Safety & Environmental Solutions
703 E. Clinton, P.O. Box 1613
Hobbs, New Mexico 88241
(575) 397-0510
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Memorandum

Date: 7/11/08

To: Mike Bratcher, NMOCD

cc: Dickie Townley, HEP; Dave Jelmini, Holly Corp.

From: David G. Boyer

RE: Proposed Monitor Well Installation Work Plan for Holly Artesia 6-in. Mainline Crude Release, Section 28, T23S, R25E, Eddy County, New Mexico

Mike,

Attached please find a proposed work plan for installation of monitor wells at the location described above. This site experienced a release and was investigated last year. A thin zone of groundwater may be present at the site and, if present, this work plan will determine its occurrence, volume, quality and direction of movement.

Included with the work plan is a description of the site, results of soil sampling and lithologic logs of deep borings drilled at the site.

We will schedule work at the site as soon as your office has reviewed the work plan and gives approval for the work.

Please contact me at (575) 397-0510 if you have any questions.

DGB/DGB

Rec'd 7/14/08

Work Plan
Holly Energy Partners
Proposed Monitor Well Installation
Artesia 6-in. Mainline Crude Release
NW/4 NW/4, Sec. 28, Township 23 S, Range 25 E
Eddy County, New Mexico

July 10, 2008

Prepared for:

Holly Energy Partners
311 West Quay
Artesia, NM 88211

By:

Safety & Environmental Solutions, Inc.
703 E. Clinton Suite 102
Hobbs, New Mexico 88240
(505) 397-0510

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I. Company/Agency Contacts

Name	Company	Telephone	e-mail
David Jelmini	Holly Energy	801 294-4569 (o) 801 554-6036 (c)	dave.jelmini@hollycorp.com
Paul Lankford	Holly Energy	214 871-3577 (o) 972 974-3019 (c)	paul.lankford@hollyenergy.com
Dickie Townley	Holly Energy	575 748-8949 (o) 972 261-8076 (c)	Dickie.townley@hollyenergy.com
Mike Bratcher	NM OCD	575-748-1283 (o) 575-626-0857 (c)	mike.bratcher@state.nm.us
David Boyer	SESI	575-397-0510 (o) 575-390-7067 (c)	dgboyer@sesi-nm.com

II. Purpose

The purpose of this work plan is to propose drilling and construction details of one or more ground water monitor wells at the site of a crude oil release from the Holly Artesia 6-in. crude mainline in the NW/4 NW/4, Section 28, Township 18 South, Range 28 East, Eddy County, New Mexico. The location of the release is shown in Figure 1.

III. Background

On November 22, 2006 a leak was discovered on the Holly Energy Partner's Artesia 6" Mainline Crude pipeline approximately ½ mile northwest of the Artesia station crude storage tank. The location is east of Artesia and east of the Pecos River. The leak was reported to the OCD Artesia District Office within two hours of discovery. Approximately 75 barrels were reported released with 15 barrels recovered.

Within the next six weeks approximately 3,256 cubic yards of contaminated material were excavated and removed from the location to Artesia Aeration, an OCD-approved disposal facility. The resulting excavation ranged from about 11 to 15 ft. deep and was generally in the shape of a triangle with the long leg SE-NW along the pipeline and the NE corner an area where surface soils were impacted. Figure 2 is a diagram showing sample locations (excavation and boreholes). Results of the sampling are shown in Table 1.

On February 1 and again on February 7-10, 2007 three boreholes were drilled at the location. The borehole logs are shown in the Appendix. The first borehole (S-9) contacted the dry hard reddish-brown clay ("redbeds") at 100 ft. and terminated at 105 ft. Lithology above the redbeds was predominantly sand and poorly cemented sandstone. Hydrocarbon staining and odor was present in most every sample except the redbed clay. From 95 to 100 ft., immediately about the redbed, the lithology was poorly cemented sandstone which was product saturated.

The second borehole (S-10) was drilled to a depth of 102 ft. on February 7 and deepened to 107 ft. on February 8 with the installation of a temporary casing. The driller added 5 gallons of water at 77, 82 and 87 ft. to remove cuttings from the borehole. The lithology to 97 ft. again was sand and sandstone; the bottom sandstone core was product saturated. At 97 ft. a dark brown clayey sandstone was contacted followed at 98.7 ft. by fractured sandstone, siltstone and claystone which were hydrocarbon saturated. Redbeds started at about 99 ft. and were dry with no hydrocarbon odor. The temporary well was installed and measured the following morning. Water was at 95.8 ft.; no product

thickness was measured but a thick sheen was noted. Bailing dried the well after removal of 3.7 gallons. It recovered slowly, but the temporary casing was removed before full recovery.

The third borehole (S-11) was drilled in the northeast corner of the excavation to a depth of 20 ft. below the bottom of the excavation, or about 31 ft. below land surface. No hydrocarbons were detected in the borehole samples. All boreholes were plugged back to the bottom of the excavation with bentonite.

Permission to backfill the excavation to stabilize the pipeline and to provide a level surface for additional delineation was requested on April 4, 2007. Approval was received from NMOCD District 2 on April 9 and the location subsequently filled to grade.

IV. *Groundwater*

No domestic or stock water wells are located in the vicinity as groundwater is limited and sporadic. The closest known water well is located 1.2 miles northeast with a depth to water of 225 ft. as reported by the US Geological Survey. However, several nearby swales intercept and collect rainwater from infrequent storms. The nearest is immediately northeast of the leak location. Water remains until it either evaporates or infiltrates into the generally sandy surface soils.

A sample of the water in the second deep borehole was tested for major cations and anions and total dissolved solids determined. The water is a calcium-magnesium bicarbonate water with a total dissolved solids (TDS) content of 580 mg/L. The water added by the driller was also tested and found to be a sodium-calcium sulfate-bicarbonate. The water sample contained no nitrate and almost no sulfate while the driller's water had measurable levels of both. However the TDS of the driller's water was almost the same at 520 mg/L.

V. Action Plan

With only a possible maximum of 1.2 ft. of water saturation at the site there is little likelihood of usable water at this location. However, the NMOCD requires protection of all water with a TDS concentration of 10,000 mg/L or less. Therefore, a plan is needed to determine if the thin zone of water found in S-10 exists at other locations in the immediate area and if so its thickness and quality. To that end the following action plan is proposed.

1. A groundwater monitoring well is proposed to be drilled 100 ft. to 150 ft. to the northeast of the leak area in the direction of the shallow swale. The location of the proposed well is shown in Figure 3. The well would be drilled using an air rotary rig and completed with 10 ft. of screen at the base of the sand/sandstone and on top of the redbeds.
2. If no groundwater is encountered at that location, request from OCD that no further groundwater investigation be performed. If further remedial action (other than groundwater investigation) is necessary, a series of horizontal passive vent wells should be considered to remove subsurface vapors and lighter hydrocarbons. Remaining heavier hydrocarbons will be made less mobile and unlikely to migrate from the area of the release site.

3. If two additional wells are necessary, they are recommended for installation at the locations shown on Figure 3. Following installation, water will be sampled for BTEX, chlorides and total dissolved solids. Casing elevations will be surveyed so that groundwater flow direction can be established in the event OCD requires further investigation.
4. Locations selected for drilling will be marked and New Mexico One-Call will be contacted to provide buried line identification within a radius of 100 ft. of the proposed drill locations.
5. Surface completion will be an above ground steel protection box with lock elevated 2-3 ft. above the ground surface. A 2x2 ft. concrete pad will complete the surface installation.
6. Following completion of the well, a drilling log, well installation log, water quality testing results and narrative report will be completed and submitted to the Holly Energy and the NMOCD. If necessary, water level measurements and water quality sampling will be performed on a frequency and for constituents as required by the NMOCD.

VI. Work Plan Table and Figures

Table 1. Results of Soil Sampling, Excavation and Boreholes

Field Sampling Results				
Sample ID	**Date**	**TPH (mg/Kg)**	**Benzene (mg/Kg)**	**Total BTEX (mg/Kg)**
S-1, (+5)	12/5/06	2,300	--	--
S-2, (+20)	12/5/06	>10,000	--	--
S-3, (+17)	12/5/06	8,600	--	--
S-4, (+10)	12/5/06	>10,000	--	--
S-5, (+9)	12/5/06	>10,000	--	--
S-6, (+3)	12/5/06	7,580	--	--
S-7, (+3)	12/5/06	>10,000	--	--
S-2A*	12/11/06	>10,000	--	--
S-3A*	12/11/06	>10,000	--	--
S-4A*	12/11/06	>10,000	--	--
S-5A*	12/11/06	4,650	--	--
S-6A*	12/11/06	762	--	--
S-7A*	12/11/06	634	--	--
S-8A*	12/11/06	>10,000	--	--
S-2B, (+20')	12/18/06	9,540	--	--
S-3B, (+17')	12/18/06	6,680	--	--
S-4B, (+10')	12/18/06	>10,000	--	--
S-8B, (+3')	12/18/06	978	--	--

Notes:

Samples taken from bottom of excavation. Add number in parenthesis to obtain approximate depth beneath land surface.

* Sample from depth of excavation at time of sampling, depth unrecorded.

Laboratory Results of Field Sampling				
Sample ID	**Date**	**TPH (mg/Kg)**	**Benzene (mg/Kg)**	**Total BTEX (mg/Kg)**
S-1, (+5)	12/5/06	4,000	<0.50	21.6
S-5A*	12/11/06	6,500	**	**
S-6A*	12/11/06	680	0.25	0.25
S-7A*	12/11/06	600	0.52	0.52
S-2B, (+20)	12/18/06	5,300	**	**
S-8B, (+3)	12/18/06	520	--	--

Notes:

Samples 1, 2, and 8 taken at bottom of excavation. Add number in parenthesis to obtain approximate depth beneath land surface.

TPH sample analysis EPA 418.1 for S-1, 5A, 6A, 7A; EPA-8015B for S-2B, S-8B.

BTEX sample analysis EPA 8021B, all samples listed.

* Sample from depth of excavation at time of sampling, depth unrecorded.

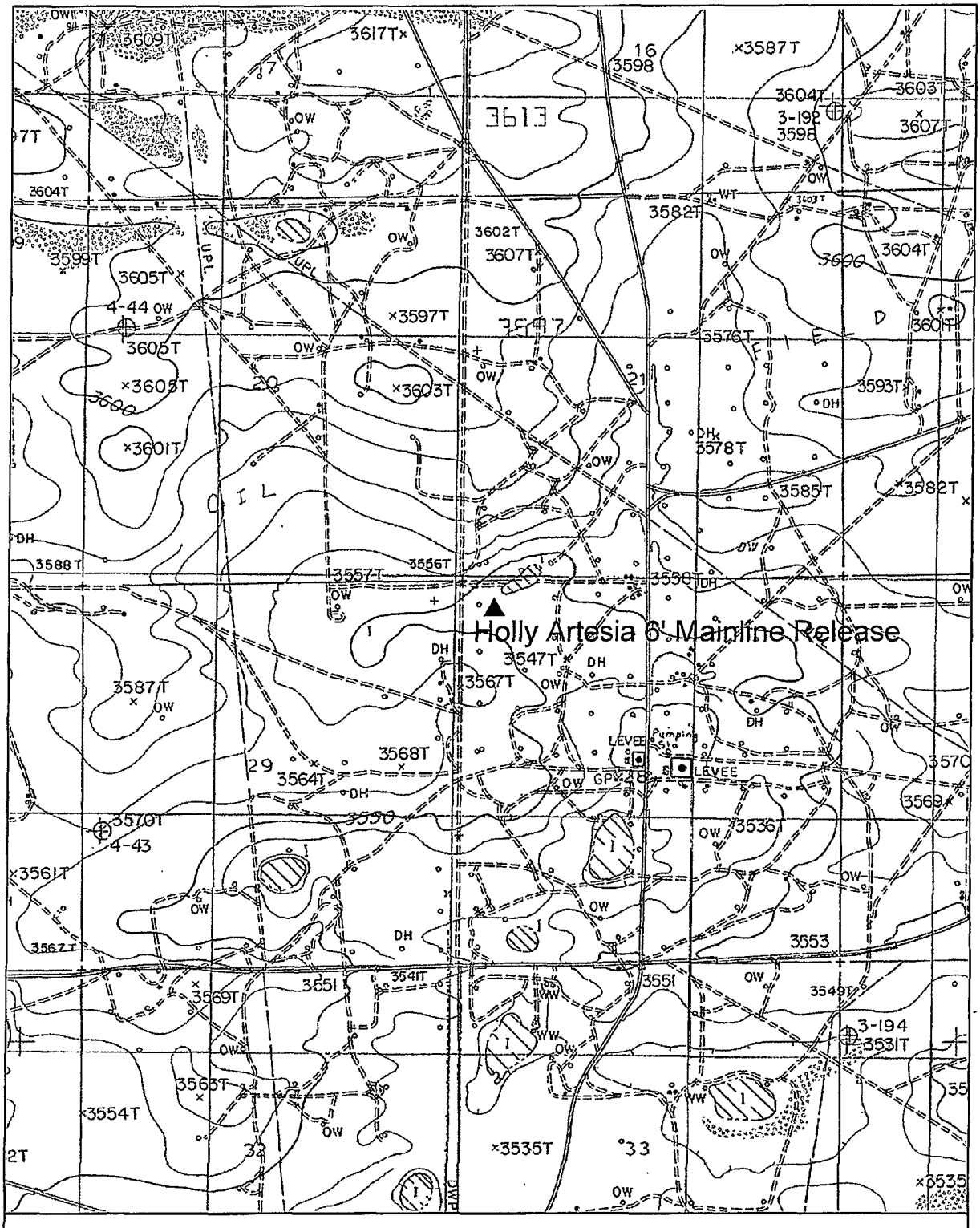
** Sample for BTEX only if TPH <5,000

Laboratory Results, Deep Auger Borings				
Sample ID	**Date**	**TPH (mg/Kg)**	**Benzene (mg/Kg)**	**Total BTEX (mg/Kg)**
S-9, 0-5' (+15)	2/1/07	2,370	<0.50	67.9
S-9, 8-10' (+15)	2/1/07	1,970	<0.50	58.1
S-9, 18-20' (+15)	2/1/07	2,500	<0.50	76.1
S-9, 28-30' (+15)	2/1/07	1,700	<0.50	43.1
S-9, 38-40' (+15)	2/1/07	2,190	<0.25	12.3
S-9, 49-50' (+15)	2/1/07	2,190	<0.25	33.7
S-9, 59-60' (+15)	2/1/07	278	<0.10	1.6
S-9, 68-69' (+15)	2/1/07	<10	<0.0.005	<0.005
S-9, 79-80' (+15)	2/1/07	860	<0.10	7.5
S-9, 84-85' (+15)	2/1/07	<10	<0.005	<0.005
S-9, 87-88' (+15)	2/1/07	<10	<0.005	<0.005
S-10, 9-10' (+12)	2/7/07	5,700	3.2	235.2
S-10, 19-20' (+12)	2/7/07	2,400	3.9	205.9
S-10, 27-28' (+12)	2/7/07	2,000	1.0	119.6
S-10, 39-40' (+12)	2/7/07	1,800	<1.0	92.2
S-10, 49-50' (+12)	2/7/07	3,000	<1.0	126
S-10, 59-60' (+12)	2/7/07	2,400	<1.0	141
S-10, 68-69' (+12)	2/7/07	2,300	<1.0	122
S-10, 79-80' (+12)	2/7/07	3,100	<1.0	148.5
S-10, 89-90' (+12)	2/7/07	<10	<1.0	<1.0
S-11, 4-5' (+11')	2/9/07	<10	<0.005	<0.005
S-11, 9-10' (+11')	2/9/07	<10	<0.005	<0.005
S-11, 14-15' (+11')	2/9/07	<10	<0.005	<0.005
S-11, 19-20' (+11')	2/9/07	<10	<0.005	<0.005

Notes:

Samples 9-11: Depth measured from bottom of excavation. Add number in parenthesis to obtain depth beneath land surface.
TPH sample analysis EPA-8015B
BTEX sample analysis EPA 8021B.

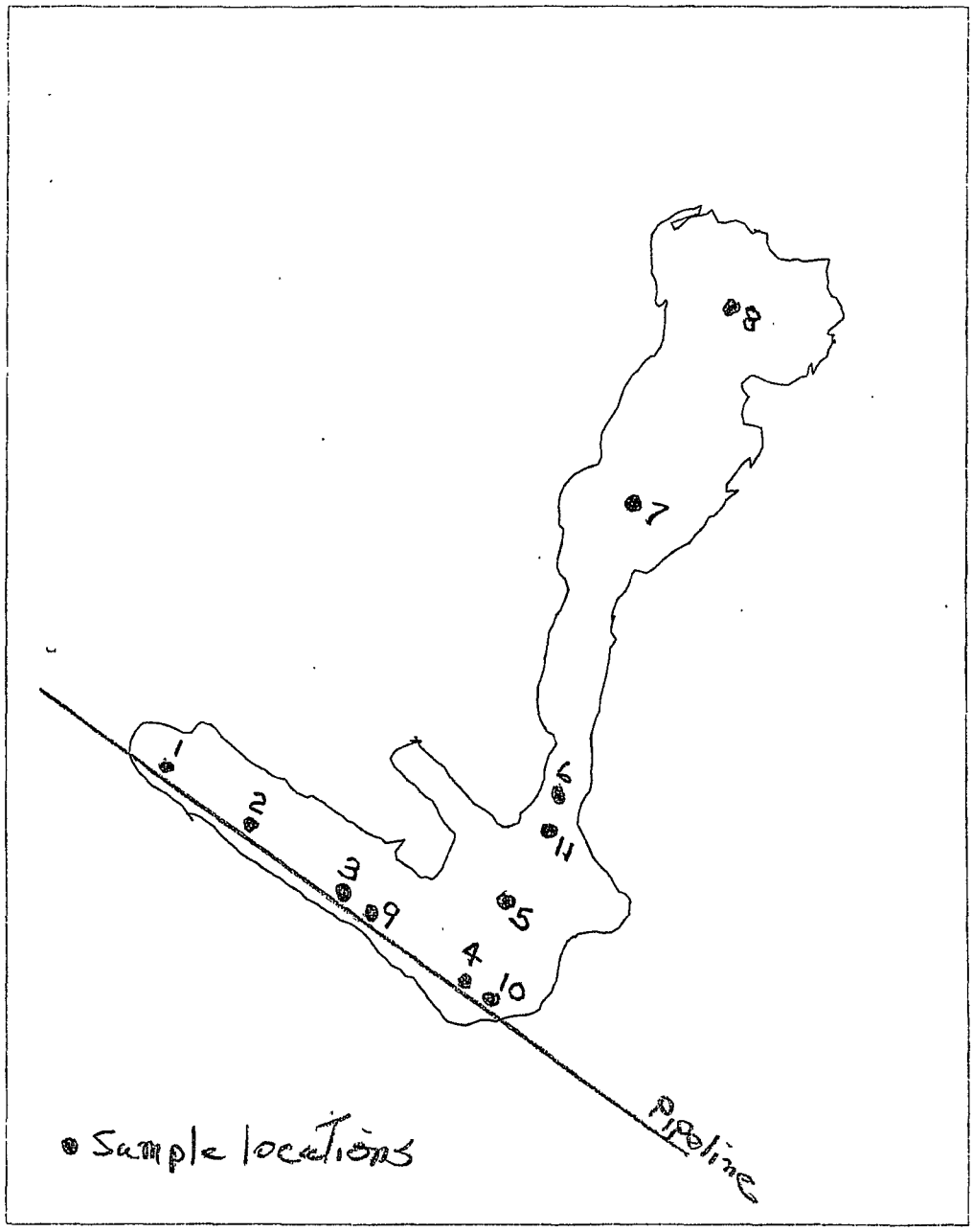
Figure 1
Vicinity Map



Name: ILLINOIS CAMP
Date: 6/24/2008
Scale: 1 inch equals 2000 feet

Location: 032° 43' 28.83" N 104° 11' 16.77" W NAD83
Caption: Figure 1. Location Map, Artesia Mainline Crude Release, Holly Energy Partners

Figure 2
Map of Soil Sampling Locations



Holly Artesia 6" Mainline Crude Release

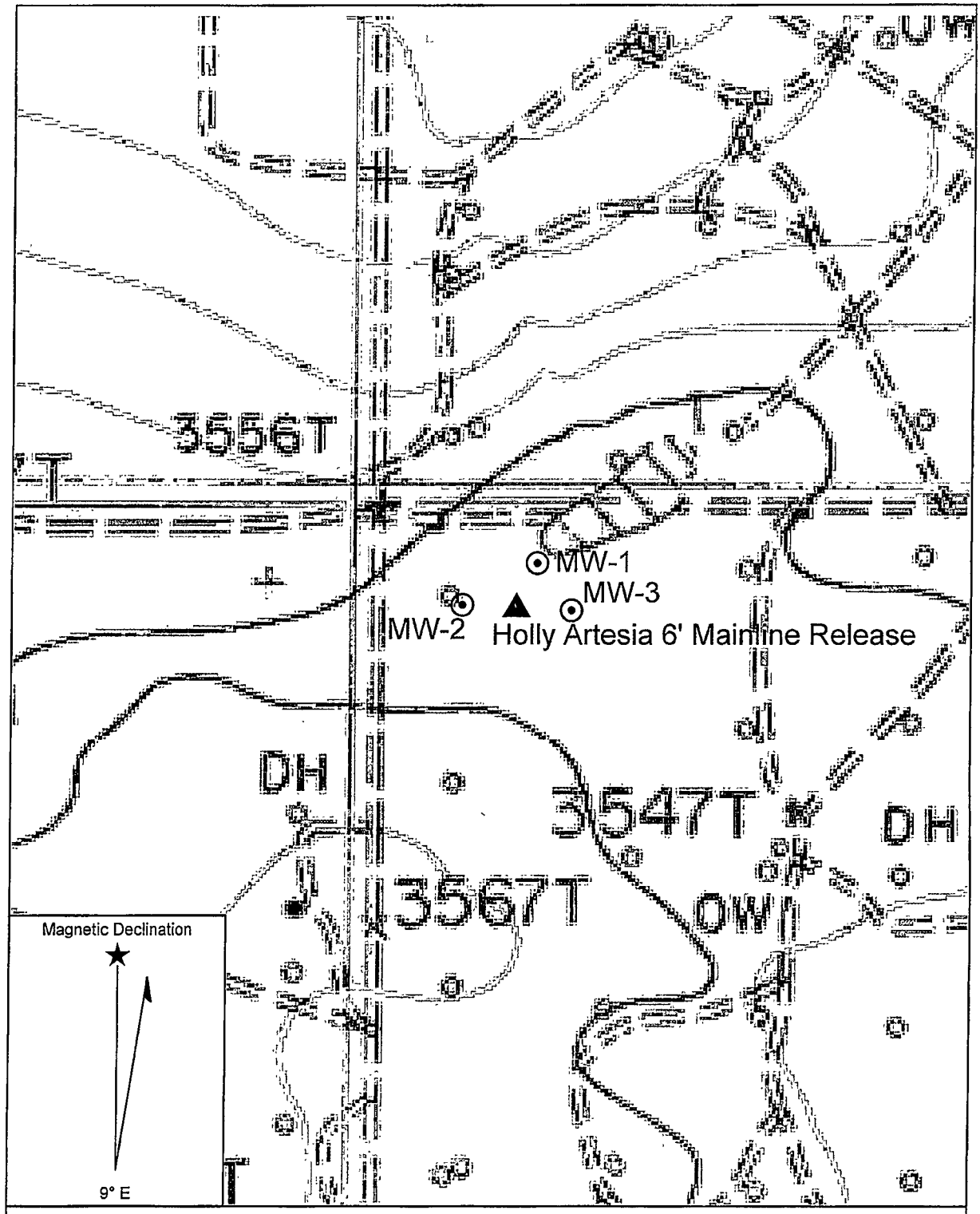
Lat/Long
WGS 1984

N

Scale 1:800
0 100.0
Feet

HOL-06-006.cor
4/3/2007
GPS Pathfinder® Office
Trimble

Figure 3
Location of Proposed Monitor Wells



Name: ILLINOIS CAMP
Date: 6/21/2008
Scale: 1 inch equals 500 feet

Location: 032° 43' 29.32" N 104° 11' 16.58" W NAD83
Caption: Figure 3. Location of Proposed Monitor wells

VII. Appendix – Soil Boring Logs and Spill Report

Safety & Environmental Solutions, Inc.

LOG OF BORING S-9

Artesia 6" Mainline Crude Spill
Site Investigation, Holly Energy Partners
NW/4 NS/4, Sec. 28, T18S, R28E
Eddy County, New Mexico
N32° 43' 29.34", W104° 11' 15.36"

Date/Time Started	: 02/01/07, 1015	Drilled By	: Eco/Enviro Drilling
Date/Time Completed	: 02/01/07, 1730	Sampling Method	: 5 ft. core barrel
Hole Diameter	: 8 1/4 in.	Logged By	: David Boyer, PG, SESI
Drilling Method	: Hollow Stem Auger		
Drilling Equipment	: Foremost-Mobile B-57		

Sample Method:
SS Split Spoon (18" or 24")
CB Core Barrel (2.5' or 5')
CT Auger Cuttings
NR No recovery

Depth in Feet	Sample Method	Sample Recovery (ft.)	USCS	GRAPHIC	DESCRIPTION	Lab No.	TPH (mg/Kg)	GRO (mg/Kg)28	DRO (mg/Kg)	C29-35 RO (mg/Kg)	Benzene (mg/Kg)	Toluene (mg/Kg)	Ethyl Benzene (mg/Kg)	Total Xylenes (mg/Kg)
0														
5	--	--			0-15 ft. Open excavation. Begin drilling in bottom approximately 15 ft. below ground surface.									
10														
15	CB	1.0	SP		15-20 ft. SAND, light brown, very fine to fine grained, very strong H/C odor	B702003-01	2,370	970	1,400	<40	<0.50	1.9	27	39
20			SS		20-20.6 ft. SAND, light brown, very fine to fine grained 20.6-21 ft. SANDSTONE, poorly cemented									
	CB	3.6			21-23.6 ft. SAND, light brown, very fine to fine grained, very strong H/C odor, slighty damp with H/C product at base	B702003-02	1,970	670	1,300	<40	<0.50	1.1	17	40
25	CB	1.6	SP		25-26.6 ft. SAND, light brown, very fine to fine grained, occasional caliche gravel to 3/4 in., very strong H/C odor									
30					30-30.4 ft. SAND, same as above									

Notes:
H/C - Petroleum hydrocarbon
Hole S-9 located approximately 4 ft. northwest of S-3
Plugged back to base of excavation with 42 bags bentonite, hydrated.

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Safety & Environmental Solutions, Inc.

LOG OF BORING S-9

Artesia 6" Mainline Crude Spill
Site Investigation, Holly Energy Partners
NW/4 NS/4, Sec. 28, T18S, R28E
Eddy County, New Mexico
N32° 43' 29.34", W104° 11' 15.36"

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Sample Method:
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NR No recovery

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30	CB	2.6	SP/CA		30.4-30.6 ft. SAND and CALICHE 30.6-31.3 ft. SAND 31.3-32.0 ft. CALICHE, white, interbedded with SAND 32-32.6 ft. SAND with CALICHE, very strong H/C odor	B702003-03	2,500	1,000	1,500	<40	<0.50	2.1	19	55
35	CB	0.8			35-42.3 ft. SAND and poorly cemented SANDSTONE, H/C odor									
40	CB	3.2	SP/SS		35-42.3 ft. SAND and poorly cemented SANDSTONE, H/C odor 42.3-42.7 ft. SANDSTONE, very fine grained. 42.7-43.2 ft. SAND and poorly cemented SANDSTONE, strong H/C odor 45-46 ft. SANDSTONE 46-46.6 ft. SAND, brown, very fine grained, sandstone pieces	B702003-04	1,700	500	1,200	<40	<0.50	1.1	12	30
45	CB	3.1	SL		46.6-47 ft. SAND, grading to siltstone 47-47.3 SAND and SANDSTONE 47.3-48.1 ft. SILTSTONE, with sandstone and occasional igneous gravels, H/C odor									
50	CB	5.0	SP/SS		50-53.9 ft. SAND and SANDSTONE, sand brown, very fine grained, sandstone poor to medium cementation, "cookies" (sugar sand), reddish-brown 53.9-55 ft. SAND with poorly cemented SANDSTONE, light brown, strong H/C odor (like turpentine) 55-57.3 ft. SANDSTONE and sandstone "cookies", medium cementing, brown	B702003-05	2,190	790	1,400	<40	<0.25	0.76	0.52	11
55	CB	4.6	SL		57.3-58 ft. SILTSTONE, medium cementing									
60			SS		58-59.6 ft. SANDSTONE, brown, some sand, H/C odor (turpentine)									

Notes:
H/C - Petroleum hydrocarbon
Hole S-9 located approximately 4 ft. northwest of S-3
Plugged back to base of excavation with 42 bags bentonite, hydrated.

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LOG OF BORING S-9

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NW/4 NS/4, Sec. 28, T18S, R28E
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N32° 43' 29.34", W104° 11' 15.36"

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Date/Time Completed	: 02/01/07, 1730	Sampling Method	: 5 ft. core barrel
Hole Diameter	: 8 1/4 in.	Logged By	: David Boyer, PG, SESI
Drilling Method	: Hollow Stem Auger		
Drilling Equipment	: Foremost-Mobile B-57		

Sample Method:
SS Split Spoon (18" or 24")
CB Core Barrel (2.5' or 5')
CT Auger Cuttings
NR No recovery

Depth in Feet	Sample Method	Sample Recovery (ft.)	USCS	GRAPHIC	DESCRIPTION	Lab No.	TPH (mg/Kg)	GRO (mg/Kg)28	DRO (mg/Kg)	C29-35 RO (mg/Kg)	Benzene (mg/Kg)	Toluene (mg/Kg)	Ethyl Benzene (mg/Kg)	Total Xylenes (mg/Kg)
60	CB	5.0	SS		60-63.3 ft. SANDSTONE, brown, very fine grained, poorly cemented, "cookies"									
			SP		63.5-65 ft. SAND, with occasional sandstone fragments, light brown, very fine to fine grained, weathered, very strong H/C odor	B702003-06	2,190	790	1,400	<40	<0.25	1.5	2.2	30
65	CB	5.0	SS		65-66 ft. SANDSTONE, fine grained "cookies" 65-70 ft. SANDSTONE, light brown to brown, medium cementing, H/C odor									
70	CB	5.0			70-73.5 ft. SANDSTONE, brown, fine grained, soft, "cookies"									
			GP		73.5-73.7 ft. River GRAVEL and SAND, gravels 1/4-1/2 in., igneous									
			SP		73.7-75 ft. SAND, brown, fine to medium grained, very strong H/C odor	B702003-07	278	58.0	220	<20	<0.10	<0.10	0.20	1.4
75	CB	3.6	SP/SS		75-77.3 ft.SAND and SANDSTONE, brown, fine grained, sandstone poorly cemented									
			SP		77.3-78.6 ft. SAND, brown, fine grained, uniform, occasional sandstone fragments, damp (possible H/C prod.), strong H/C odor									
80	CB	3.6			80-82.2 ft. SAND, brown, fine grained, uniform, strong H/C odor									
			SM MS/SL		82.2-82.4 CLAYEY SILT, brown, slightly damp									
			SM/GW		82.4-82.9 ft. MUDSTONE or SILTSTONE, friable, poorly cemented	B702003-08	<40	<10	<10	<20	<0.005	<0.005	<0.005	<0.010
85	CB	2.7			82.9-83.6 ft. SAND, SILT, and igneous GRAVEL, no H/C odor from 82.4-83.6 ft.									
			SP		85-85.7 ft. SAND and GRAVEL, large rock									
					85.7-87.2 ft. SAND, brown, fine grained, uniform, damp, H/C odor									
			SL		87.2-87.7 ft. SILTSTONE, poorly cemented, H/C odor									
90														

Notes:
H/C - Petroleum hydrocarbon
Hole S-9 located approximately 4 ft. northwest of S-3
Plugged back to base of excavation with 42 bags bentonite, hydrated.

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Safety & Environmental Solutions, Inc.

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90	CB	3.5	SM/SP		90-92.2 ft. SAND and SILTY SAND, brown, very fine to fine grained, non-uniform, siltstone/sandstone frags									
			SL		92.2-92.5 ft. SILTSTONE, brown, soft									
			SP		92.5-93.5 ft. SAND, brown, very fine to fine grained, brown-black and strong H/C odor from 93.4-93.5 ft.	B702003-09	860	250	610	<20	<0.10	0.74	1.3	5.5
95	CB	5.0	SS		95-96.4 ft. SANDSTONE, brown to dark brown, soft, friable, H/C odor throughout, H/C product on core									
					96.4-100 ft. SANDSTONE, H/C odor	B702003-10	<40	<10	<10	<20	<0.005	<0.005	<0.005	<0.010
100	CB	5.0	CL		100.3-102.9 ft. CLAY, reddish-brown, dry, very hard, odor (from barrel)									
					102.9-105 ft. CLAY redbed	B702003-11	<40	<10	<10	<20	<0.005	<0.005	<0.005	<0.010
105														
110														
115														
120														

Notes:
H/C - Petroleum hydrocarbon
Hole S-9 located approximately 4 ft. northwest of S-3
Plugged back to base of excavation with 42 bags bentonite, hydrated.

Z:\SESCentral\Company Files\Holly Energy Partners\HOL-06-006 Artesia 6 in. Mainline Crude Leak\Boring Logs\BH S-9.bor

Safety & Environmental Solutions, Inc.

LOG OF BORING S-10

Artesia 6" Mainline Crude Spill
Site Investigation, Holly Energy Partners
NW/4 NS/4, Sec. 28, T18S, R28E
Eddy County, New Mexico
N32° 43' 29.34", W104° 11' 15.36"

Date/Time Started	: 02/07/07, 0900	Drilled By	: Eco/Enviro Drilling
Date/Time Completed	: 02/09/07, 1200	Sampling Method	: 5 ft. core barrel
Hole Diameter	: 8 1/4 in.	Logged By	: David Boyer, PG, SESI
Drilling Method	: Hollow Stem Auger		
Drilling Equipment	: Foremost-Mobile B-57		

Sample Method:
SS Split Spoon (18" or 24")
CB Core Barrel (2.5' or 5')
CT Auger Cuttings
NR No recovery

Depth in Feet	Sample Method	Sample Recovery (ft.)	USCS	GRAPHIC	DESCRIPTION	Lab No.	TPH (mg/Kg)	GRO (mg/Kg)28	DRO (mg/Kg)	C29-35 RO (mg/Kg)	Benzene (mg/Kg)	Toluene (mg/Kg)	Ethyl Benzene (mg/Kg)	Total Xylenes (mg/Kg)
0	--	--			0-12 ft. Open excavation. Begin drilling in south east corner of excavation bottom approximately 12 ft. below ground surface.									
10														
15	CB	0.5	SP		12-17 ft. SAND, light brown, very fine to fine grained, strong H/C odor									
20	CB	4.1	SP/SS		17-22 ft. SAND and poorly consolidated soft SANDSTONE, light brown, slightly moist at base (possible product?), very strong H/C odor	B702008-01	5,700	2,500	3,200	<50	3.2	23	69	140
25	CB	2.9			22-27 ft. SAND and SANDSTONE, as above, sandstone better cemented, occasional thing (2") zones of white caliche, very strong H/C odor									
30	CB	2.5			27-32 ft. SAND and SANDSTONE, sand light brown, very fine grained, sandstone poorly consolidated, poorly cemented, sand H/C saturated, strong H/C odor									

Notes:
H/C - Petroleum hydrocarbon
2/9/07 - Plugged back to base of excavation with 44 bags bentonite, hydrated.

Z:\SESCentral\Company Files\Holly Energy Partners\HOL-06-006 Artesia 6 in. Mainline Crude Leak\Boring Logs\BH S-10.bor

Safety & Environmental Solutions, Inc.

LOG OF BORING S-10

Artesia 6" Mainline Crude Spill
Site Investigation, Holly Energy Partners
NW/4 NS/4, Sec. 28, T18S, R28E
Eddy County, New Mexico
N32° 43' 29.34", W104° 11' 15.36"

Date/Time Started	: 02/07/07, 0900	Drilled By	: Eco/Enviro Drilling
Date/Time Completed	: 02/09/07, 1200	Sampling Method	: 5 ft. core barrel
Hole Diameter	: 8 1/4 In.	Logged By	: David Boyer, PG, SESI
Drilling Method	: Hollow Stem Auger		
Drilling Equipment	: Foremost-Mobile B-57		

Sample Method:
SS Split Spoon (18" or 24")
CB Core Barrel (2.5' or 5')
CT Auger Cuttings
NR No recovery

Depth in Feet	Sample Method	Sample Recovery (ft.)	USCS	GRAPHIC	DESCRIPTION	Lab No.	TPH (mg/Kg)	GRO (mg/Kg)28	DRO (mg/Kg)	C29-35 RO (mg/Kg)	Benzene (mg/Kg)	Toluene (mg/Kg)	Ethyl Benzene (mg/Kg)	Total Xylenes (mg/Kg)
30	CB	2.5	SP/SS		32-37 ft. SAND and SANDSTONE, sand light brown, very fine grained, sandstone poorly consolidated, poorly cemented, occasional harder fragments, very strong H/C odor	B702008-02	2,400	1,110	1,300	<50	3.9	31	51	120
35	CB	1.7			37-38.1 ft. SANDSTONE with SAND, light brown, very fine to fine grained, sandstone poorly cemented, occasional "cookie," strong H/C odor									
40	CB	1.5	CG		38.1-38.4 ft. CONGLOMERATE, very coarse grained sand to small gravel in sandstone matrix, hard 42-42.2 ft. CONGLOMERATE	B702008-03	1,970	870	1,100	<50	1.0	26	34	82
45	CB	1.4	SS		42.2-43.4 ft. SANDSTONE, brown, poorly consolidated, well cemented (hard), some fine grained sand, H/C odor 47-47.8 ft. SANDSTONE "cookies"									
50	CB	4.0	SS/SP		47.8-51 ft. SANDSTONE and SAND, sandstone brown, poorly cemented, sand brown, very fine to fine grained; damp, very strong H/C odor where sandy	B702008-04	1,750	750	1,000	<50	<1.0	9.2	22	61
55	CB	4.2	SS		52-52.2 ft. SANDSTONE "cookies" 52.2-55.5 ft. SANDSTONE, light brown, soft, poorly cemented, H/C odor									
			SP		55.5-56.2 ft. SAND, brown, fine grained, uniform, H/C damp, very strong H/C odor									
60	CB	3.7	SP/SS		57-59.7 ft. SAND with occasional soft, poorly cemented SANDSTONE, sand fine to medium grained, damp (H/C saturated)									
			SP											

Notes:
H/C - Petroleum hydrocarbon
2/9/07 - Plugged back to base of excavation with 44 bags bentonite, hydrated.

Z:\SESCentral\Company Files\Holly Energy Partners\HOL-06-006 Artesia 6 in. Mainline Crude Leak\Boring Logs\BH S-10.bor

Safety & Environmental Solutions, Inc.

LOG OF BORING S-10

Artesia 6" Mainline Crude Spill
Site Investigation, Holly Energy Partners
NW/4 NS/4, Sec. 28, T18S, R28E
Eddy County, New Mexico
N32° 43' 29.34", W104° 11' 15.36"

Date/Time Started	: 02/07/07, 0900	Drilled By	: Eco/Enviro Drilling
Date/Time Completed	: 02/09/07, 1200	Sampling Method	: 5 ft. core barrel
Hole Diameter	: 8 1/4 in.	Logged By	: David Boyer, PG, SESI
Drilling Method	: Hollow Stem Auger		
Drilling Equipment	: Foremost-Mobile B-57		

Sample Method:
SS Split Spoon (18" or 24")
CB Core Barrel (2.5' or 5')
CT Auger Cuttings
NR No recovery

Depth in Feet	Sample Method	Sample Recovery (ft.)	USCS	GRAPHIC	DESCRIPTION	Lab No.	TPH (mg/Kg)	GRO (mg/Kg)28	DRO (mg/Kg)	C29-35 RO (mg/Kg)	Benzene (mg/Kg)	Toluene (mg/Kg)	Ethyl Benzene (mg/Kg)	Total Xylenes (mg/Kg)
60	CB	3.7	SP		59.7-60.7 ft. SAND, very fine to fine grained, occasional sandstone fragments, H/C odor throughout	B702008-05	3,000	1,400	1,600	<50	<1.0	17	30	79
65	CB	--	SS		62-67 ft. SANDSTONE, brown, very fine *grained, consolidated, medium cementing,* strong H/C odor throughout									
70	CB	2.8	SS/SP		67-68.5 ft. SANDSTONE and SAND, brown, sandstone poorly consolidated, medium cementing, sand very fine grained									
			SP		68.5-69.8 ft. SAND with some soft, poorly consolidated sandstone, H/C odor thruout									
					72-72.3 ft. GRAVELLY SAND, brown, igneous gravels to 3/4"	B702008-06	2,400	1,100	1,300	<50	1.0	25	32	83
75	CB	3.3	SW											
			SS		72.3-72.8 ft. SANDSTONE, brown, cookies									
			SW		72.8-75.3 ft. GRAVELLY SAND, fine to coarse grained, well rounded igneous gravels to 1.5". Some sandstone. Sand dark brown, damp with H/C product, strong odor.									
80	CB	2.8			77-78.3 ft. GRAVELLY SAND, dark brown, fine to coarse grained rounded igneous gravels to 1.5", heavy H/C odor									
					78.3-79.2 ft. SAND, brown, fine grained, H/C odor. 79.2-79.8 ft. GRAVELLY SAND, as above except smaller gravels									
					77-82 ft. No cuttings returned, pulled barrel, rods, one 5-ft. auger, added 5 gallons water, sand, gravel, mud returned.	B702008-07	2,300	1,000	1,300	<50	<1.0	19	28	75
			SS		82-82.4 ft. SANDSTONE "cookies"									
			SW		82.4-83.7 ft. GRAVELLY SAND, various sized ignous gravels with H/C sheen									
85	CB	2.8	SP		83.7-84.8 ft. SAND, very fine grained, uniform, H/C odor									
					87 ft. Add 5 gal. water after barrel in hole									
			SS		87-87.9 ft. SANDSTONE, dark brown, fine grained, H/C saturated									
	CB	3	CL		87.9-88.6 ft. CLAY, reddish-brown, dry									
			SP		88.6-89.6 ft. SAND, dark brown, fine grained, H/C saturated,									
90			CL											

Notes:
H/C - Petroleum hydrocarbon
2/9/07 - Plugged back to base of excavation with 44 bags bentonite, hydrated.

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Safety & Environmental Solutions, Inc.

LOG OF BORING S-10

Artesia 6" Mainline Crude Spill
Site Investigation, Holly Energy Partners
NW/4 NS/4, Sec. 28, T18S, R28E
Eddy County, New Mexico
N32° 43' 29.34", W104° 11' 15.36"

Date/Time Started	: 02/07/07, 0900	Drilled By	: Eco/Enviro Drilling
Date/Time Completed	: 02/09/07, 1200	Sampling Method	: 5 ft. core barrel
Hole Diameter	: 8 1/4 in.	Logged By	: David Boyer, PG, SESI
Drilling Method	: Hollow Stem Auger		
Drilling Equipment	: Foremost-Mobile B-57		

Sample Method:
SS Split Spoon (18" or 24")
CB Core Barrel (2.5' or 5')
CT Auger Cuttings
NR No recovery

Depth in Feet	Sample Method	Sample Recovery (ft.)	USCS	GRAPHIC	DESCRIPTION	Lab No.	TPH (mg/Kg)	GRO (mg/Kg)28	DRO (mg/Kg)	C29-35 RO (mg/Kg)	Benzene (mg/Kg)	Toluene (mg/Kg)	Ethyl Benzene (mg/Kg)	Total Xylenes (mg/Kg)
90	CB	3	CL		89.6-90 ft. SANDY CLAY, reddish-brown, H/C odor 92 ft. No water added.	B702008-08	3,100	1,400	1,700	<50	2.5	25	33	84
			SS/SP		92-93.1 ft. SANDSTONE and SAND, poorly consolidated, poorly cemented, sand brown, very fine grained, H/C saturated									
95	CB	2.6	SP		93.1-94.6 ft. SAND, brown, very fine grained, tightly packed, some silt, H/C odor and H/C sheen on gloves. 97 ft. No water added.									
			SS		97-98.7 ft. CLAYEY SANDSTONE, brown to dark brown, H/C odor, thin layer H/C product at top of core									
			SLICS		98.7-99 ft. Fractured rock, SANDSTONE-SILTSTONE-CLAYSTONE, H/C saturated									
100	CB	3.6	CL		99-100.6 ft. CLAY, brown, dry, "redbed" in core, no H/C odor	B702008-09	<10	<10	<20	<10	<0.005	<0.005	<0.005	<0.010
					2/8/07-drilled another 5 ft. to confirm redbeds and complete as temporary well, 102-102.5 ft. Slough and fractured redbed with some product (from overnight)									
105	CB	2.1			102.5-104.1 ft. CLAY, dry, hard, "redbed", no H/C odor									
					2/8/07 - Set 15 ft. temporary screen and PVC casing to surface and left for 24 hours. 2/9/07 - measured well, no measurable product thickness, DTW 83.80+12=95.8 ft., Total depth 95.7+12=107.7 ft. below land surface. Bailed 3.7 gallons and measured water at 105.5 ft. BLS. Took water sample at 1115.									
110														
115														
120														

Notes:
H/C - Petroleum hydrocarbon
2/9/07 - Plugged back to base of excavation with 44 bags bentonite, hydrated.

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Safety & Environmental Solutions, Inc.

LOG OF BORING S-11

Artesia 6" Mainline Crude Spill
Site Investigation, Holly Energy Partners
NW/4 NS/4, Sec. 28, T18S, R28E
Eddy County, New Mexico
N32° 43' 29.34", W104° 11' 15.36"

Date/Time Started	: 02/08/07, 0900	Drilled By	: Eco/Enviro Drilling
Date/Time Completed	: 02/08/07, 1030	Sampling Method	: 5 ft. core barrel
Hole Diameter	: 8 1/4 In.	Logged By	: David Boyer, PG, SESI
Drilling Method	: Hollow Stem Auger		
Drilling Equipment	: Foremost-Mobile B-57		

Sample Method:
SS Split Spoon (18" or 24")
CB Core Barrel (2.5' or 5')
CT Auger Cuttings
NR No recovery

Depth In Feet	Sample Method	Sample Recovery (ft.)	USCS	GRAPHIC	DESCRIPTION	Lab No.	TPH (mg/Kg)	GRO (mg/Kg)28	DRO (mg/Kg)	C29-35 RO (mg/Kg)	Benzene (mg/Kg)	Toluene (mg/Kg)	Ethyl Benzene (mg/Kg)	Total Xylenes (mg/Kg)
0–10	--	--			0-11 ft. Open excavation. Begin drilling in bottom approximately 10.5-11 ft. below ground surface.									
10–15	CB	1.0	SP		11-12 ft. SAND, limey, very light brown, very fine grained, occasional caliche gravel, no H/C staining or odor									
15–20	CB	1.2	SP		16-17.2 ft. SAND, light brown, very fine grained, occasional caliche rock, hard, no H/C staining or odor (added 5 gallons of water for cuttings recovery)	B702009-01	<10	<10	<10	<20	<0.005	<0.005	<0.005	<0.010
20–25	CB	1.2	SP		21-22.2 ft. SAND, light brown, very fine grained, no H/C staining or odor (added 5 gallons of water for cuttings recovery)	B702009-02	<10	<10	<10	<20	<0.005	<0.005	<0.005	<0.010
25–30	CB	4.0	SS		26-28.8 ft. SANDSTONE, fractured, light brown, very fine grained, very well cemented (not friable), some loose sand	B702009-03	<10	<10	<10	<20	<0.005	<0.005	<0.005	<0.010
30–35			SS/SP		28.8-30 ft. SANDSTONE and SAND, sandstone soft, poorly cemented, some hard sandstone pieces; sand light brown, very fine grained, no H/C staining or odor (added 5 gallons of water for cuttings recovery)	B702009-04	<10	<10	<10	<20	<0.005	<0.005	<0.005	<0.010

Notes:
H/C - Petroleum hydrocarbon
Plugged back to base of excavation with 8 bags bentonite, hydrated.

Z:\SESCentral\Company Files\Holly Energy Partners\HOL-06-006 Artesia 6 in. Mainline Crude Leak\Boring Logs\BH S-11.bor

District I
625 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 March 17, 1999

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: Johnny Lackey
Address 311 West Quay, Artesia, NM 88210	Telephone No.: 505-746-5490
Facility Name Navajo Crude Oil Pipeline	Facility Type: Crude Oil Pipeline

Surface Owner	Mineral Owner	Lease No.: N/A

LOCATION OF RELEASE

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

NATURE OF RELEASE

Type of Release Crude Oil	Volume of Release:75 Bbls	Volume Recovered:~15 Bbls
Source of Release Pipeline Leak	Date and Hour of Occurrence 11/22/06, unknown	Date and Hour of Discovery 11/22/06, 12:00pm
Was Immediate Notice Given? ☒ Yes ☐ No ☐ Not Required	If YES, To Whom? Mike Bratcher, w/OCD	
By Whom? : Johnny Lackey, Holly Energy Partners	Date and Hour:11/22/06, 1:20pm	
Was a Watercourse Reached? ☐ Yes ☒ No	If YES, Volume Impacting the Watercourse.	

If a Watercourse was Impacted, Describe Fully.*

Describe Cause of Problem and Remedial Action Taken.*
External corrosion on the Navajo Artesia 6" crude oil pipeline. SESI notified to get samples and delineate extent of contamination.

Describe Area Affected and Cleanup Action Taken.*
Approximately 15 bbls of free standing crude oil was vacuumed up. We will evaluate the extent of soil contamination and will remediate as needed.

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: Johnny Lackey	OIL CONSERVATION DIVISION Approved by: District Supervisor:	
Printed Name: Johnny Lackey		
Title: Manager, Environmental, Health & Safety	Approval Date:	Expiration Date:
Date: 11/22/06 Phone: 505-746-5490	Conditions of Approval:	Attached ☐

* Attach Additional Sheets If Necessary

Bratcher, Mike, EMNRD

From: David Boyer [dgboyer@sesi-nm.com]
Sent: Tuesday, June 02, 2009 9:29 AM
To: Bratcher, Mike, EMNRD
Cc: Bob Allen; Dickie Townley
Subject: RE: Monitor well easement
Attachments: NMSLO ROE Request.pdf

Mike,

An update. Our boring drilled on Friday resulted in water at 110 ft. and redbeds at 113 ft. As per the work plan, we are drilling two more borings on Wedneday and Thursday this week and will complete all as monitor wells if we encounter water.
The location is as shown in the attachment.

Dave

David G. Boyer, P.G.
Hydrogeologist
Safety and Environmental Solutions, Inc.
P.O. Box 1613
703 E. Clinton
Hobbs, NM 88241
office: 575-397-0510
fax: 575-393-4388
cell: 575-390-7067
email: dgboyer@sesi-nm.com

-----Original Message-----
From: David Boyer [mailto:dgboyer@sesi-nm.com]
Sent: Thursday, May 28, 2009 12:12 PM
To: Mike Bratcher
Cc: Bob Allen; Dickie Townley
Subject: FW: Monitor well easement

Mike,
We are planning a deep exploratory boring at the location of the attached spill. Your office previously was provided a workplan for the location.
Dave

David G. Boyer, P.G.
Hydrogeologist
Safety and Environmental Solutions, Inc.
P.O. Box 1613
703 E. Clinton
Hobbs, NM 88241
office: 575-397-0510
fax: 575-393-4388
cell: 575-390-7067
email: dgboyer@sesi-nm.com
-----Original Message-----
From: Villa, Anna [mailto:avilla@slo.state.nm.us]
Sent: Thursday, May 28, 2009 11:55 AM
To: 'David Boyer'
Cc: Dickie Townley; Bob Allen; Vigil, Anthony; Esquibel, Patricia
Subject: FW: Monitor well easement

Yes, please send it to my attention so we can process it immediately. You are granted verbal approval to get started with your remediation.

If you do place monitor wells, please notify us immediately. The fee for the monitor well easement $175.00 for the application and appraisal fee and $500.00 per well per year for each monitor well placed.

Please let me know if I can assist you further.

Anna Villa
Right of Way and Water Resources Manager
Commissioner of Public Lands
(505) 827-5789

From: David Boyer [mailto:dgboyer@sesi-nm.com]
Sent: Thursday, May 28, 2009 11:14 AM
To: Villa, Anna
Cc: Dickie Townley; Bob Allen
Subject: RE: Monitor well easement

The ROE form and supporting material are attached. Do we send the original with the check to your attention?

We are scheduling drilling for tomorrow morning pending your approval. If we complete the boring as a monitor well we will fill out the form for monitor well easements.

Please let me know if you need more information.

Thank you for your assistance.

David G. Boyer, P.G.
Hydrogeologist
Safety and Environmental Solutions, Inc.
P.O. Box 1613
703 E. Clinton
Hobbs, NM 88241
office: 575-397-0510
fax: 575-393-4388
cell: 575-390-7067
email: dgboyer@sesi-nm.com

> -----Original Message-----
> **From:** Villa, Anna [mailto:avilla@slo.state.nm.us]
> **Sent:** Thursday, May 28, 2009 9:53 AM
> **To:** 'David Boyer'
> **Subject:** RE: Monitor well easement
>
> We will keep an eye out for it.

From: David Boyer [mailto:dgboyer@sesi-nm.com]
Sent: Thursday, May 28, 2009 9:49 AM
To: Villa, Anna
Subject: RE: Monitor well easement

Anna,
Thank you for the form. We are preparing the ROE request for Remediation for the exploratory boring and already have a check cut for $530. I will email you the form, C-141, map and check copy when they are ready.

David G. Boyer, P.G.
Hydrogeologist
Safety and Environmental Solutions, Inc.
P.O. Box 1613
703 E. Clinton
Hobbs, NM 88241
office: 575-397-0510
fax: 575-393-4388
cell: 575-390-7067
email: dgboyer@sesi-nm.com

-----Original Message-----
From: Villa, Anna [mailto:avilla@slo.state.nm.us]
Sent: Thursday, May 28, 2009 8:47 AM
To: 'dgboyer@sesi-nm.com'
Subject:

Good Morning David,

Attached you will find our application for monitor well easements. Please let me know if you have additional questions.

Thanks

Anna Villa
Right of Way and Water Resources Manager
Commissioner of Public Lands
(505) 827-5789

This email has been scanned by the MessageLabs Email Security System.
For more information please visit http://www.messagelabs.com/email

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New Mexico State Land Office

Rights of Way Division

(505) 827-5842 P.O. Box 1148 Santa Fe, NM 87504

RIGHT OF ENTRY (ROE) REQUEST FOR REMEDIATION

Company Name Holly Energy Partners
Address P.O. Box 1260, 1602 W. Main
City, State, Zip Artesia, NM 88211
Contact Person: Dickie Townley
Telephone #: (575) 748-8949
Email: Dickie.Townley@hollyenergy.com

Purpose of request: To drill exploratory borehole to 100 ft. and complete as monitor well if groundwater located.
Prepared by David Boyer, SESI, dgboyer@sesi-nm.com

Section 20 Township 18S Range 28E Unit Letter -

Qtr/Qtr NW NW County Eddy

GPS Location (decimal degrees): Latitude 32.7248166 N Longitude 104.1876000 W

If this is a remediation for a spill please attach a copy of the OCD C-141 form.

Is the completed C-141 attached? Yes [X] No [ ]

Square footage of spill impacted surface: N/A

Estimated square footage of total disturbance: N/A

Reclamation Plan (*attach addl. sheet if necessary*) Surface area has been cleaned. NMOCD requesting ground water investigation

Driving directions from nearest state highway or road (*attach a map of the location*):
From junction NM 360 and EC 217, west 5.6 miles to Depco Road. North 0.6 miles to Holly pipeline, Left on ROW 0.5 miles to location

Lease number associated with the ROE request: N/A

Well Name and/or Operator (if applicable): N/A

Time expected to complete remediation: unknown

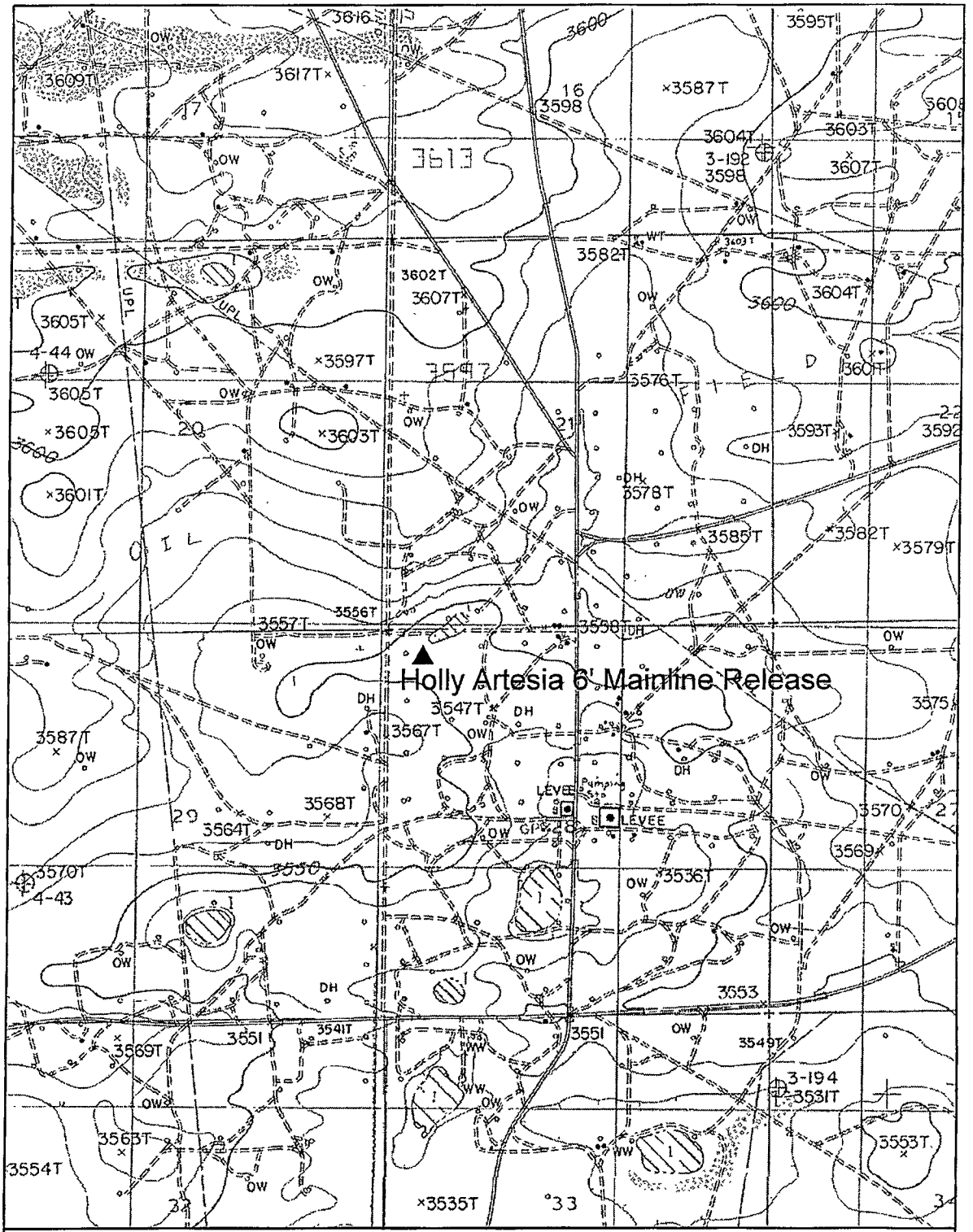
Personnel present on State Land Safety & Environmental Solutions, 2 men

Equipment & materials present on State Land Drilling Rig

$530.00 application fee (based on 180 days) can be renewed for up to 3 years.

Payable to: The Commissioner of Public Lands
P. O. Box 1148
Santa Fe, NM 87504-1148

Revised (08/2008)



Name: ILLINOIS CAMP
Date: 5/28/2009
Scale: 1 inch equals 2000 feet

Location: 032.7262080° N 104.1849977° W NAD83
Caption: Figure 1. Location Map, HEP Artesia, 6-in. Mainline Release

SAFETY & ENVIRONMENTAL SOLUTIONS, INC.
PO BOX 1613 PH (505) 397-0510
703 E. CLINTON
HOBBS, NM 88240-1613

FIRST NATIONAL BANK
1220 W JOE HARVEY
HOBBS, NM 88240
95-43/1122

13576

5/28/2009

PAY TO THE ORDER OF Commisioner of Public Lands $ **530.00

Five Hundred Thirty and 00/100********** DOLLARS

Commisioner of Public Lands

MEMO

AUTHORIZED SIGNATURE

"013576" "112200439" "2121921 10"

SAFETY & ENVIRONMENTAL SOLUTIONS, INC. 13576

Commisioner of Public Lands 5/28/2009 530.00

First National Bank 530.00