg/Kg)	Ethyl Benzene (mg/Kg)	Total Xylenes (mg/Kg)	Total BTEX (mg/Kg)
					DESCRIPTION							
0					SS Split Spoon (18" or 24") CB Core Barrel (2.5' or 5') CT Auger Cuttings NR No recovery							
5					Previously excavated, open excavation							
15	SS	--	CA		15-20 ft. CALICHE, soft, white with heavy odor. Moist due to rain water	H-17757-1	26,500	12.5	200	118	746	1,076
20	SS	--	CA		20-25 ft. CALICHE, sandy, with staining and heavy odor, odor decreasing at 25 ft.	H-17949-1	8,840	4.60	23.3	7.22	52.5	87.6
25	SS	--	SP		25-28 ft. SAND, white	H-17949-2	<100	0.641	5.17	2.04	15.0	22.8
30			CL		28-30 ft. CLAY, red, very cohesive, no odor or staining	H-17949-3	<100	0.183	0.519	0.356	2.05	3.11

Notes:
 Upon completion, plugged back to surface with 4 bags bentonite, hydrated

4:33:00 PM 8/7/09 Holly Energy Partners T#2 Pipeline Release Unit letter G, Section 15, T20S, R28E Eddy County, New Mexico

Appendix A

Analytical Results



PHONE (575) 393-2326 • 101 E. MARLAND • HOBBS, NM 88240

ANALYTICAL RESULTS FOR
SAFETY & ENVIRONMENTAL SOLUTIONS, INC.
ATTN: BOB ALLEN
703 E. CLINTON, #102
HOBBS, NM 88240
FAX TO: (575) 393-4388

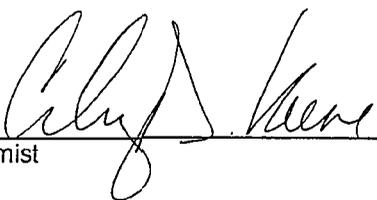
Receiving Date: 07/06/09
Reporting Date: 07/10/09
Project Number: HOL-09-012
Project Name: HOLLY T#2 RELEASE
Project Location: EDDY CO., NM

Sampling Date: 06/25/09
Sample Type: SOIL
Sample Condition: INTACT @ 17.5 °C
Sample Received By: ML
Analyzed By: ZL

LAB NO.	SAMPLE ID	BENZENE (mg/kg)	TOLUENE (mg/kg)	ETHYL BENZENE (mg/kg)	TOTAL XYLENES (mg/kg)
ANALYSIS DATE:		07/09/09	07/09/09	07/09/09	07/09/09
H17757-1	AH#1 15' BGL	12.5	200	118	746
Quality Control		0.057	0.052	0.050	0.156
True Value QC		0.050	0.050	0.050	0.150
% Recovery		114	104	100	104
Relative Percent Difference		<1.0	2.0	2.0	<1.0

METHODS: BTEX.- SW-846 8021B

TEXAS NELAP ACCREDITATION T104704398-08-TX FOR BENZENE, TOLUENE, ETHYL BENZENE,
AND TOTAL XYLENES. Reported on wet weight.



Chemist

07/10/09

Date

H17757 BTEX SESI

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CARDINAL LABORATORIES, INC.

2111 Beechwood, Abilene, TX 79603 101 East Marland, Hobbs, NM 88240
(915) 673-7001 Fax (915) 673-7020 (505) 393-2326 Fax (505) 393-2476

CHAIN-OF-CUSTODY AND ANALYSIS REQUEST

Company Name: SAFETY & ENVIRONMENTAL SOLUTIONS		BILL TO		ANALYSIS REQUEST	
Project Manager:		P.O. #:		<div style="writing-mode: vertical-rl; transform: rotate(180deg);"> TPH 418.1 13 TEST </div>	
Address: 703 E. CLINTON, #102		Company: SAME			
City: HOBBS State: NM Zip: 88240		Attn:			
Phone #: (505) 397-0510 Fax #: (505) 393-4388		Address:			
Project #: Hal-09-01R Project Owner:		City:			
Project Name: Holly T#2 Release		State: Zip:			
Project Location: Eddy Co, NM		Phone #:			
Sampler Name: Brian Coellar		Fax #:			
FOR LAB USE ONLY					
Lab I.D.	Sample I.D.	(GRAB OR COMPO.)	MATRIX	PRESERV.	SAMPLING
		# CONTAINERS	GROUNDWATER	ACID/BASE:	DATE
			WASTEWATER	ICE / COOL	TIME
			SOIL	OTHER:	
			OIL		
			SLUDGE		
			OTHER:		
H17757-1	AH #1 15' bgl	6			6/25/9 1130

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Terms and Conditions: Interest will be charged on all accounts more than 90 days past due at the rate of 24% per annum from the original date of invoice, and all costs of collection, including attorney's fees.

Sampler Relinquished:		Date: 7/6/99	Received By:	Phone Result: <input type="checkbox"/> Yes <input type="checkbox"/> No
		Time: 1605	Isaac Kincaid	Fax Result: <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No
Relinquished By:		Date: 7/6/99	Received By: (Lab Staff)	REMARKS:
		Time: 1610	Misty Lubert	
Delivered By: (Circle One)		Sample Condition	Checked By:	
Sampler - UPS - Bus - Other:		Temp. °C	Intact?	
		17.5°C	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No	(Initials) MCLB

† Cardinal cannot accept verbal changes. Please fax written changes to (915) 673-7020.



CARDINAL LABORATORIES

101 East Marland, Hobbs, NM 88240

(575) 393-2326 Fax (575) 393-2476

Page ___ of ___

Company Name: SESE		BILL TO				ANALYSIS REQUEST														
Project Manager: Bob Allen		P.O. #:																		
Address: 703 E Clinton		Company:																		
City: Hobbs State: NM Zip: 88240		Attn:																		
Phone #: 575-397-0510 Fax #:		Address: SAME																		
Project #: 1401-09-012 Project Owner: Holly		City:																		
Project Name: T#2 Release		State: Zip:																		
Project Location: Eddy Co, NM		Phone #:																		
Sampler Name: Isaac Kincaid		Fax #:																		
FOR LAB USE ONLY				MATRIX		PRESERV.		SAMPLING				TPR 418.1 3727								
Lab I.D.		Sample I.D.		(G)RAB OR (C)OMP.	# CONTAINERS	GROUNDWATER	WASTEWATER	SOIL	OIL	SLUDGE	OTHER:					ACID/BASE:	ICE/COOL	OTHER:	DATE	TIME
H17949-																				
1 BHE1 25' 20'				6	1			✓									✓		8/7/9	0805
2 BHE1 25'				6	1			✓									✓		8/7/9	0815
3 BHE1 30'				6	1			✓									✓		8/7/9	0820

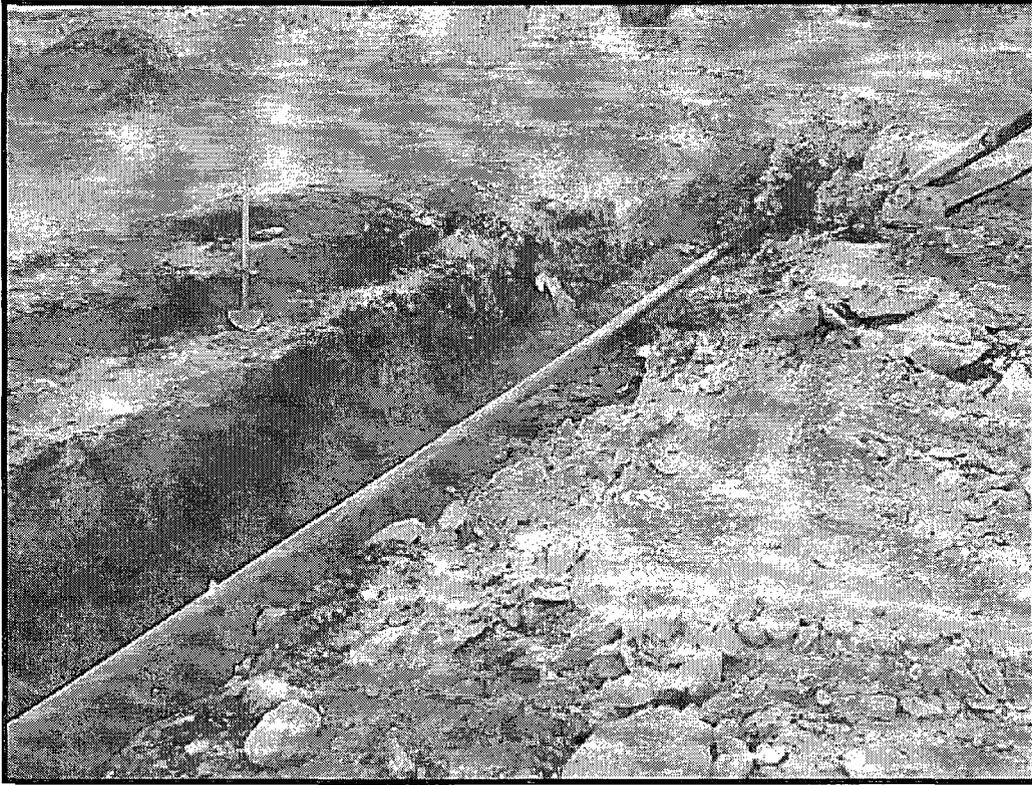
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Sampler Relinquished:		Date: 8/7/9		Received By:		Phone Result: <input type="checkbox"/> No Add'l Phone #:	
Relinquished By:		Time: 1410		Received By:		Fax Result: <input type="checkbox"/> No Add'l Fax #:	
Delivered By: (Circle One)		Temp: 40°C		Sample Condition		CHECKED BY:	
Sampler - UPS - Bus - Other:		<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No		<input checked="" type="checkbox"/> Intact <input type="checkbox"/> No			
REMARKS:							

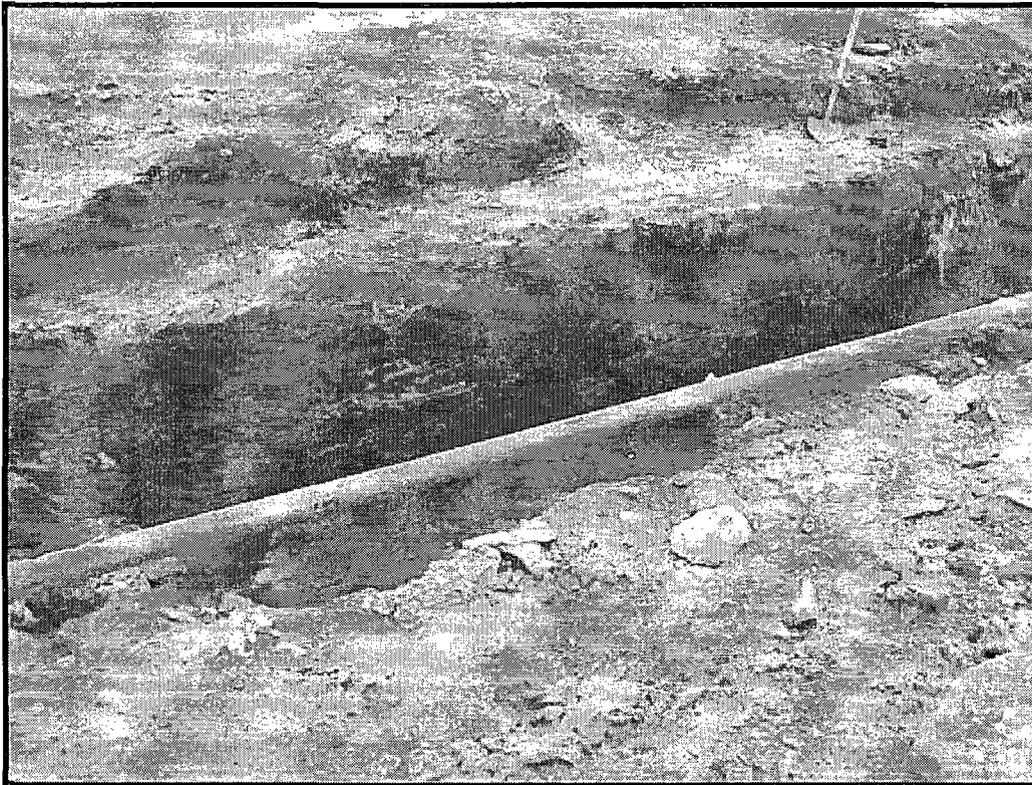
† Cardinal cannot accept verbal changes. Please fax written changes to 575-393-2476.

Appendix B
Site Photos

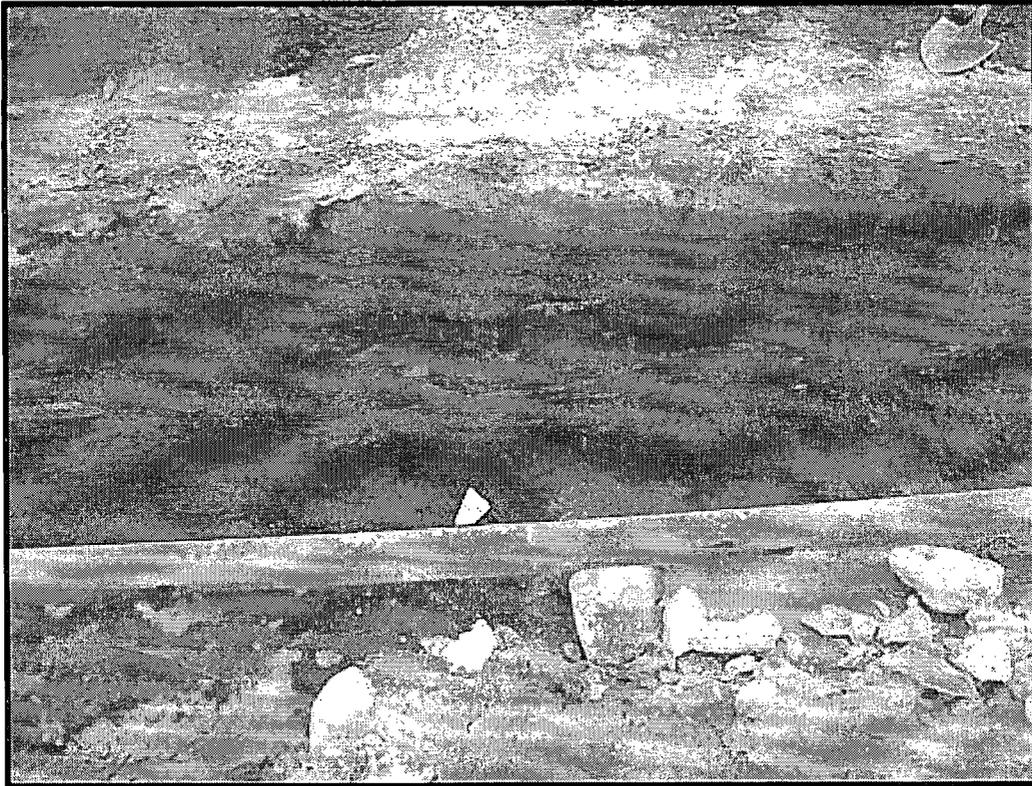
July 6, 2009



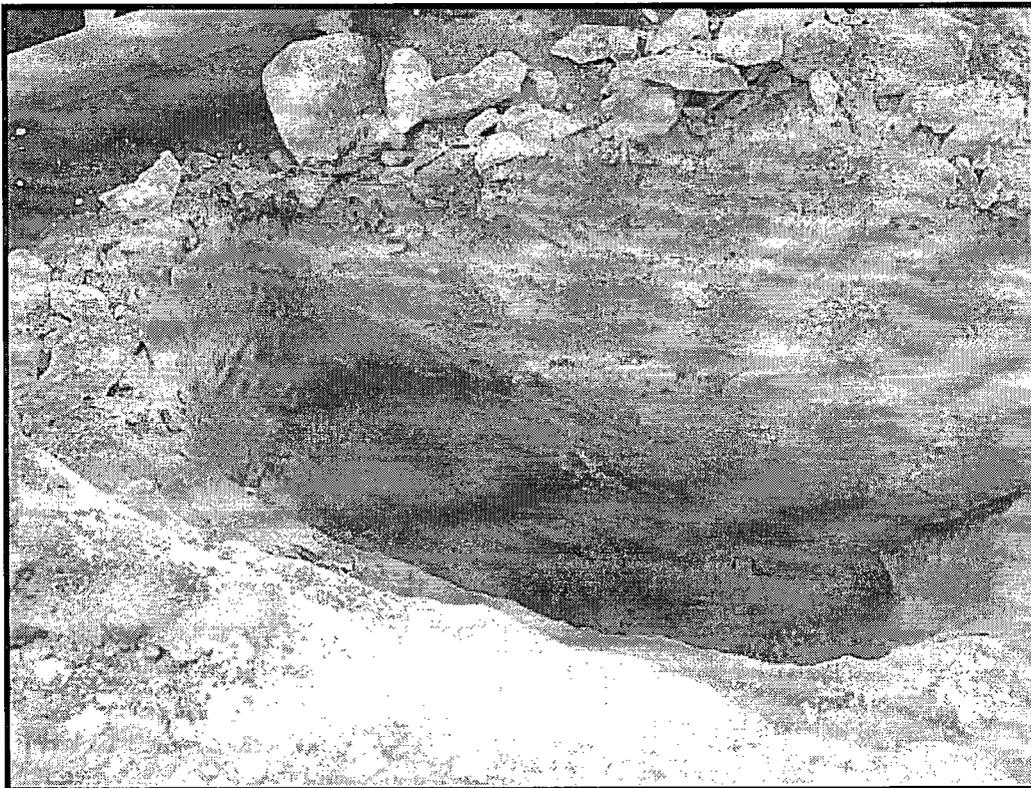
Release area facing east



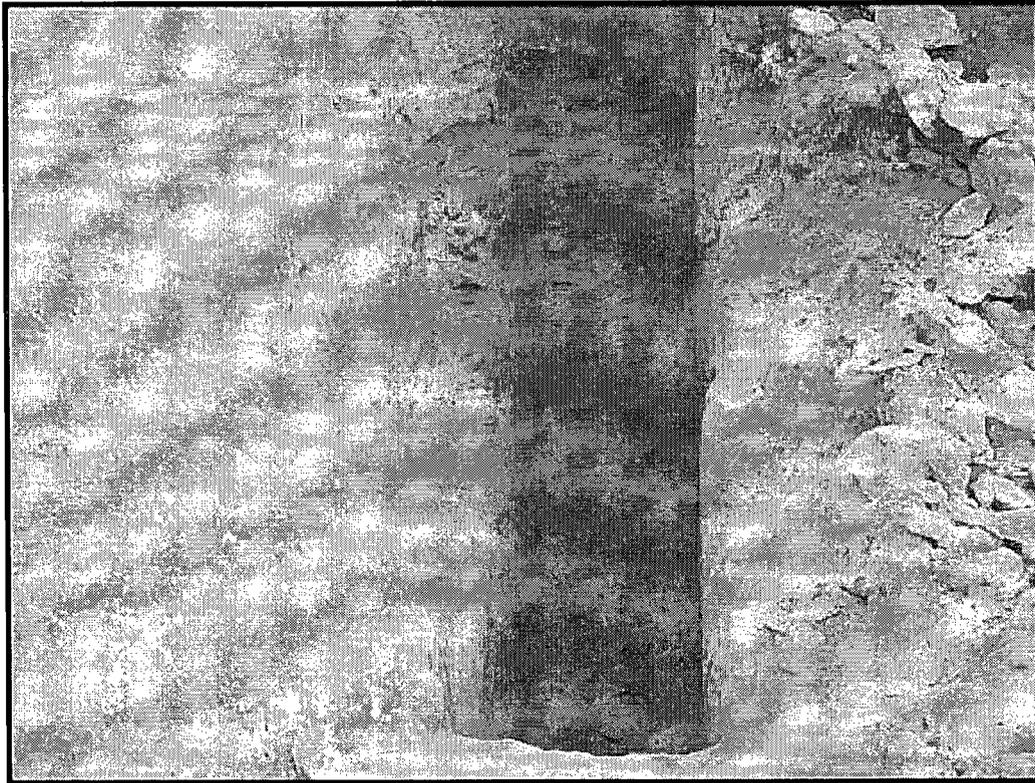
North wall of release area facing north



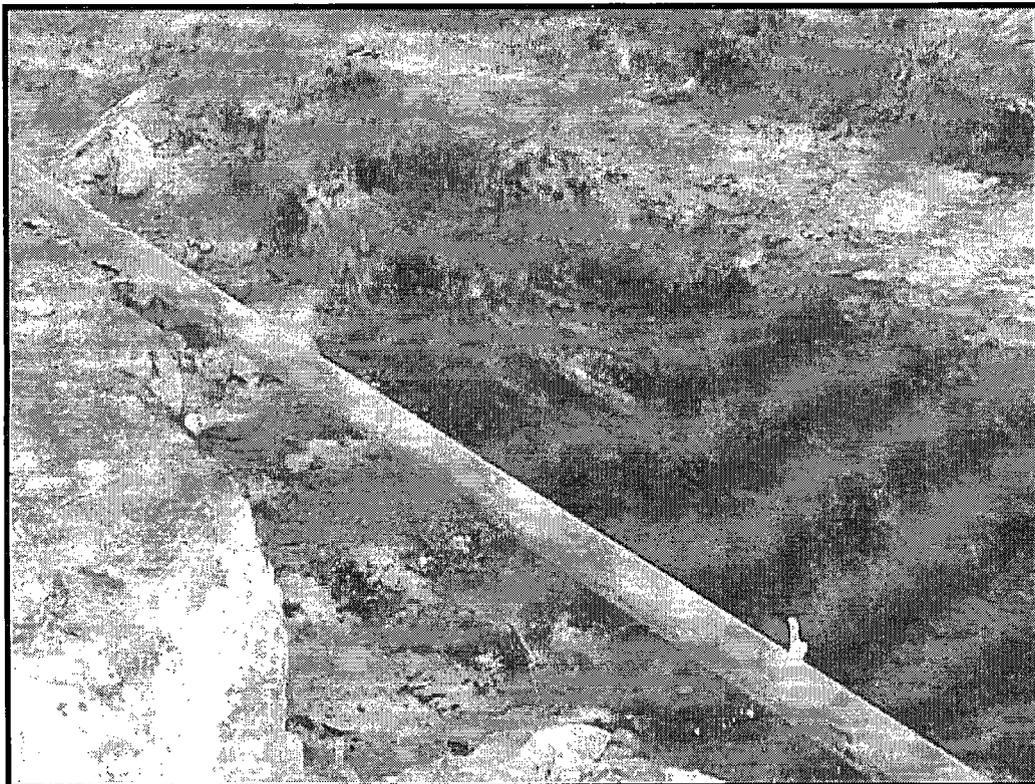
North wall of release area facing north



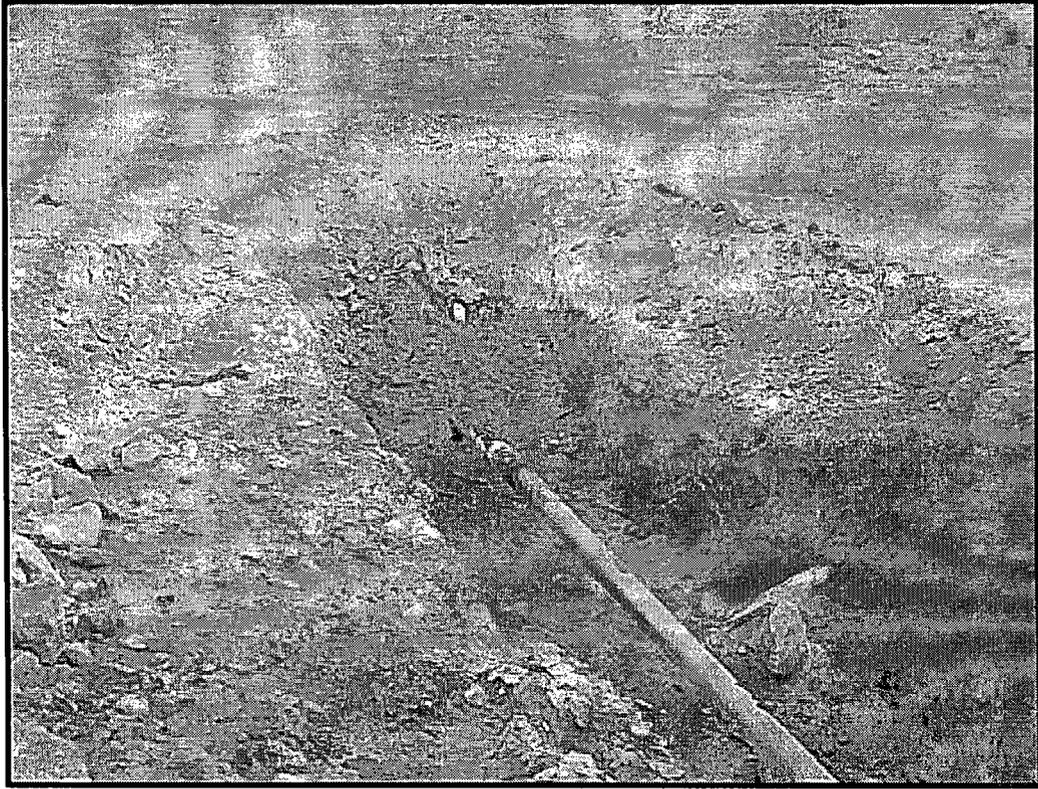
Test Trench at 9'bgs facing east



Test Trench 12 ½' bgs facing north



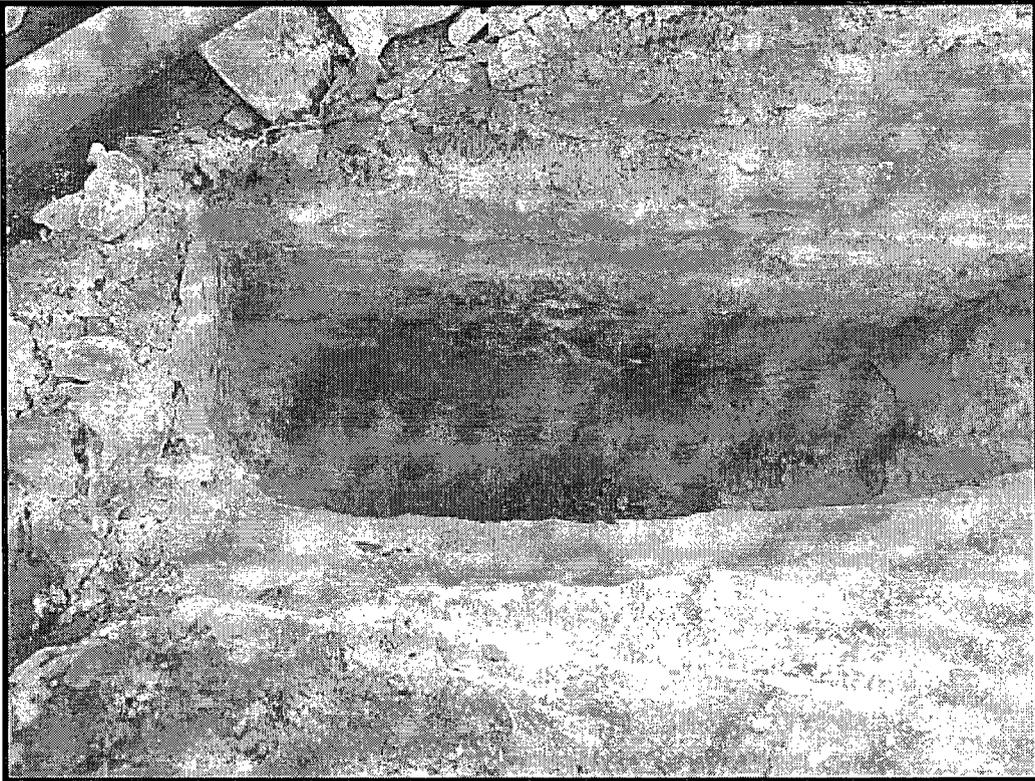
North wall of release area facing northwest



Release area facing west



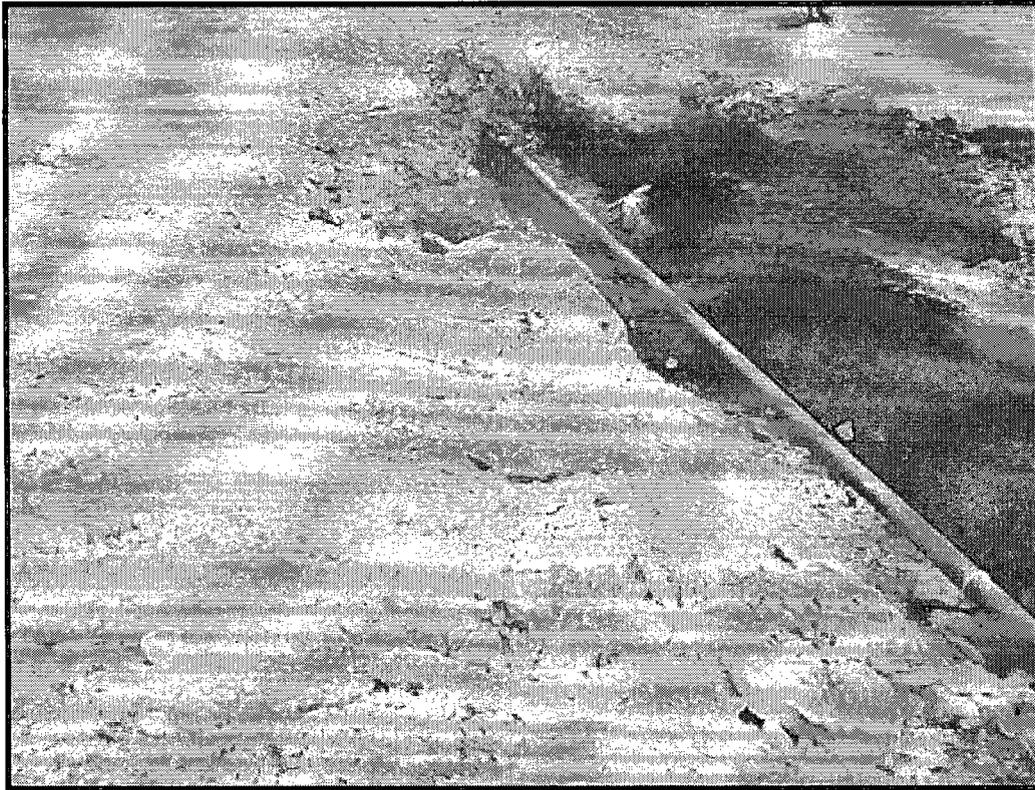
Release area facing east



Test trench facing east at 12 ½' bgs



Backfilled test trench facing west

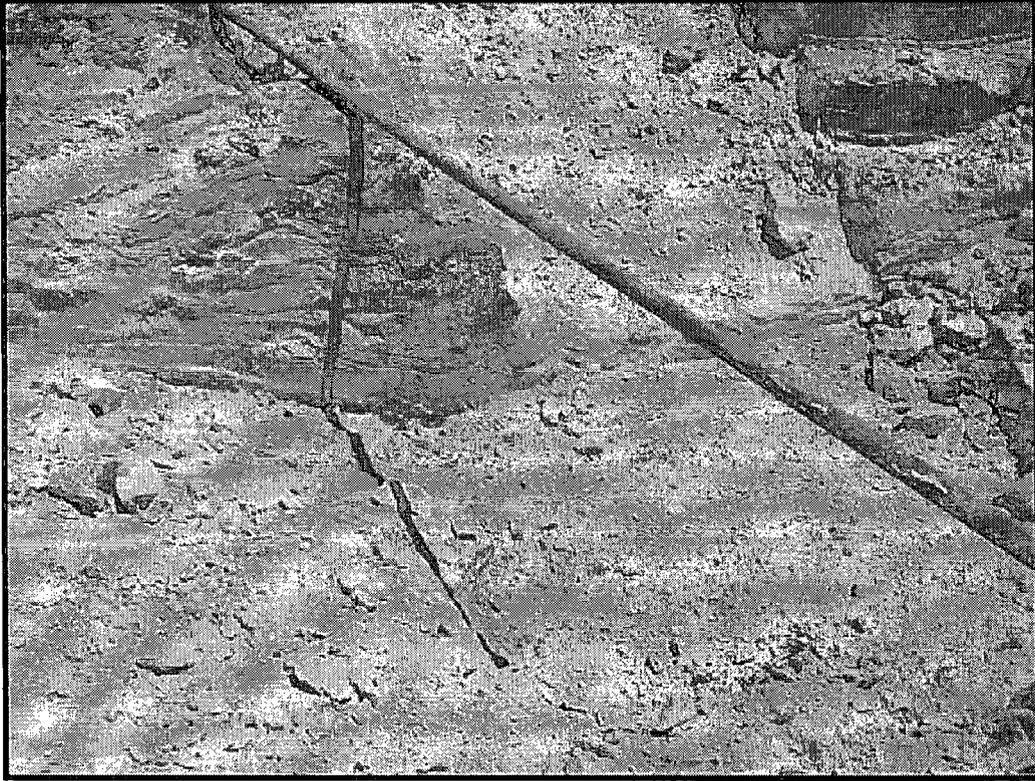


Backfilled test trench facing west

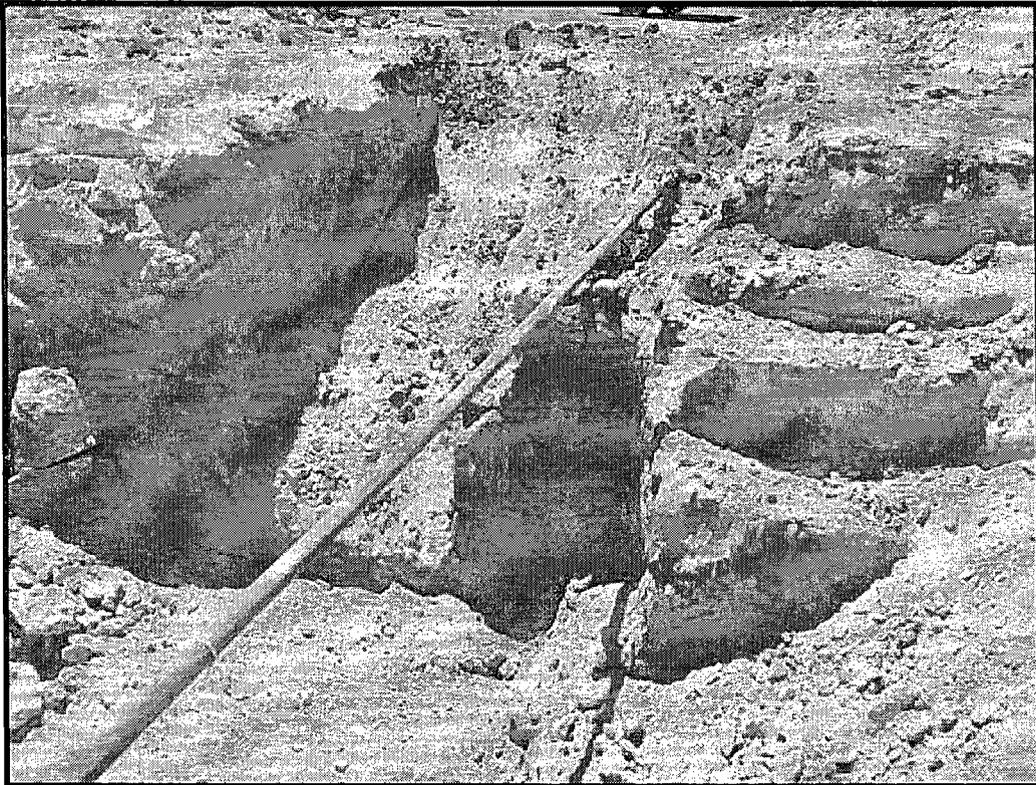
July 17, 2009



Excavated slope area facing east



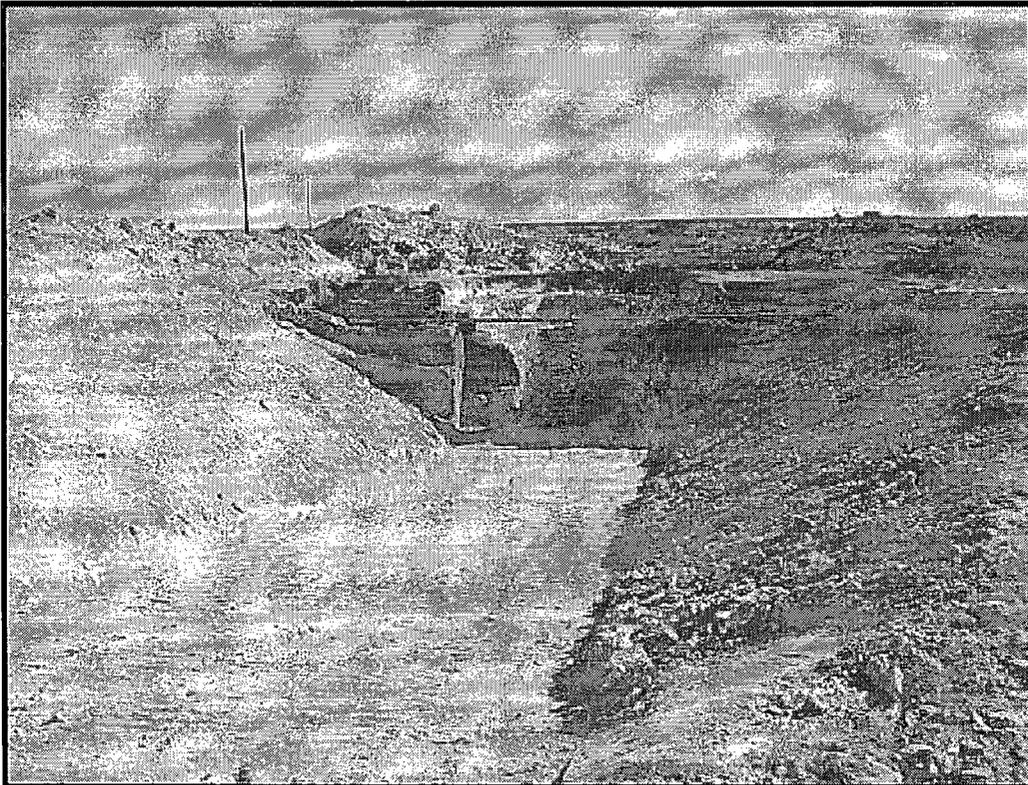
Excavated bottom



Excavated sloped area facing east



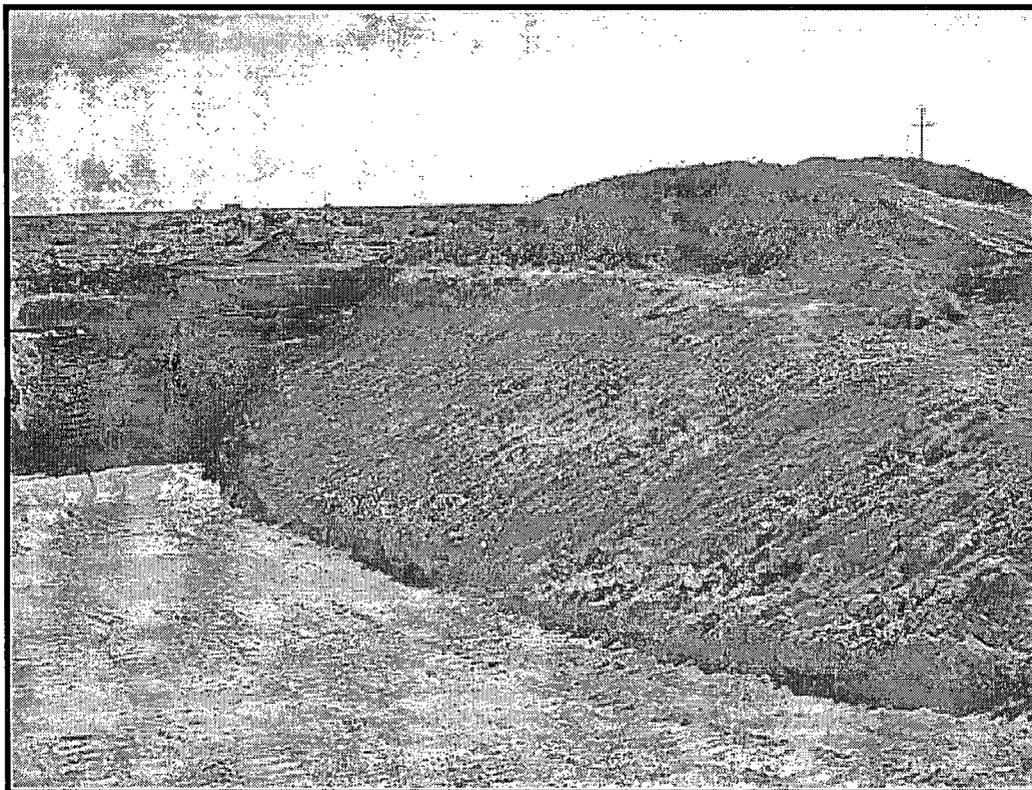
Excavated sloped area facing west



Excavated ramp area facing north



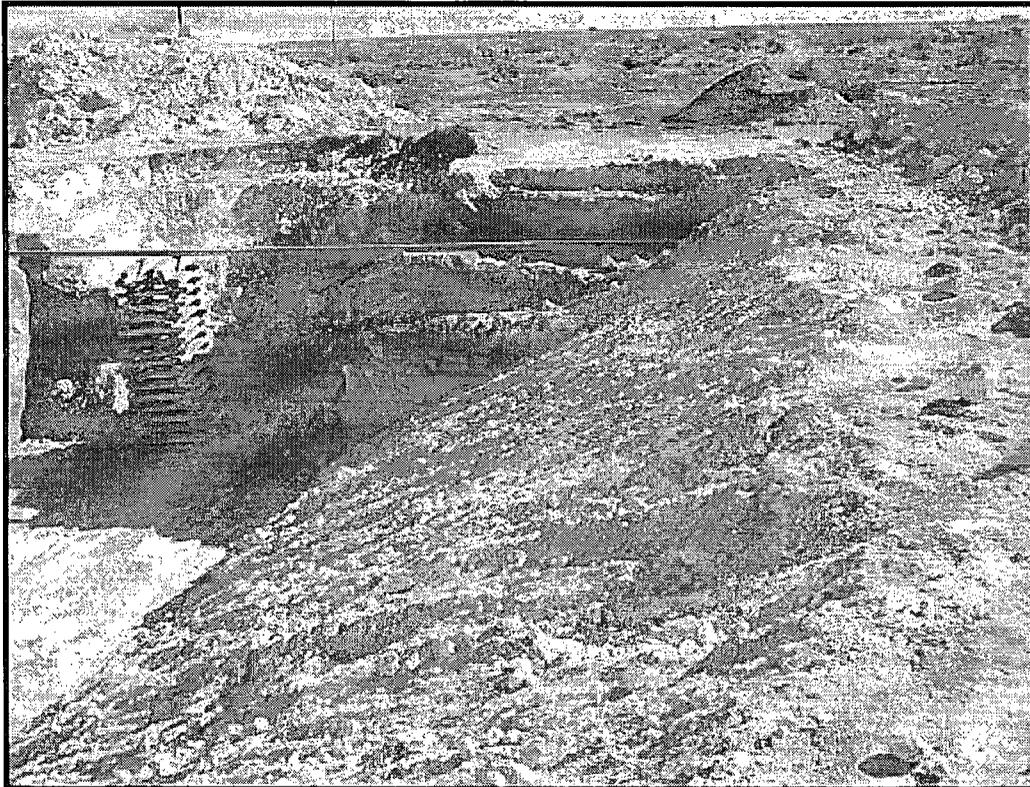
Excavated ramp with slope facing northwest



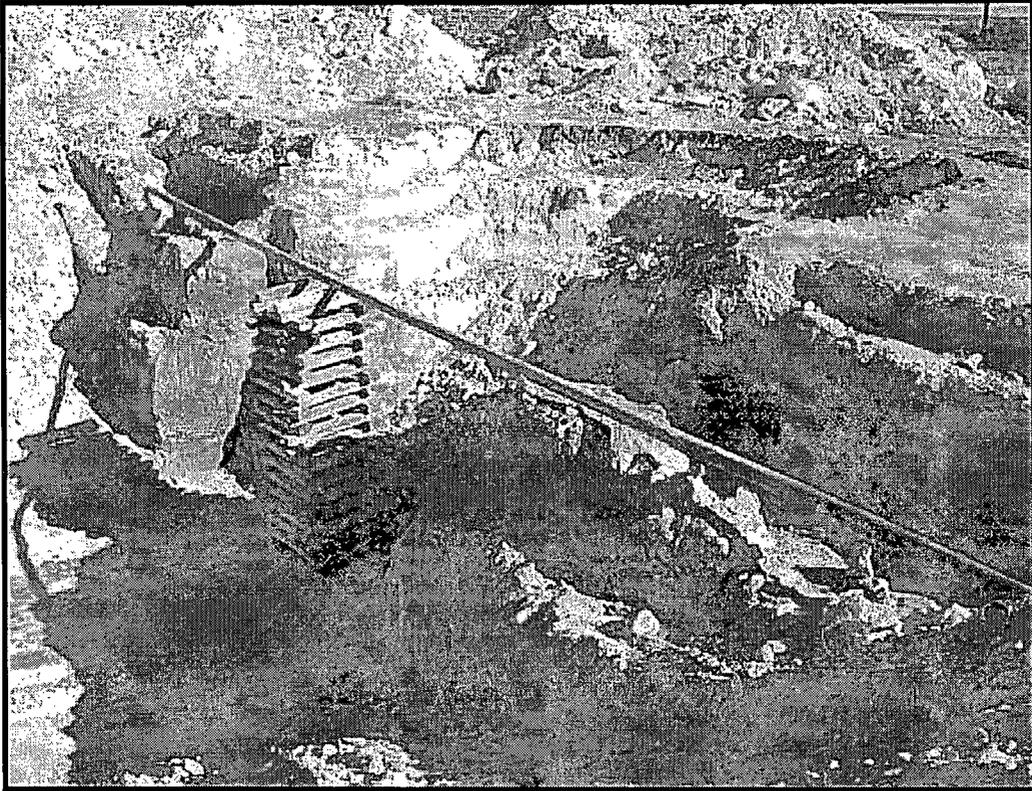
Excavated ramp area with slope facing northeast



Excavated bottom facing north

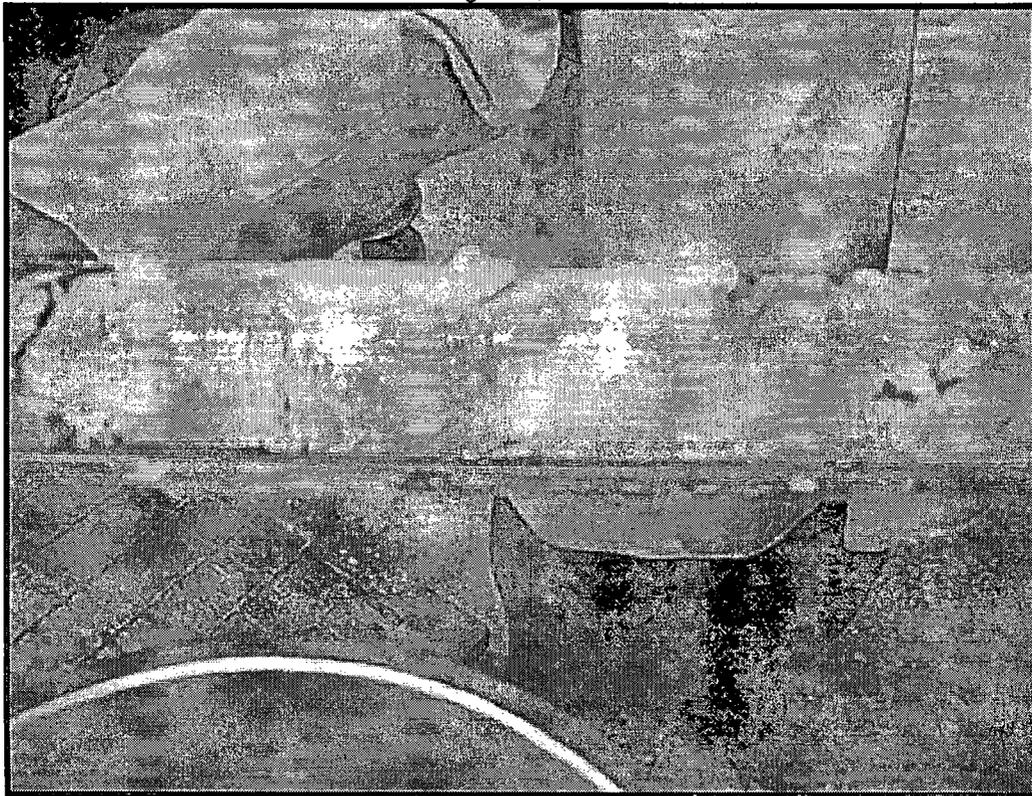


Excavated slope facing north



Excavated area facing west

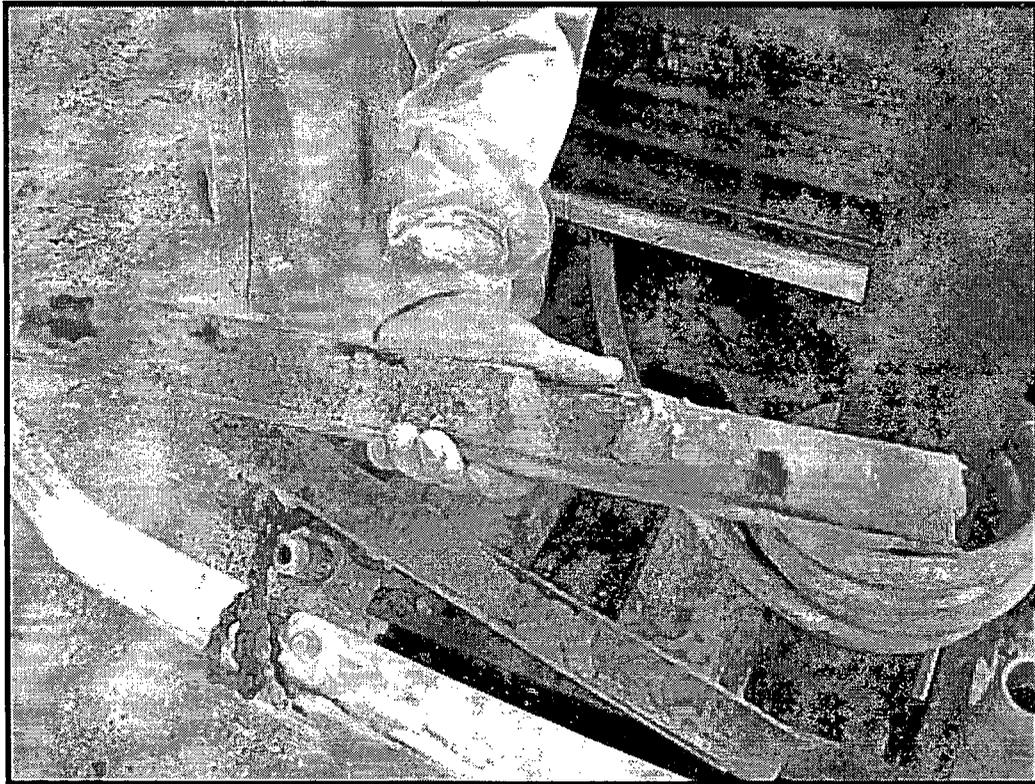
August 7, 2009



BH #1 20'



BH #1 25'



BH #1 30'