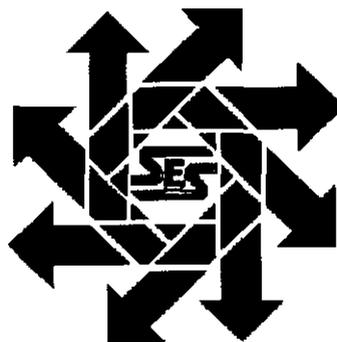


AUG 11 2009

**Holly Energy Corporation
Depco Leak
Section 21, Township 18 South, Range 28 East
Work Plan**

Eddy County, New Mexico

May 12, 2009



Prepared for:

**Holly Energy Partners
PO Box 1260
Artesia, New Mexico 88211**

By:

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

TABLE OF CONTENTS

I. COMPANY CONTACTS 1

II. BACKGROUND 1

III. SURFACE AND GROUND WATER 1

IV. WORK PERFORMED 1

V. ACTION PLAN 1

VI. FIGURES & APPENDICES 2

Figure 1 - Vicinity Map.....3

Figure 2 - Site Plan.....4

Appendix A – Analytical Results.....5

Appendix B – Site Photos6

Appendix C – C-1417

I. **Company Contacts**

NAME	Company	Telephone	E-mail
Dickie Townley	Holly Energy	(575) 748-8949	dickie.townley@hollyenergy.com
Isaac Kincaid	SESI	575-390-8841	ikincaid@sesi-nm.com

II. **Background**

Safety and Environmental Solutions, Inc. (SESI) was engaged by Holly Energy Partners to perform delineation services at the Depco Station. A clamp on an abandoned line ruptured releasing an unknown amount of crude oil.

III. **Surface and Ground Water**

The closest groundwater of record found on the USGS online database is located in the same Section, Range and Township. The depth of water in this well was 225' in February of 1999.

IV. **Work Performed**

On March 30, 2009 SESI was onsite to obtain samples of the excavated area. D&D Construction was previously onsite and had excavated the north end of the flowline to a depth of nine (9) feet and south of the flowline to a depth of one (1) foot. The samples were properly preserved and transported under Chain-of-Custody to Argon Laboratories of Hobbs, New Mexico for analysis. The samples were analyzed for Benzene, Toluene, Ethyl benzene, and Xylenes (BTEX) (EPA method 8021B), and Total Petroleum Hydrocarbons (TPH) (EPA method 418.1).

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)
Bottom	4300	ND	15	26	41
Spoils	9000	3.4	67	68	100

Based upon the analytical results, the vertical extent of TPH contamination was determined at a depth of nine (9) feet.

V. **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 5000 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:	0 points
Distance to Well Head or Water Source:	0 points
Distance to Surface Water/Waterways:	0 points
<u>Total Score:</u>	<u>0 points</u>

It is requested that the area be excavated horizontally to 5,000 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.

VI. Figures & Appendices

- Figure 1 – Vicinity Map
- Figure 2 – Site Plan
- Appendix A – Analytical Results
- Appendix B – Site Photos

Figure 1
Vicinity Map

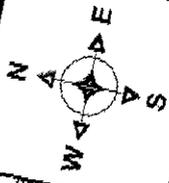
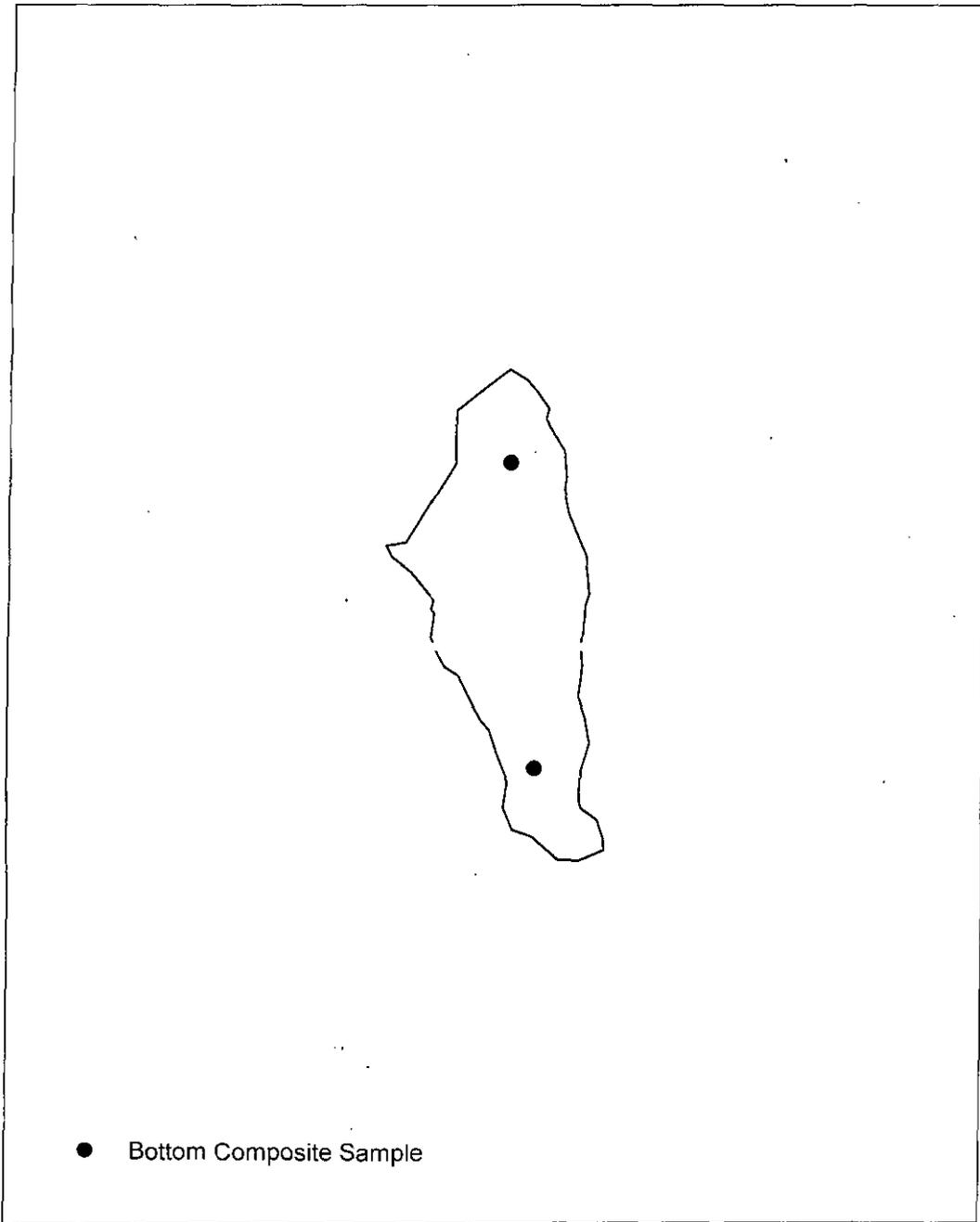
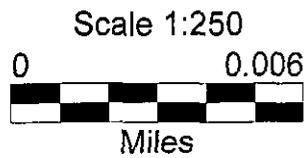


Figure 2
Site Plan



Holly Deppco Leak

Lat/Long
WGS 1984



HOL-09-008 Site Plan.cor
3/31/2009

GPS Pathfinder[®] Office



Appendix A
Analytical Results

argon laboratories

07 April 2009

Bob Allen
Safety & Environmental Solutions, Inc.
703 E. Clinton Ave
Hobbs, NM 88240

RE: Deppco Leak Project Data

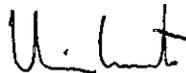
Enclosed are the results for sample(s) received on 03/30/09 15:45 by Argon Laboratories. The sample(s) were analyzed according to instructions in accompanying chain-of-custody. Results are summarized on the following pages.

Please see quality control report for a summary of QC data pertaining to this project.

The sample(s) will be stored for 30 days after completion of analysis, then disposed of in accordance with State and Federal regulations. Sample(s) may be archived by prior arrangement.

Thank you for the opportunity to service the needs of your company.

Sincerely,



Hiram Cueto
Lab Manager

Argon Laboratories Sample Receipt Checklist

Client Name: SESI Date & Time Received: 03/30/09 15:40

Project Name: Deppco Leak Client Project Number: HOL-09-008

Received By: HC Matrix: Water Soil

Sample Carrier: Client Laboratory Fed Ex UPS Other

Argon Labs Project Number: D903010

Shipper Container in good condition? N/A Yes No Samples received in proper containers? Yes No

Samples received intact? Yes No

Samples received under refrigeration? Yes No Sufficient sample volume for requested tests? Yes No

Chain of custody present? Yes No Samples received within holding time? Yes No

Chain of Custody signed by all parties? Yes No Do samples contain proper preservative?
N/A Yes No

Chain of Custody matches all sample labels? Yes No Do VOA vials contain zero headspace?
(None submitted) Yes No

ANY "No" RESPONSE MUST BE DETAILED IN THE COMMENTS SECTION BELOW

Date Client Contacted: _____ Person Contacted: _____

Contacted By: _____ Subject: _____

Comments: _____

Action Taken: _____

ADDITIONAL TEST(S) REQUEST / OTHER

Contacted By: _____ Date: _____ Time: _____

Call Received By: _____

Comments: _____

argon laboratories

Safety & Environmental Solutions, Inc.
703 E. Clinton Ave
Hobbs, NM 88240

Project Number: HOL-09-008
Project Name: Deppco Leak
Project Manager: Bob Allen

Work Order No.:
D903010

ANALYTICAL REPORT FOR SAMPLES

Sample ID	Laboratory ID	Matrix	Date Sampled	Date Received
Bottom	D903010-01	Soil	03/30/09 10:28	03/30/09 15:45
Spoils	D903010-02	Soil	03/30/09 10:30	03/30/09 15:45



QC Officer Approval

Argon Laboratories, Inc.

2126 W. Marland Ave., Hobbs, NM 88240 • Phone (505) 397-0295 • Fax (505) 397-0296

email: info@argonlabs.com

argon laboratories

Safety & Environmental Solutions, Inc.
703 E. Clinton Ave
Hobbs, NM 88240

Project Number: HOL-09-008
Project Name: Deppco Leak
Project Manager: Bob Allen

Work Order No.:
D903010

BTEX EPA Method 8021B

Analyte	Result	Reporting Limit	Units	Dilution	Analyzed	Method	Notes
Bottom (D903010-01) Soil Sampled: 03/30/09 10:28 Received: 03/30/09 15:45							
Benzene	ND	0.25	mg/kg	50	04/02/09	8021B	
Toluene	15	0.25	"	"	"	"	
Ethylbenzene	26	0.25	"	"	"	"	
Xylenes (total)	41	0.50	"	"	"	"	
Surr. Rec.:		117 %			"	"	
Spoils (D903010-02) Soil Sampled: 03/30/09 10:30 Received: 03/30/09 15:45							
Benzene	3.4	1.0	mg/kg	200	04/02/09	8021B	
Toluene	67	1.0	"	"	"	"	
Ethylbenzene	68	1.0	"	"	"	"	
Xylenes (total)	100	2.0	"	"	"	"	
Surr. Rec.:		110 %			"	"	



QC Officer Approval

Argon Laboratories, Inc.

argon laboratories

Safety & Environmental Solutions, Inc.
703 E. Clinton Ave
Hobbs, NM 88240

Project Number: HOL-09-008
Project Name: Deppco Leak
Project Manager: Bob Allen

Work Order No.:
D903010

Total Recoverable Petroleum Hydrocarbons with Silica Gel Clean-Up by IR Spectrometry

Analyte	Result	Reporting Limit	Units	Dilution	Analyzed	Method	Notes
Bottom (D903010-01) Soil Sampled: 03/30/09 10:28 Received: 03/30/09 15:45							
Total Petroleum Hydrocarbons	4300	200	mg/kg	10	04/02/09	EPA 418.1	
Spoils (D903010-02) Soil Sampled: 03/30/09 10:30 Received: 03/30/09 15:45							
Total Petroleum Hydrocarbons	9000	500	mg/kg	25	04/02/09	EPA 418.1	

QC Officer Approval

Argon Laboratories, Inc.

argon laboratories

Safety & Environmental Solutions, Inc.
703 E. Clinton Ave
Hobbs, NM 88240

Project Number: HOL-09-008
Project Name: Deppco Leak
Project Manager: Bob Allen

Work Order No.:
D903010

BTEX EPA Method 8021B - Quality Control

Argon Laboratories

Analyte	Result	Reporting Limit	Units	Spike Level	Source Result	%REC	RPD	Notes
---------	--------	-----------------	-------	-------------	---------------	------	-----	-------

Batch DS00054 - EPA 5030B

Blank (DS00054-BLK1)

Prepared & Analyzed: 04/02/09

Surrogate: a,a,a-Trifluorotoluene	0.0515		mg/kg	0.0500		103		
Benzene	ND	0.005	"					
Toluene	ND	0.005	"					
Ethylbenzene	ND	0.005	"					
Xylenes (total)	ND	0.010	"					

LCS (DS00054-BS1)

Prepared & Analyzed: 04/02/09

Ethylbenzene	0.057		mg/kg	0.0500		114		
--------------	-------	--	-------	--------	--	-----	--	--

LCS Dup (DS00054-BSD1)

Prepared & Analyzed: 04/02/09

Ethylbenzene	0.054		mg/kg	0.0500		108	5	
--------------	-------	--	-------	--------	--	-----	---	--

Matrix Spike (DS00054-MS1)

Prepared & Analyzed: 04/02/09

Toluene	0.052		mg/kg	0.0500		104		
---------	-------	--	-------	--------	--	-----	--	--

Matrix Spike Dup (DS00054-MSD1)

Prepared & Analyzed: 04/02/09

Toluene	0.054		mg/kg	0.0500		108	4	
---------	-------	--	-------	--------	--	-----	---	--


QC Officer Approval

Argon Laboratories, Inc.

2126 W. Marland Ave., Hobbs, NM 88240 • Phone (505) 397-0295 • Fax (505) 397-0296

email: info@argonlabs.com

argon laboratories

Safety & Environmental Solutions, Inc.
703 E. Clinton Ave
Hobbs, NM 88240

Project Number: HOL-09-008
Project Name: Deppco Leak
Project Manager: Bob Allen

Work Order No.:
D903010

Total Recoverable Petroleum Hydrocarbons with Silica Gel Clean-Up by IR Spectrometry - Quality Control

Argon Laboratories

Analyte	Result	Reporting Limit	Units	Spike Level	Source Result	%REC	RPD	Notes
---------	--------	-----------------	-------	-------------	---------------	------	-----	-------

Batch DS00055 - EPA 3550B

Blank (DS00055-BLK1)

Prepared & Analyzed: 04/02/09

Total Petroleum Hydrocarbons ND 20 mg/kg

LCS (DS00055-BS1)

Prepared & Analyzed: 04/02/09

Total Petroleum Hydrocarbons 220 mg/kg 200 110

LCS Dup (DS00055-BSD1)

Prepared & Analyzed: 04/02/09

Total Petroleum Hydrocarbons 226 mg/kg 200 113 3

QC Officer Approval

Argon Laboratories, Inc.

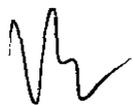
Safety & Environmental Solutions, Inc.
703 E. Clinton Ave
Hobbs, NM 88240

Project Number: HOL-09-008
Project Name: Deppco Leak
Project Manager: Bob Allen

Work Order No.:
D903010

Notes and Definitions

DET Analyte DETECTED
ND Analyte NOT DETECTED at or above the reporting limit
NR Not Reported
dry Sample results reported on a dry weight basis
RPD Relative Percent Difference



QC Officer Approval

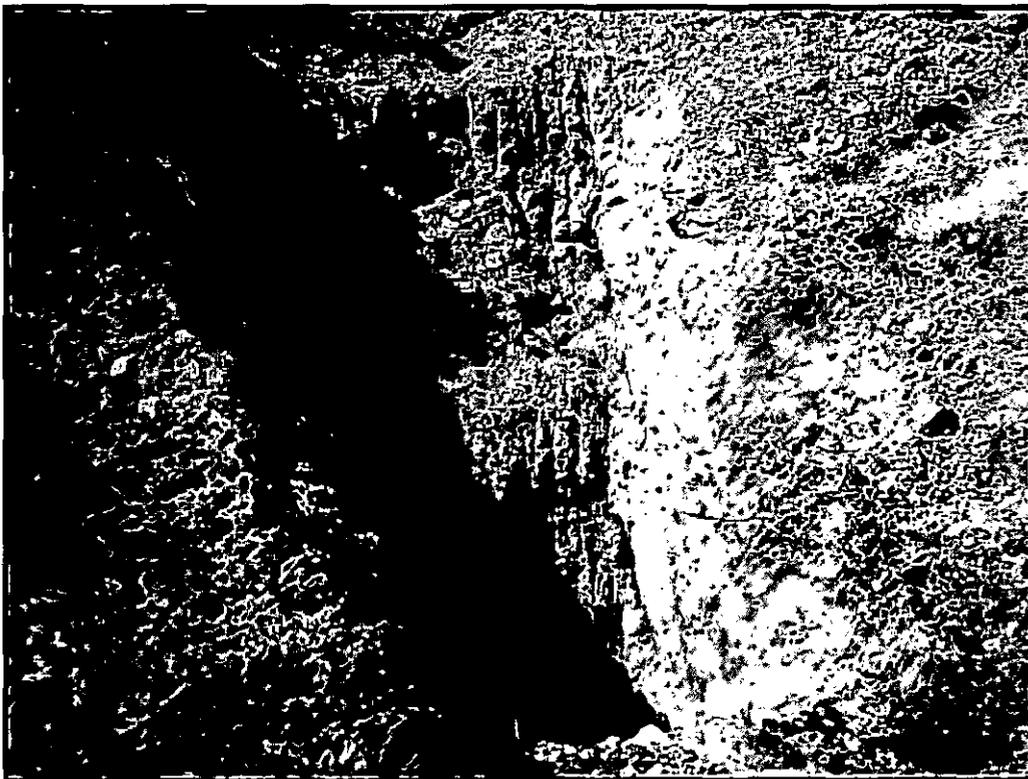
Argon Laboratories, Inc.

Appendix B
Site Photos

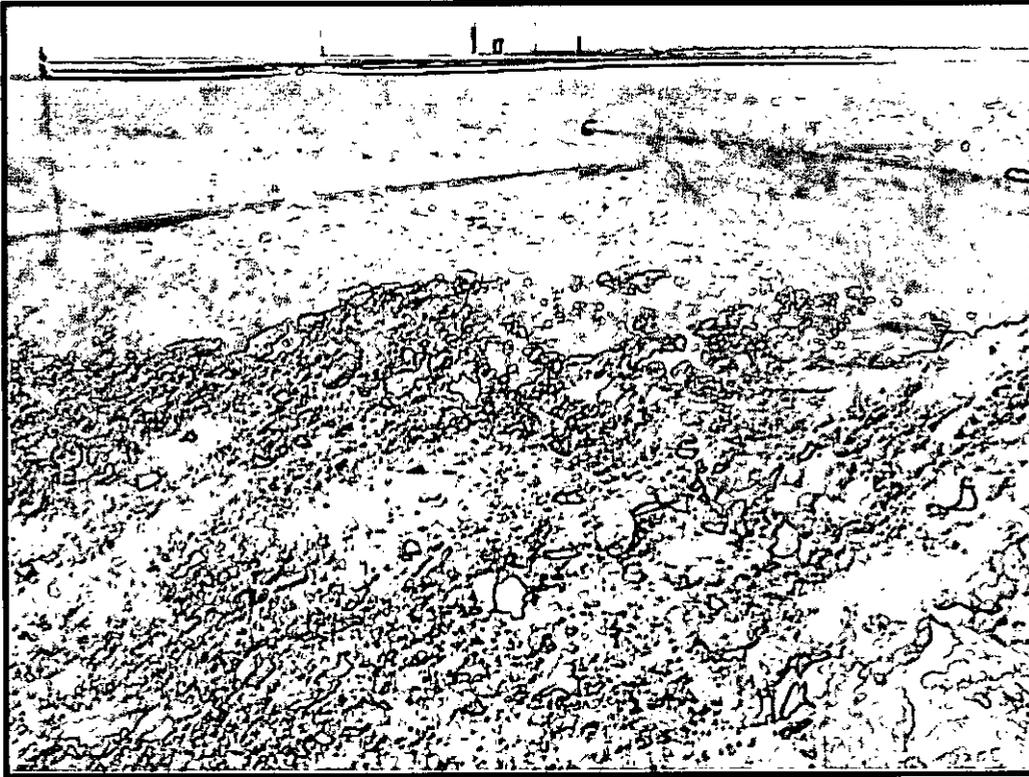
March 30, 2009



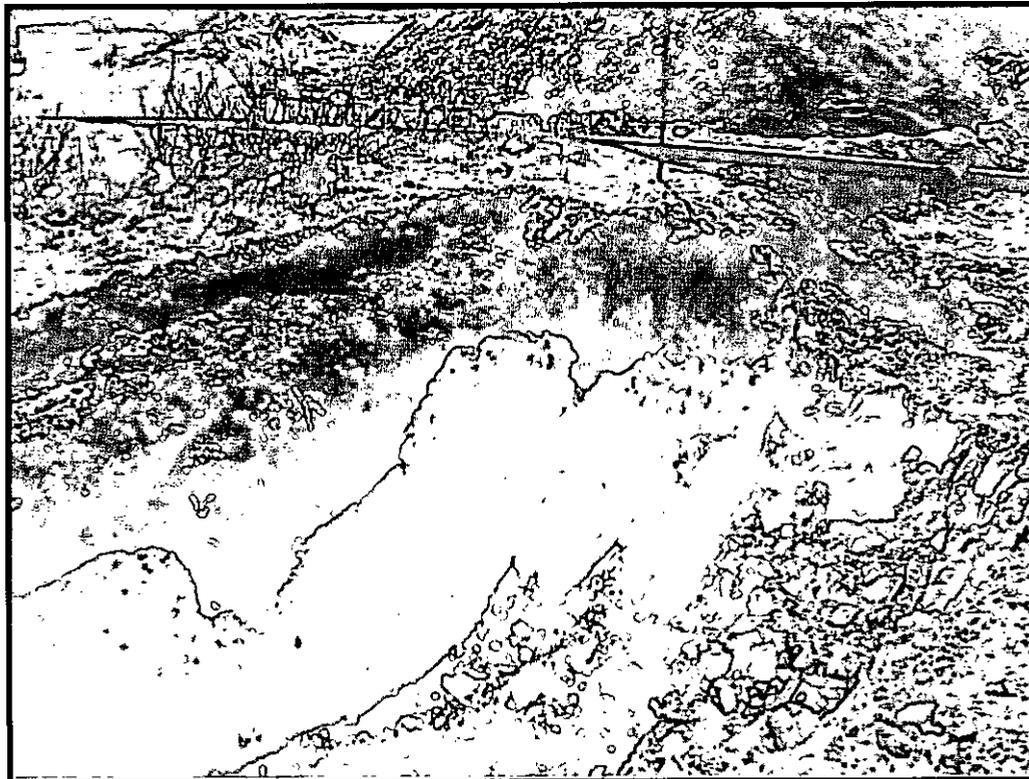
Spoils pile



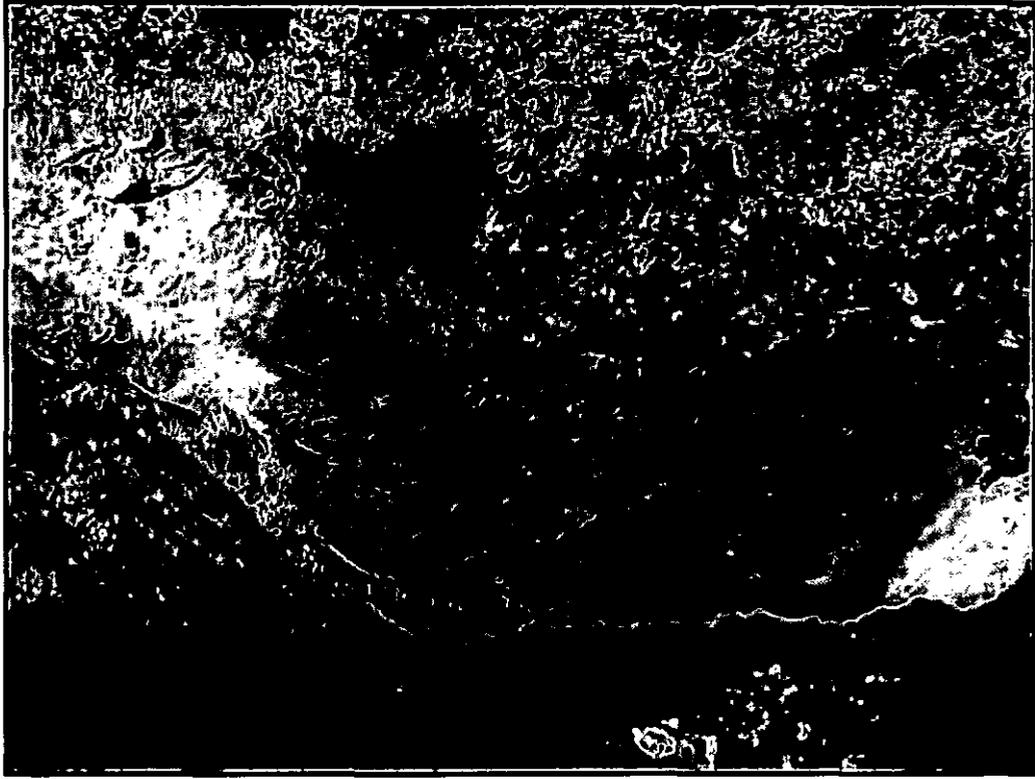
North side of line bottom



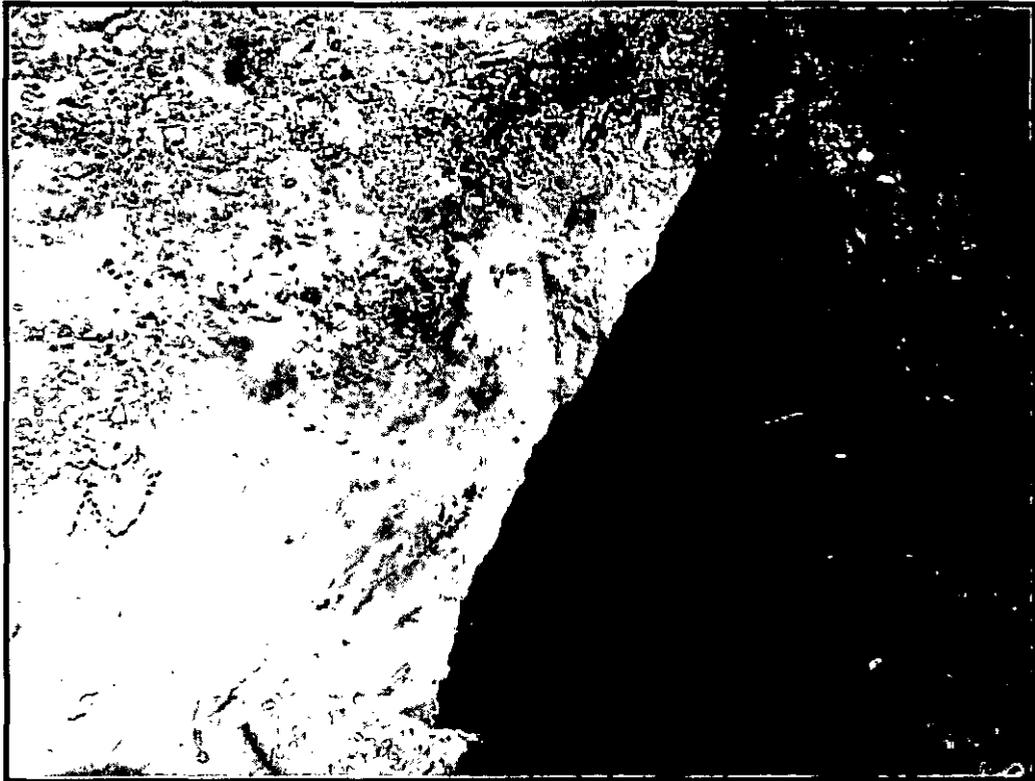
North side of line facing southwest



North side of line facing southeast



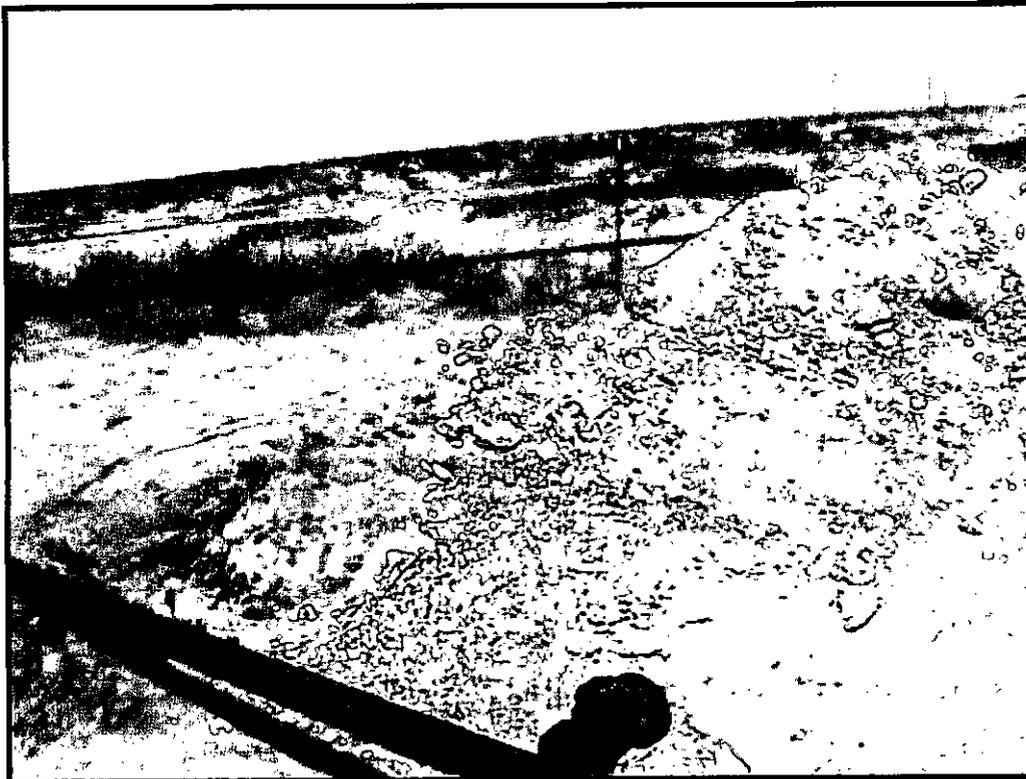
North side of line west wall



North side of line bottom



South side of line facing south



North side of line facing northwest

Appendix C
C-141

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

OPERATOR

Initial Report Final Report

Name of Company Holly Energy Partners	Contact Dickie Townley
Address 311 W. Quay, Artesia, NM 88210	Telephone No. 575-748-8949
Facility Name Depco Station	Facility Type Pipe Line

Surface Owner State	Mineral Owner	Lease No.
---------------------	---------------	-----------

LOCATION OF RELEASE

Unit Letter	Section 21	Township 18S	Range 28E	Feet from the	North/South Line	Feet from the	East/West Line	County Eddy
-------------	---------------	-----------------	--------------	---------------	------------------	---------------	----------------	----------------

Latitude 32°44'25.5" Longitude 104°10'55.5"

NATURE OF RELEASE

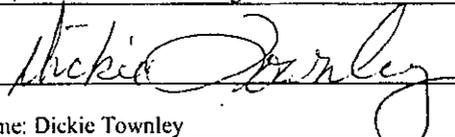
Type of Release: Crude oil	Volume of Release unknown	Volume Recovered unknown
Source of Release Tank Overflow	Date and Hour of Occurrence unknown	Date and Hour of Discovery unknown
Was Immediate Notice Given? <input type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> Not Required	If YES, To Whom?	
By Whom?	Date and Hour	
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 clamp on an abandoned line ruptured. Clamp was replaced.

Describe Area Affected and Cleanup Action Taken.*
Approximately 750 sq. ft. was affected by the release. Excavation was started and SESI was called for assessment.

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: Dickie Townley	Approved by District Supervisor:		
Title: Manager of Environmental Health & Safety	Approval Date:	Expiration Date:	
E-mail Address: dickie.townley@hollyenergy.com	Conditions of Approval:		Attached <input type="checkbox"/>
Date: 5-29-09	Phone: 575-748-8949		

* Attach Additional Sheets If Necessary