

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 - Operating, L.P.	Contact Dickie Townley (Manager of EHS)
Address P.O. Box 1260, Artesia, NM 88211-1260	Telephone No. 575-748-8949
Facility Name Section 35 Station	Facility Type Crude Oil Manifold / Pig Station
Surface Owner State of New Mexico	Mineral Owner State of New Mexico
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
	35	19S	37E					

Latitude 32.619791 Longitude -103.227688

NATURE OF RELEASE

Type of Release Crude Oil	Volume of Release 5 bbls	Volume Recovered 0
Source of Release Under ground Pipeline	Date and Hour of Occurrence 12/28/2009 @ ???	Date and Hour of Discovery 12/28/2009 @ 12:30 PM
Was Immediate Notice Given? <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> Not Required	If YES, To Whom? Sylvia Dickey (NMOCD 370-3186)	
By Whom? Dickie Townley	Date and Hour 12/28/2009 @ 3:33 PM (upon confirmation)	
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.*
An inactive underground crude oil pipeline leaked due to internal corrosion. The pipeline drained, and will be removed. The contaminated soil will be removed and replaced with clean soil. (There may be areas of contamination around structure supports that can not be removed and will have to be risked out.)

Describe Area Affected and Cleanup Action Taken.*
The release occurred near the center of the site and affected an area approximately 3-4 feet wide by 100 feet long.

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.

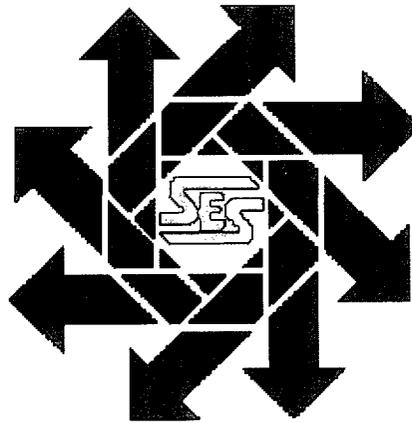
Signature: <i>Dickie Townley</i>	OIL CONSERVATION DIVISION	
Printed Name: Dickie Townley	Approved by ENV. ENGINEER: <i>Heoffenberg</i>	
Title: Manager of EHS	Approval Date: <u>02/01/2011</u>	Expiration Date: <u>—</u>
E-mail Address: Dickie.townley@hollyenergy.com	Conditions of Approval:	Attached <input type="checkbox"/>
Date: 12/29/2009 Phone: 575-748-8949		<u>IRP-02-11-2678</u>

* Attach Additional Sheets If Necessary

**Holly Energy Partners
Monument Section 35
Section 35, Township 19S, Range 37E
Lea County, New Mexico**

Closure Report

May 5, 2010



Prepared for:

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

Prepared by:

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

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I. Company Contacts

Representative	Company	Telephone	E-mail Address
Nora Vazquez	Holly Energy Partners	575-746-5475	Nora.Vazquez@hollyenergy.com
Bob Allen	SESI	575-397-0510	ballen@sesi-nm.com

II. Background

Safety & Environmental Solutions, Inc. (SESI) was contracted by Holly Energy Partners to perform assessment and cleanup services on an area identified as the Monument Section 35. The subject site is in Section 35, Township 19 South, Range 37 East, in Lea County, New Mexico.

III. Contaminant and Size of Area

The suspected contaminate is crude oil from a dead flow line in the area. Approximately five (5) barrels were released. The size of the impacted area is approximately 1,720 sq. ft. No evidence of other contaminants was observed.

IV. Surface and Ground Water

According to the database provided by the United States Geological Survey (USGS) the closest groundwater of record is in the same section, range, and township. The depth in this well is twenty-three (23) feet. The measurement was taken in March 1996. On March 2, 2010 SESI installed a temporary monitor well to determine depth of water. The depth to water was measured at thirty-six and a half (36.5) feet.

V. Soils

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

VI. Characterization

The target cleanup levels are reached by the application of the "Guidelines for Remediation of Leaks, Spills and Releases New Mexico Oil Conservation Division (NMOCD) – August 13, 1993 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:			
(Vertical distance from contaminants to seasonal high water elevation of groundwater)	Less than 50 feet	20 points	X
	50 feet to 99 feet	10 points	
	>100 feet	0 points	
Wellhead Protection Area:			
(Less than 200 feet from a private domestic water source; or less than 1000 feet from all other water sources)	Yes	20 points	
	No	0 points	X

Distance to Surface Water:			
(Horizontal distance to perennial lakes, ponds, rivers, streams, creeks, irrigation canals and ditches)	Less than 200 feet	20 points	
	200 feet to 1000 feet	10 points	
	>1000 feet	0 points	X
RANKING SCORE (TOTAL POINTS)			20

VII. Work Performed

On December 28, 2009, Safety and Environmental Solutions, Inc. was onsite to excavate release area from pipeline leak. The contaminated area was excavated between depths of five (5) feet and sixteen (16) feet below grade level (bgl). Approximately 940 yards of contaminated soils were excavated and transported to Controlled Recovery Inc. (CRI) disposal facility.

On January 6, 2010 through January 22, 2010, Safety and Environmental Solutions, Inc. obtained samples from the excavated area. Samples were transported to Cardinal Laboratories in Hobbs, NM to be analyzed for Benzene, Toluene, Ethyl Benzene, and Total Xylenes (BTEX) (EPA Method 8260 B) and Total Petroleum Hydrocarbons (TPH) (EPA Method 418.1)

The results of the analysis are as follows:

Sample Point	Benzene (mg/kg)	Toluene (mg/kg)	Ethyl Benzene (mg/kg)	Total Xylenes (mg/kg)	TPH (mg/kg)
#2 8'bgl	<0.005	<0.005	<0.005	<0.300	<100
#3 5 ½'bgl	<0.005	<0.005	<0.005	<0.300	<100
#4 4'bgl	<0.005	<0.005	<0.005	<0.300	<100
#5 9'bgl	<0.005	<0.005	<0.005	<0.300	<100
South Wall	<0.005	<0.005	<0.005	<0.300	<100
East Wall	<0.005	<0.005	<0.005	<0.300	<100

On January 26, 2010, Safety and Environmental Solutions obtained a sample from the bottom of the excavation at sixteen (16) feet below grade level. The sample was transported to Cardinal Laboratories in Hobbs, NM to be analyzed for Benzene, Toluene, Ethyl Benzene, and Total Xylenes (BTEX) (EPA Method 8260 B) and Total Petroleum Hydrocarbons (TPH) (EPA Method 418.1)

The results of the analysis are as follows:

Sample Point	Benzene (mg/kg)	Toluene (mg/kg)	Ethyl Benzene (mg/kg)	Total Xylenes (mg/kg)	GRO (mg/kg)	DRO (mg/kg)
#1 16'bgl	0.381	0.624	1.47	4.21	461	1,990

On March 3, 2010, Safety and Environmental Solutions installed a borehole southeast of excavated area. Samples were taken every five (5) feet and transported to Cardinal Laboratories in Hobbs, NM to be analyzed for Benzene, Toluene, Ethyl Benzene, and Total Xylenes (BTEX) (EPA Method 8260 B) and Total Petroleum Hydrocarbons (TPH) (EPA Method 418.1)

The results of the analysis are as follows:

Sample Point	Benzene (mg/kg)	Toluene (mg/kg)	Ethyl Benzene (mg/kg)	Total Xylenes (mg/kg)	TPH (mg/kg)
Surface #1	<0.005	<0.005	<0.005	<0.300	<100
BH #1 5'	<0.005	<0.005	<0.005	<0.300	<100
BH #1 10'	<0.005	<0.005	<0.005	<0.300	<100
BH #1 13'	<0.005	<0.005	<0.005	<0.300	<100
BH #1A 10'	<0.005	<0.005	<0.005	<0.300	<100

Since the crude oil had migrated underneath the existing production vessels onsite, Mr. Larry Johnson, with New Mexico Oil Conservation Division (NMOCD) granted approval to only excavate the accessible areas to 100 ppm TPH and transport to Controlled Recovery Inc. (CRI) for proper disposal, as well as, any contamination under the vessels is to be left in place until location is abandoned and vessels moved.

On March 8, 2010, SESI was onsite to retrieve top of water level from monitor well. The total depth of well measured 40.45 and the top of water measured 40.20. 4.50 is the measurement from surface to top of casing. 35.95 is the depth from surface to total depth of monitor well.

On April 1, 2010, Mr. Larry Johnson with New Mexico Oil Conservation Division (NMOCD) granted approval to plug and abandon the temporary monitor well. The temporary well was plugged using seven (7) bags of bentonite to surface.

On April 26-28, 2010, SESI was onsite with D&D Construction to start backfilling excavated area and approximately 972 yards of caliche from an offsite facility was used to backfill the area and contour to its natural grade.

VIII. Conclusion

Remedial actions at this site have all been performed with the approval of, and in accordance with all NMOCD requirements.

As a result, we respectfully submit this closure report for your consideration and approval.

IX. Figures & Appendices

- Figure 1 - Vicinity Map
- Figure 2 - Site Plan
- Appendix A – Analytical Results
- Appendix B – Site Photographs
- Appendix C – C-141

Figure 1
Vicinity Map

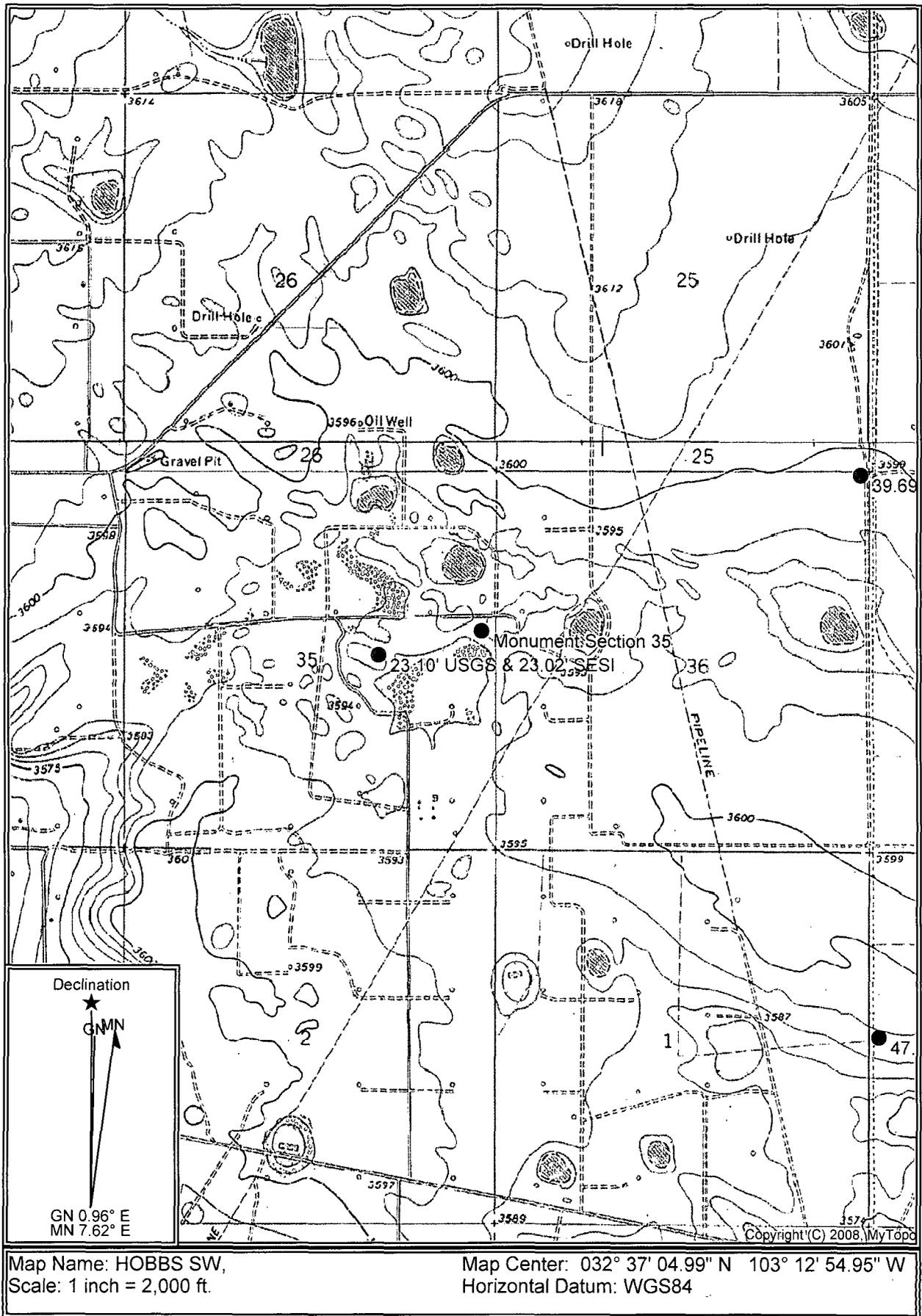


Figure 1 Vicinity Map: Monument Section 35

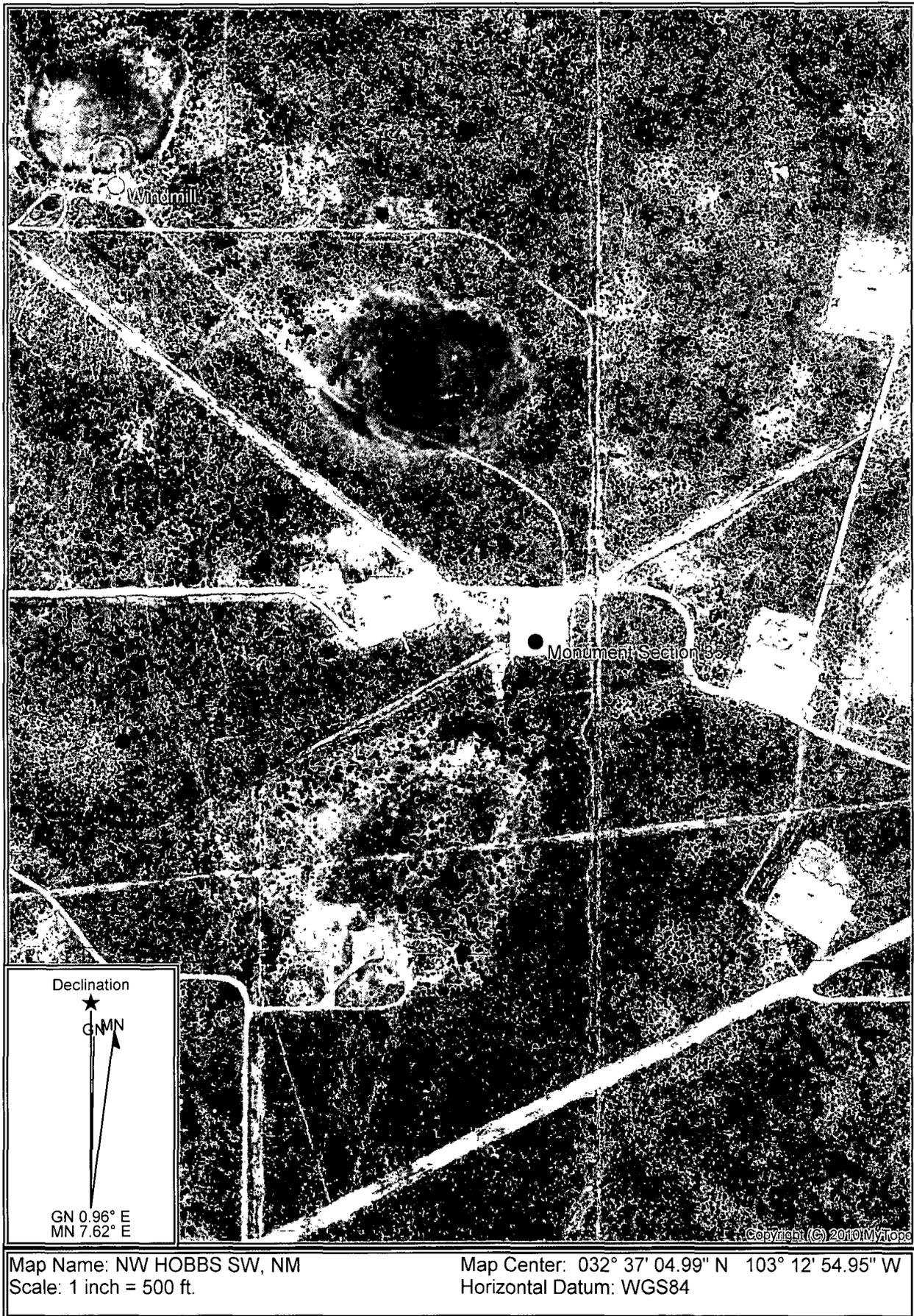
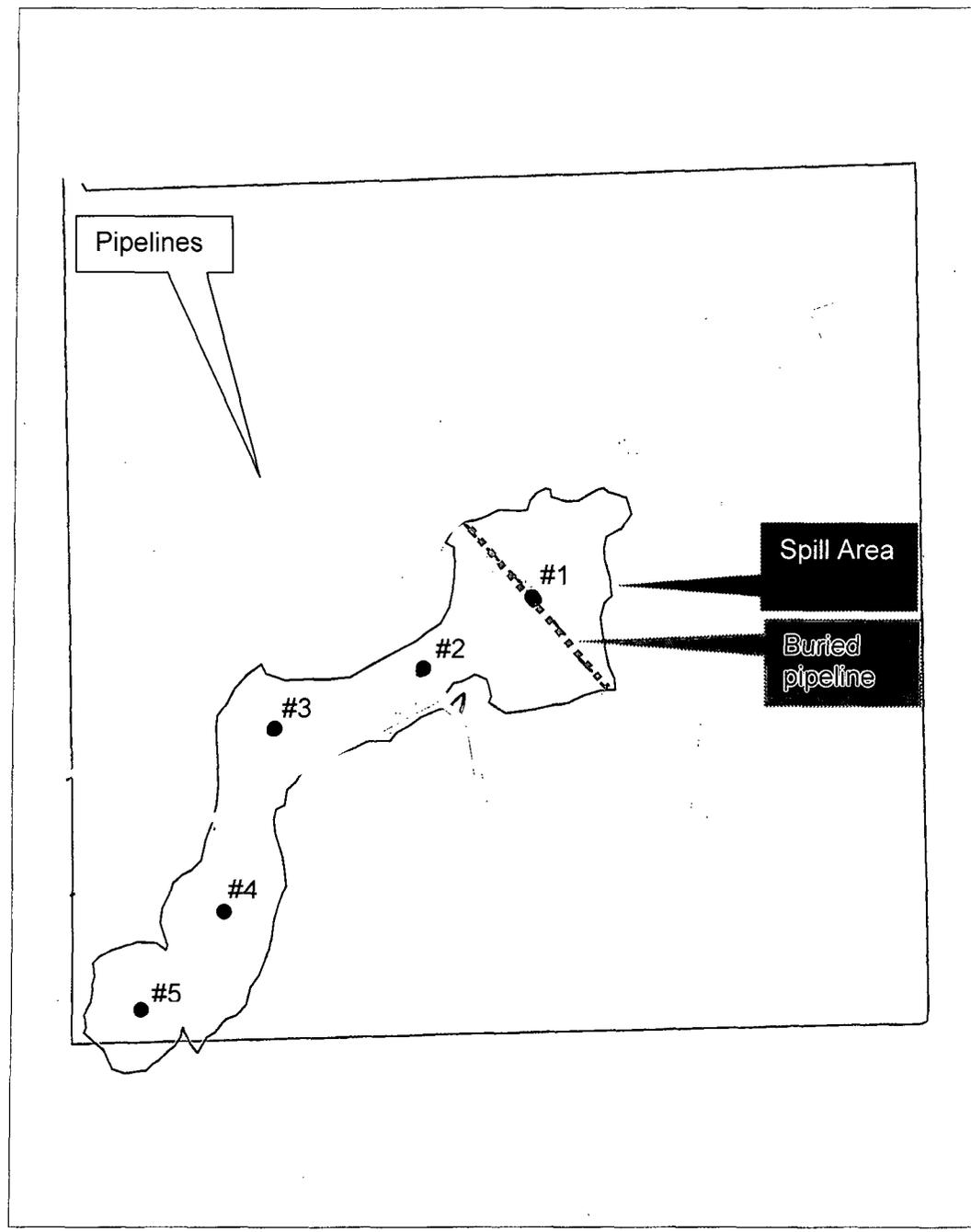


Figure 1 Vicinity Map: Monument Section 35

**Figure 2
Site Plan**



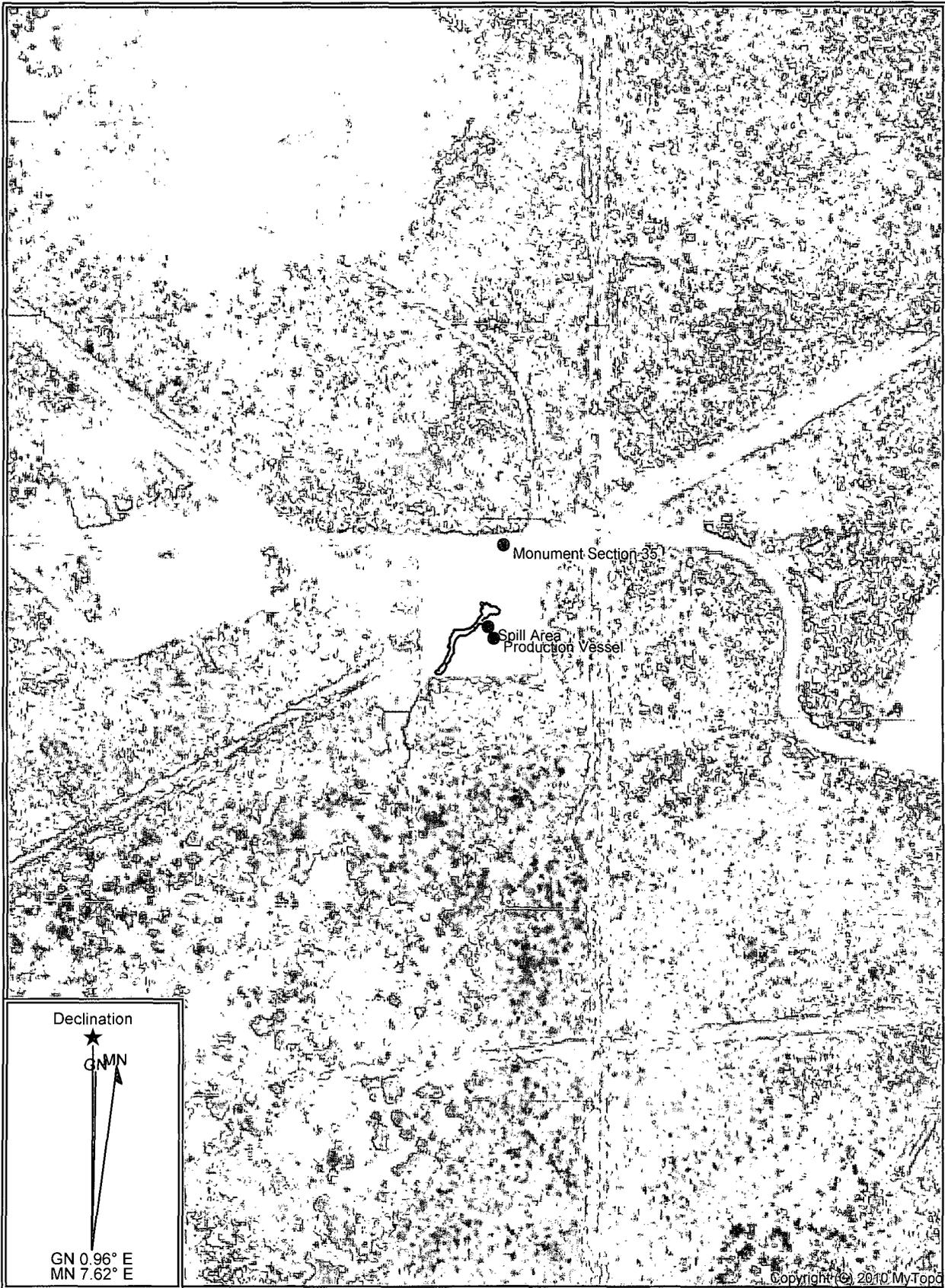
Lat/Long
WGS 1984



Scale 1:500
0 0.010
Miles

Release:
~4,485 sq ft

GPS Pathfinder® Office
 Trimble™



Map Name: NW HOBBS SW, NM
Scale: 1 inch = 250 ft.

Map Center: 032° 37' 04.44" N 103° 12' 51.78" W
Horizontal Datum: WGS84

Appendix A Analytical Results



**ARDINAL
LABORATORIES**

PHONE (575) 383-2326 • 101 E. MARLAND • HOBBS, NM 88240

January 8, 2010

Bob Allen
Safety & Environmental Solutions, Inc.
703 East Clinton, #102
Hobbs, NM 88240

Re: Monument Section 35 (HOL-09-014)

Enclosed are the results of analyses for sample number H18995, received by the laboratory on 01/06/10 at 1:20 pm.

Cardinal Laboratories is accredited through Texas NELAP for:

Method SW-846 8021	Benzene, Toluene, Ethyl Benzene, and Total Xylenes
Method SW-846 8260	Benzene, Toluene, Ethyl Benzene, and Total Xylenes
Method TX 1005	Total Petroleum Hydrocarbons

Certificate number T104704398-08-TX. Accreditation applies to solid and chemical materials and non-potable water matrices.

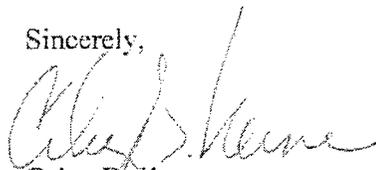
Cardinal Laboratories is accredited through the State of Colorado Department of Public Health and Environment for:

Method EPA 552.2	Haloacetic Acids (HAA-5)
Method EPA 524.2	Total Trihalomethanes (TTHM)
Method EPA 524.2	Regulated VOCs (V2, V3)

Accreditation applies to public drinking water matrices.

Total Number of Pages of Report: 4 (includes Chain of Custody)

Sincerely,



Celey D. Keene
Laboratory Director

This report conforms with NELAP requirements.



ARDINAL LABORATORIES

PHONE (575) 393-2328 • 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: 01/06/10
Reporting Date: 01/07/10
Project Number: HOLLY ENERGY (HOL-09-014)
Project Name: MONUMENT SECTION 35
Project Location: LEA COUNTY, NM

Sampling Date: 01/04/10 & 01/05/10
Sample Type: SOIL
Sample Condition: COOL & INTACT @ 4.5°C
Sample Received By: CK
Analyzed By: ZL

LAB NO.	SAMPLE ID	BENZENE (mg/kg)	TOLUENE (mg/kg)	ETHYL BENZENE (mg/kg)	TOTAL XYLENES (mg/kg)
ANALYSIS DATE:		01/06/10	01/06/10	01/06/10	01/06/10
H18995-1	#2 8'BGL	<0.050	<0.050	<0.050	<0.300
H18995-2	#5 9'BGL	<0.050	<0.050	<0.050	<0.300
H18995-3	#4 4'BGL	<0.050	<0.050	<0.050	<0.300
H18995-4	#3 5'6"BGL	<0.050	<0.050	<0.050	<0.300
Quality Control		0.047	0.046	0.048	0.138
True Value QC		0.050	0.050	0.050	0.150
% Recovery		94.0	92.0	96.0	92.0
Relative Percent Difference		2.1	2.2	2.1	2.7

METHODS: TPH GRO & DRO - EPA SW-846 8015 M; BTEX - SW-846 8021B; CI- Std. Methods 4500-CI-B

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



Lab Director



Date

H18995 BTEX SES:

PLEASE NOTE: Liability and Damages: Cardinal's liability and client's exclusive remedy for any claim arising, whether based in contract or tort, shall be limited to the amount paid by client for analyses. All claims, including those for negligence and any other cause whatsoever shall be deemed waived unless made in writing and received by Cardinal within thirty (30) days after completion of the applicable service. In no event shall Cardinal be liable for incidental or consequential damages, including without limitation, business interruptions, loss of use, or loss of profits incurred by client, its subsidiaries, affiliates or successors arising out of or related to the performance of services hereunder by Cardinal, regardless of whether such claim is based upon any of the above-stated reasons or otherwise. Results relate only to the samples identified above. This report shall not be reproduced except in full with written approval of Cardinal Laboratories.



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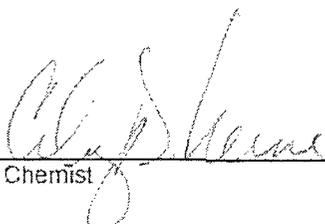
ANALYTICAL RESULTS FOR
 SAFETY & ENVIRONMENTAL SOLUTIONS, INC.
 ATTN: BOB ALLEN
 703 E. CLINTON, #102
 HOBBS, NM 88240
 FAX TO: (575) 393-4388

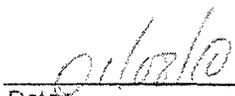
Receiving Date: 01/06/10
 Reporting Date: 01/08/10
 Project Owner: HOLLY ENERGY (HOL-09-014)
 Project Name: MONUMENT SECTION 35
 Project Location: LEA COUNTY, NM

Analysis Date: 01/07/10
 Sampling Date: 01/04/10 & 01/05/10
 Sample Type: SOIL
 Sample Condition: COOL & INTACT @ 4.5°C
 Sample Received By: CK
 Analyzed By: AB

LAB NUMBER	SAMPLE ID	418.1 TPH (mg/kg)
H18995-1	#2. 8' BGL	<100
H18995-2	#5. 9' BGL	<100
H18995-3	#4. 4' BGL	<100
H18995-4	#3. 5'6" BGL	<100
Quality Control		319
True Value QC		300
% Recovery		106
Relative Percent Difference		1.0

METHOD: EPA 418.1. Reported on wet weight.
 Not accredited for TPH 418.1


 Chemist


 Date

PLEASE NOTE: Liability and Damages. Cardinal's liability and client's exclusive remedy for any claim arising, whether based in contract or tort, shall be limited to the amount paid by client for analysis. All claims, including those for negligence, and any other cause whatsoever shall be deemed waived unless made in writing and received by Cardinal within thirty (30) days after completion of the applicable service. IN NO EVENT SHALL CARDINAL BE LIABLE FOR INCIDENTAL OR CONSEQUENTIAL DAMAGES, INCLUDING WITHOUT LIMITATION BUSINESS INTERRUPTION, LOSS OF DATA, OR LOSS OF PROFITS INCURRED BY CLIENT, ITS SUBSIDIARIES, AFFILIATES, OR SUCCESSORS ARISING OUT OF OR RELATED TO THE PERFORMANCE OF SERVICES FURNISHED BY CARDINAL, regardless of whether such claim is based upon any of the above-stated theories of liability. Request rates only to the samples identified above. This report shall not be reproduced except in full with written approval of Cardinal Laboratories.



CARDINAL LABORATORIES

101 East Marland, Hobbs, NM 88240
(505) 393-2326 Fax (505) 393-2476

CHAIN-OF-CUSTODY AND ANALYSIS REQUEST

Page ____ of ____

Company Name: Safety & Environmental Solutions, Inc.		BILL TO		ANALYSIS REQUEST											
Project Manager: Bob Allen		P.O. #:													
Address: 703 East Clinton		Company: Same													
City: Hobbs State: NM Zip: 88240		Attn:													
Phone #: 575-397-0510 Fax #: 575-393-4388		Address:													
Project #: HOL-09-014 Project Owner: Holly Energy		City:													
Project Name: Monument Section 35		State: Zip:													
Project Location: Lea County		Phone #:													
Sampler Name: Brian Cuellar		Fax #:													

FOR LAB USE ONLY		# CONTAINERS	MATRIX						PRESERV.		SAMPLING		DATE	TIME	TPH	BTEX
Lab I.D.	Sample I.D.		GROUNDWATER	WASTEWATER	SOIL	OIL	SLUDGE	OTHER	ACID/BASE	ICE/COOL	OTHER					
1118995-																
	1 #2. 8' bgl	4			X				X			1/4/10	1106	X	X	X
	2 #5. 9' bgl	GI			X				X			1/5/10	0814	X	X	X
	3 #4. 4' bgl	GI			X				X			1/5/10	0830	X	X	X
	4 #B. 5' bgl	GI			X				X			1/5/10	1022	X	X	X

Cardinal Laboratories, Cardinal's liability and client's exclusive remedy for any claim arising whether based in contract or tort, shall be limited to the amount paid by the client for the analysis. All claims, including those for negligence and any other cause whatsoever shall be deemed waived unless made in writing and received by Cardinal within 30 days after completion of the applicable analysis. In no event shall Cardinal be liable for incidental or consequential damages, including without limitation, business interruptions, loss of use, or loss of profits incurred by client, its subsidiaries, affiliates or licensees arising out of or related to the performance of services hereunder by Cardinal, regardless of whether such claims are based upon any of the above stated reasons or otherwise.

Terms and Conditions: Interest will be charged on all non-paid bills from 30 days past due at the rate of 24% per annum from the original date of invoice and all costs of collections, including attorney's fees.

Sampler Relinquished By: <i>Brian Cuellar</i>		Date: 1/16/10	Received By: <i>W. Keene</i>		Phone Result: <input type="checkbox"/> Yes <input type="checkbox"/> No	Add'l Phone #:
Relinquished By:		Time: 1320	Received By:		Fax Result: <input type="checkbox"/> Yes <input type="checkbox"/> No	Add'l Fax #:
Delivered By: (Circle One) Sampler - UPS - Bus - Other:		Date:	Temp. 45°C		REMARKS:	
		Time:	Sample Condition Cool/Intact <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No <input type="checkbox"/> Yes <input type="checkbox"/> No		CHECKED BY: (Initials) <i>CDK</i>	

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

#26



ARDINAL LABORATORIES

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

January 27, 2010

Bob Allen
Safety & Environmental Solutions, Inc.
705 East Clinton, #102
Hobbs, NM 88240

Re: Monument Section 35 (HOL-09-014)

Enclosed are the results of analyses for sample number H19125, received by the laboratory on 01/22/10 at 1:35 pm.

Cardinal Laboratories is accredited through Texas NELAP for:

Method SW-846 8021	Benzene, Toluene, Ethyl Benzene, and Total Xylenes
Method SW-846 8260	Benzene, Toluene, Ethyl Benzene, and Total Xylenes
Method TX 1005	Total Petroleum Hydrocarbons

Certificate number T104704398-08-TX. Accreditation applies to solid and chemical materials and non-potable water matrices.

Cardinal Laboratories is accredited through the State of Colorado Department of Public Health and Environment for:

Method EPA 552.2	Haloacetic Acids (HAA-5)
Method EPA 524.2	Total Trihalomethanes (TTHM)
Method EPA 524.2	Regulated VOCs (V2, V3)

Accreditation applies to public drinking water matrices.

Total Number of Pages of Report: 4 (includes Chain of Custody)

Sincerely,

Celey D. Keene
Laboratory Director

This report conforms with NELAP requirements.



**ARDINAL
LABORATORIES**

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

February 2, 2010

Bob Allen
Safety & Environmental Solutions, Inc.
703 East Clinton, #102
Hobbs, NM 88240

Re: Monument Section 35 (HOL-09-014)

Enclosed are the results of analyses for sample number H19145, received by the laboratory on 01/26/10 at 11:40 am.

Cardinal Laboratories is accredited through Texas NELAP for:

Method SW-846 8021	Benzene, Toluene, Ethyl Benzene, and Total Xylenes
Method SW-846 8260	Benzene, Toluene, Ethyl Benzene, and Total Xylenes
Method TX 1005	Total Petroleum Hydrocarbons

Certificate number T104704398-08-TX. Accreditation applies to solid and chemical materials and non-potable water matrices.

Cardinal Laboratories is accredited through the State of Colorado Department of Public Health and Environment for:

Method EPA 552.2	Haloacetic Acids (HAA-5)
Method EPA 524.2	Total Trihalomethanes (TTHM)
Method EPA 524.2	Regulated VOCs (V2, V3)

Accreditation applies to public drinking water matrices.

Total Number of Pages of Report: 4 (includes Chain of Custody)

Sincerely,

Celey D. Keene
Laboratory Director



**ARDINAL
LABORATORIES**

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

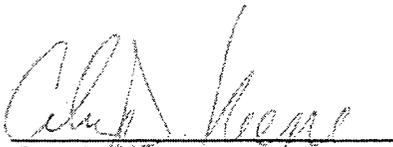
Receiving Date: 01/26/10
Reporting Date: 02/01/10
Project Owner: HOLLY ENERGY (HOL-09-014)
Project Name: MONUMENT SECTION 35
Project Location: LEA COUNTY, NM

Sampling Date: 01/20/10
Sample Type: SOIL
Sample Condition: COOL & INTACT @ 2 °C
Sample Received By: JH
Analyzed By: AB

LAB NUMBER	SAMPLE ID	GRO (C ₆ -C ₁₀) (mg/kg)	DRO (>C ₁₀ -C ₂₈) (mg/kg)
ANALYSIS DATE:		01/30/10	01/30/10
H19145-1	#1 16' BGL	461	1,990
Quality Control		548	492
True Value QC		500	500
% Recovery		110	98.4
Relative Percent Difference		5.9	1.7

METHOD: SW-846 8015 M. Reported on wet weight.

Not accredited for GRO/DRO.


Chemist


Date

H19145 TPH8015 SESI

PLEASE NOTE: Liability and Damages. Cardinal's liability and client's exclusive remedy for any claim arising, whether based in contract or tort, shall be limited to the amount paid by client for analyses. All claims, including those for negligence and any other cause whatsoever shall be deemed waived unless made in writing and received by Cardinal within thirty (30) days after completion of the applicable service. In no event shall Cardinal be liable for consequential damage, including, without limitation, business interruption, loss of use, or loss of profits, incurred by client, its subsidiaries, affiliates or successors arising out of or related to the performance of services rendered by Cardinal, regardless of whether such claim is based upon any of the above-stated reasons or otherwise. Results reliable only to the standards identified above. This report shall not be reproduced, except in full with written approval of Cardinal Laboratories.



CARDINAL LABORATORIES

101 East Marland, Hobbs, NM 88240

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

Company Name: <u>Safety & Environmental Sol.</u>		BILL TO		ANALYSIS REQUEST											
Project Manager: <u>Bob Allen</u>		P.O. #:													
Address: <u>703 E. Clinton</u>		Company: <u>SAME</u>													
City: <u>Hobbs</u> State: <u>NM</u> Zip: <u>88240</u>		Attn:													
Phone #: <u>575-397-0510</u> Fax #: <u>575-393-4388</u>		Address:													
Project #: <u>146-09-014</u> Project Owner: <u>Holly Energy</u>		City:													
Project Name: <u>Monument Section 35</u>		State: Zip:													
Project Location: <u>Lea County, NM</u>		Phone #:													
Sampler Name: <u>Brian Carter</u>		Fax #:													

FOR LAB USE ONLY		MATRIX	PRESERV	SAMPLING		TPH 8015	BTEX
Lab I.D.	Sample I.D.			DATE	TIME		
<u>NR/43-1</u>	<u>#1 - 16' bgl</u>	GROUNDWATER WASTEWATER SOIL OIL SLUDGE OTHER:	ACID/BASE ICE / COOL OTHER:	<u>1/26/10</u>	<u>1023</u>	<u>X</u>	<u>X</u>

DISCLAIMER: Liability and Damages: Cardinal's liability and clients exclusive remedy for any claim arising whether based in contract or tort, shall be limited to the amount paid by the client for the analysis. All claims, including those for negligence and any other cause whatsoever shall be deemed waived unless made in writing and received by Cardinal within 90 days after completion of the applicable analysis. In no event shall Cardinal be liable for incidental or consequential damages, including without limitation, business interruptions, loss of use, or loss of profits incurred by client, its subsidiaries, affiliates or successors arising out of or related to the performance of services furnished by Cardinal, regardless of whether such claim is based upon any of the above stated reasons or otherwise.

Sampler Relinquished By: <u>[Signature]</u> Date: <u>1/26/10</u> Time: <u>11:40</u>	Received By: <u>[Signature]</u>	Phone Result: <input type="checkbox"/> No Add'l Phone #: Fax Result: <input type="checkbox"/> No Add'l Fax #: REMARKS:
Relinquished By: Date: <u>1/26/10</u> Time: <u>11:40</u>	Received By: <u>[Signature]</u>	
Delivered By: (Circle One) Sampler - UPS - Bus - Other:	Temp: <u>2°C</u> Sample Condition: Cool Intact <input checked="" type="checkbox"/> Yes <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> No	CHECKED BY: <u>[Signature]</u>

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

#26



**ARDINAL
LABORATORIES**

PHONE (575) 395-2326 • 101 E. MARLAND • HOBBS, NM 88240

March 8, 2010

Bob Allen
Safety & Environmental Solutions, Inc.
703 East Clinton, #102
Hobbs, NM 88240

Re: Monument Section 35 (HOL-09-014)

Enclosed are the results of analyses for sample number H19373, received by the laboratory on 03/03/10 at 4:35 pm.

Cardinal Laboratories is accredited through Texas NELAP for:

Method SW-846 8021	Benzene, Toluene, Ethyl Benzene, and Total Xylenes
Method SW-846 8260	Benzene, Toluene, Ethyl Benzene, and Total Xylenes
Method TX 1005	Total Petroleum Hydrocarbons

Certificate number T104704398-08-TX. Accreditation applies to solid and chemical materials and non-potable water matrices.

Cardinal Laboratories is accredited through the State of Colorado Department of Public Health and Environment for:

Method EPA 552.2	Haloacetic Acids (HAA-5)
Method EPA 524.2	Total Trihalomethanes (TTHM)
Method EPA 524.2	Regulated VOCs (V2, V3)

Accreditation applies to public drinking water matrices.

Total Number of Pages of Report: 3 (includes Chain of Custody)

Sincerely,


Celey D. Keene
Laboratory Director

This report conforms with NELAP requirements.



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: 03/03/10
 Reporting Date: 03/08/10
 Project Owner: HOLLY (HOL-09-014)
 Project Name: MONUMENT SECTION 35
 Project Location: MONUMENT, NM

Sampling Date: 03/03/10
 Sample Type: SOIL
 Sample Condition: COOL & INTACT @ 1°C
 Sample Received By: JH
 Analyzed By: AB/ZL

LAB NO.	SAMPLE ID	418.1 TPH (mg/kg)	BENZENE (mg/kg)	TOLUENE (mg/kg)	ETHYL BENZENE (mg/kg)	TOTAL XYLENES (mg/kg)
---------	-----------	-------------------------	--------------------	--------------------	-----------------------------	-----------------------------

ANALYSIS DATE:		03/04/10	03/05/10	03/05/10	03/05/10	03/05/10
H19373-1	SURFACE SAMPLE #1	<100	<0.050	<0.050	<0.050	<0.300
H19373-2	BH#1 SAMPLE #2 5'	<100	<0.050	<0.050	<0.050	<0.300
H19373-3	BH#1 SAMPLE #3 10'	<100	<0.050	0.079	0.085	<0.300
H19373-4	BH#1 SAMPLE #4 13'	<100	<0.050	0.054	0.066	<0.300
H19373-5	BH#1A-10'	<100	<0.050	0.064	0.127	<0.300
Quality Control		310	0.050	0.047	0.044	0.131
True Value QC		300	0.050	0.050	0.050	0.150
% Recovery		103	100	94.0	88.0	87.3
Relative Percent Difference		1.4	1.0	4.5	4.5	5.2

METHODS: TPH - EPA 418.1; BTEX - EPA SW-846-8021

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

Not accredited for 418.1 TPH. Reported on wet weight.

Chris Keene
 Chemist

03/08/10
 Date

PLEASE NOTE: Liability and Damages. Cardinal's liability and client's exclusive remedy for any claim arising, whether based in contract or tort, shall be limited to the amount paid by client for analysis. All claims, including those for negligence and any other cause whatsoever shall be deemed waived unless made in writing and received by Cardinal within thirty (30) days after completion of the applicable service. ~~11400-258-01-418.1-03-03~~ incidental or consequential damages, including without limitation, business interruptions, loss of use or loss of profit, incurred by client, its subsidiaries, affiliates, or successors arising out of or related to the performance of services rendered by Cardinal, regardless of whether such claim is based upon any of the above-stated reasons, or otherwise. Results apply only to the samples identified above. This report shall not be reproduced except in its written approval of Cardinal Laboratories.



CARDINAL LABORATORIES, INC.

2111 Beechwood, Abilene, TX 79603 401 East Marland, Hobbs, NM 88240
 (915) 873-7001 Fax (915) 873-7020 (505) 393-2326 Fax (505) 393-2476

CHAIN-OF-CUSTODY AND ANALYSIS REQUEST

Page of

Company Name: SEST
 Project Manager:
 Address: 703 E. CLINTON, #103
 City: HOBBS State: NM Zip: 88240
 Phone #: (505) 397-0510
 Fax #: (505) 393-4388
 Project #: 401-09-014 Project Owner: Hally
 Project Name: Manure Section 35
 Project Location: Manure

BILL TO PO #:
 Company: SAMR
 Attn:
 Address:
 City:
 State: Zip:
 Phone #:
 Fax #:

ANALYSIS REQUEST																						
LAB I.D.	Sample I.D.	(GRAS OR COMPOUND)	# CONTAINERS	GROUNDWATER	WASTEWATER	SOIL	OIL	SLUDGE	OTHER:	PRES. ACID	ICE/COOL	OTHER:	DATE	TIME								
1114373-1	Surface Sample #1		6			✓				✓			3/3/10	0840	✓							
-2	BA #1 Sample #25													0905								
-3	BA #1 Sample #3 10'													0920								
-4	BA #1 Sample #4 15'													0930								
-5	BA #1A 10'													1405								

TPH 418.1
BTEX

PLEASE NOTE: Liability and Damages. Cardinal's liability and other available remedy for any claim arising whether based in contract or tort, shall be limited to the amount paid by the client for the analysis. It shall include those for negligence and any other cause whatsoever that be deemed a valid defense made by settling and received by Cardinal within 90 days after completion of the analytical report. We warrant that Cardinal is fully liable for incidental or consequential damages, including without limitation, business interruptions, loss of data, or loss of profits incurred by client, its subsidiaries, affiliates or successors arising out of or related to the performance of services rendered by Cardinal, regardless of whether such claim is based upon any of the above stated provisions or otherwise.

Sampler/Relinquished: [Signature] Date: 3-3-10 Time: 4:25
 Relinquished BY: [Signature] Date: 3/3/10 Time: 16:35
 Received By: [Signature]
 Received By: (Lab Staff) Jodi Hanson
 Delivered By: (Circle One) UPS
 Sampler - UPS - Bus - Other:
 (Sample Condition) Cool Intact (Initials) JH
 Yes No
 Yes No
 Phone Result: Yes No Additional Fax #:
 Fax Result: Yes No
 REMARKS:

† Cardinal cannot accept verbal changes. Please fax written changes to 915-873-7020.



September 28, 2010

Bob Allen
Safety & Environmental Solutions
703 East Clinton
Hobbs, NM 88240

RE: HOL-10-002

Enclosed are the results of analyses for samples received by the laboratory on 09/08/10 16:15.

Cardinal Laboratories is accredited through Texas NELAP for:

Method SW-846 8021	Benzene, Toluene, Ethyl Benzene, and Total Xylenes
Method SW-846 8260	Benzene, Toluene, Ethyl Benzene, and Total Xylenes
Method TX 1005	Total Petroleum Hydrocarbons

Certificate number T104704398-08-TX. Accreditation applies to solid and chemical materials and non-potable water matrices.

Cardinal Laboratories is accredited through the State of Colorado Department of Public Health and Environment for:

Method EPA 552.2	Haloacetic Acids (HAA-5)
Method EPA 524.2	Total Trihalomethanes (TTHM)
Method EPA 524.4	Regulated VOCs (V2, V3)

Accreditation applies to public drinking water matrices.

This report meets NELAP requirements and is made up of a cover page, analytical results, and a copy of the original chain-of-custody. If you have any questions concerning this report, please feel free to contact me.

Sincerely,

A handwritten signature in cursive script that reads "Celey D. Keene".

Celey D. Keene
Lab Director/Quality Manager

Analytical Results For:

Safety & Environmental Solutions
 Bob Allen
 703 East Clinton
 Hobbs NM, 88240
 Fax To: (575) 393-4388

Received: 09/08/2010
 Reported: 09/28/2010
 Project Name: HOL-10-002
 Project Number: NONE GIVEN
 Project Location: MONUMENT, NM

Sampling Date: 09/07/2010
 Sampling Type: Soil
 Sampling Condition: ** (See Notes)
 Sample Received By: Hope S. Moreno

Sample ID: SPOILS PILE (H020816-01)

BTEX 8021B		mg/kg		Analyzed By: CK						
Analyte	Result	Reporting Limit	Analyzed	Method Blank	BS	% Recovery	True Value QC	RPD	Qualifier	
Benzene*	<0.050	0.050	09/13/2010	ND	2150	85.9	2500	2.16		
Toluene*	<0.050	0.050	09/13/2010	ND	2000	79.9	2500	2.19		
Ethylbenzene*	<0.050	0.050	09/13/2010	ND	2090	83.5	2500	2.15		
Total Xylenes*	<0.150	0.150	09/13/2010	ND	6080	81.1	7500	2.55		

Surrogate: 4-Bromofluorobenzene (PIL) 102 % 80-120

Ignitability		°F		Analyzed By: AB						
Analyte	Result	Reporting Limit	Analyzed	Method Blank	BS	% Recovery	True Value QC	RPD	Qualifier	
Ignitability	>140		09/20/2010		76.0	98.7	77.0			

pH		pH Units		Analyzed By: HM						
Analyte	Result	Reporting Limit	Analyzed	Method Blank	BS	% Recovery	True Value QC	RPD	Qualifier	
pH	8.16	0.100	09/15/2010		6.98	99.7	7.00	0.130		

Reactive Cyanide		mg/L		Analyzed By: HM						
Analyte	Result	Reporting Limit	Analyzed	Method Blank	BS	% Recovery	True Value QC	RPD	Qualifier	
Reactive Cyanide	<0.100	0.100	09/20/2010	ND						

Reactive Sulfide		mg/L		Analyzed By: HM						
Analyte	Result	Reporting Limit	Analyzed	Method Blank	BS	% Recovery	True Value QC	RPD	Qualifier	
Reactive Sulfide	<0.0100	0.0100	09/20/2010	ND						

Semi-volatile TCLP 1311/8270C		mg/L		Analyzed By: AB/						
Analyte	Result	Reporting Limit	Analyzed	Method Blank	BS	% Recovery	True Value QC	RPD	Qualifier	
Pyridine	<0.001	0.001	09/27/2010	ND	0.001	10.2	0.0100	7.55		
1,4-Dichlorobenzene	<0.001	0.001	09/27/2010	ND	0.005	48.1	0.0100	2.95		

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Celey D. Keene, Lab Director/Quality Manager

Analytical Results For:

Safety & Environmental Solutions
 Bob Allen
 703 East Clinton
 Hobbs NM, 88240
 Fax To: (575) 393-4388

Received: 09/08/2010
 Reported: 09/28/2010
 Project Name: HOL-10-002
 Project Number: NONE GIVEN
 Project Location: MONUMENT, NM

Sampling Date: 09/07/2010
 Sampling Type: Soil
 Sampling Condition: ** (See Notes)
 Sample Received By: Hope S. Moreno

Sample ID: SPOILS PILE (H020816-01)

Semi-volatile TCLP 1311/8270C		mg/L		Analyzed By: AB/					
Analyte	Result	Reporting Limit	Analyzed	Method Blank	BS	% Recovery	True Value QC	RPD	Qualifier
2-Methylphenol	<0.001	0.001	09/27/2010	ND	0.006	58.0	0.0100	3.06	
4-Methylphenol	<0.001	0.001	09/27/2010	ND	0.004	36.7	0.0100	8.36	
Hexachloroethane	<0.001	0.001	09/27/2010	ND	0.005	49.2	0.0100	2.21	
Nitrobenzene	<0.001	0.001	09/27/2010	ND	0.009	86.3	0.0100	1.84	
Hexachlorobutadiene	<0.001	0.001	09/27/2010	ND	0.005	51.7	0.0100	5.16	
2,4,6-Trichlorophenol	<0.001	0.001	09/27/2010	ND	0.011	111	0.0100	0.0898	
2,4,5-Trichlorophenol	<0.001	0.001	09/27/2010	ND	0.011	108	0.0100	2.10	
2,4-Dinitrotoluene	<0.001	0.001	09/27/2010	ND	0.005	53.9	0.0100	7.11	
Hexachlorobenzene	<0.001	0.001	09/27/2010	ND	0.007	71.9	0.0100	11.0	
Pentachlorophenol	<0.001	0.001	09/27/2010	ND	0.009	91.9	0.0100	1.87	

Surrogate: 2-Fluorophenol 37.3 % 21-100
 Surrogate: Phenol-d5 31.5 % 10-94
 Surrogate: Nitrobenzene-d5 107 % 35-114
 Surrogate: 2-Fluorobiphenyl 104 % 43-116
 Surrogate: 2,4,6-Tribromophenol 54.8 % 10-123
 Surrogate: Terphenyl-d14 38.5 % 33-141

TCLP Arsenic		mg/L		Analyzed By: CK					
Analyte	Result	Reporting Limit	Analyzed	Method Blank	BS	% Recovery	True Value QC	RPD	Qualifier
Arsenic	0.10	0.10	09/22/2010	ND	4.09	102	4.00	3.13	GAL

TCLP Barium		mg/L		Analyzed By: CK					
Analyte	Result	Reporting Limit	Analyzed	Method Blank	BS	% Recovery	True Value QC	RPD	Qualifier

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Celest D. Keene, Lab Director/Quality Manager

Analytical Results For:

Safety & Environmental Solutions
 Bob Allen
 703 East Clinton
 Hobbs NM, 88240
 Fax To: (575) 393-4388

Received: 09/08/2010
 Reported: 09/28/2010
 Project Name: HOL-10-002
 Project Number: NONE GIVEN
 Project Location: MONUMENT, NM

Sampling Date: 09/07/2010
 Sampling Type: Soil
 Sampling Condition: ** (See Notes)
 Sample Received By: Hope S. Moreno

Sample ID: SPOILS PILE (H020816-01)

TCLP Barium		mg/L		Analyzed By: CK						
Analyte	Result	Reporting Limit	Analyzed	Method Blank	BS	% Recovery	True Value QC	RPD	Qualifier	
Barium	0.66	0.01	09/22/2010	ND	1.99	99.5	2.00	1.99	GAL	
TCLP Cadmium		mg/L		Analyzed By: CK						
Analyte	Result	Reporting Limit	Analyzed	Method Blank	BS	% Recovery	True Value QC	RPD	Qualifier	
Cadmium	<0.01	0.01	09/22/2010	ND	1.98	99.0	2.00	2.00	GAL	
TCLP Chromium		mg/L		Analyzed By: CK						
Analyte	Result	Reporting Limit	Analyzed	Method Blank	BS	% Recovery	True Value QC	RPD	Qualifier	
Chromium	<0.01	0.01	09/22/2010	ND	1.05	105	1.00	2.82	GAL	
TCLP Lead		mg/L		Analyzed By: CK						
Analyte	Result	Reporting Limit	Analyzed	Method Blank	BS	% Recovery	True Value QC	RPD	Qualifier	
Lead	<0.05	0.05	09/22/2010	ND	4.18	104	4.00	2.13	GAL	
TCLP Mercury		mg/L		Analyzed By: CK						
Analyte	Result	Reporting Limit	Analyzed	Method Blank	BS	% Recovery	True Value QC	RPD	Qualifier	
Mercury	<0.0002	0.0002	09/22/2010	ND	0.0022	110	0.00200	0.00	GAL	
TCLP Selenium		mg/L		Analyzed By: CK						
Analyte	Result	Reporting Limit	Analyzed	Method Blank	BS	% Recovery	True Value QC	RPD	Qualifier	
Selenium	<0.20	0.20	09/22/2010	ND	4.02	100	4.00	2.21	GAL	
TCLP Silver		mg/L		Analyzed By: CK						
Analyte	Result	Reporting Limit	Analyzed	Method Blank	BS	% Recovery	True Value QC	RPD	Qualifier	
Silver	<0.0100	0.0100	09/22/2010	ND	0.0500	100	0.0500	1.98	GAL	
TCLP Volatile 1311/8260		mg/L		Analyzed By: CMS						
Analyte	Result	Reporting Limit	Analyzed	Method Blank	BS	% Recovery	True Value QC	RPD	Qualifier	

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Celey D. Keene, Lab Director/Quality Manager

Analytical Results For:

Safety & Environmental Solutions
 Bob Allen
 703 East Clinton
 Hobbs NM, 88240
 Fax To: (575) 393-4388

Received: 09/08/2010
 Reported: 09/28/2010
 Project Name: HOL-10-002
 Project Number: NONE GIVEN
 Project Location: MONUMENT, NM

Sampling Date: 09/07/2010
 Sampling Type: Soil
 Sampling Condition: ** (See Notes)
 Sample Received By: Hope S. Moreno

Sample ID: SPOILS PILE (H020816-01)

TCLP Volatile 1311/8260

mg/L

Analyzed By: CMS

Analyte	Result	Reporting Limit	Analyzed	Method Blank	BS	% Recovery	True Value QC	RPD	Qualifier
Vinyl chloride	<0.002	0.002	09/16/2010	ND	0.018	92.3	0.0200	6.09	
2-Butanone	0.016	0.002	09/16/2010	0.010	0.458	114	0.400	9.14	
1,1-Dichloroethene	<0.002	0.002	09/16/2010	ND	0.022	111	0.0200	0.766	
Chloroform	<0.002	0.002	09/16/2010	ND	0.021	104	0.0200	1.01	
Carbon tetrachloride	<0.002	0.002	09/16/2010	ND	0.022	109	0.0200	1.34	
Benzene	<0.002	0.002	09/16/2010	ND	0.020	99.7	0.0200	0.350	
1,2-Dichloroethane	<0.002	0.002	09/16/2010	ND	0.022	111	0.0200	3.80	
Trichloroethene	<0.002	0.002	09/16/2010	ND	0.021	104	0.0200	2.74	
Tetrachloroethene	<0.002	0.002	09/16/2010	ND	0.019	92.6	0.0200	0.860	
Chlorobenzene	<0.002	0.002	09/16/2010	ND	0.020	102	0.0200	0.294	
1,4 Dichlorobenzene	<0.002	0.002	09/16/2010	ND	0.022	111	0.0200	1.50	

Surrogate: Dibromofluoromethane 108 % 80-120
 Surrogate: Toluene-d8 97.3 % 80-120
 Surrogate: 4-Bromofluorobenzene 92.3 % 80-120

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Celey D. Keene, Lab Director/Quality Manager

Notes and Definitions

Z-01	>140
GAL	Analysis subcontracted to Green Analytical Laboratories, a subsidiary of Cardinal Laboratories.
B	Analyte is found in the associated blank as well as in the sample (CLP B-flag).
ND	Analyte NOT DETECTED at or above the reporting limit
RPD	Relative Percent Difference
**	Samples not received at proper temperature of 6°C or below.
***	Insufficient time to reach temperature.
-	Chloride by SM4500CI-B does not require samples be received at or below 6°C Samples reported on an as received basis (wet) unless otherwise noted on report

Cardinal Laboratories

*=Accredited Analyte

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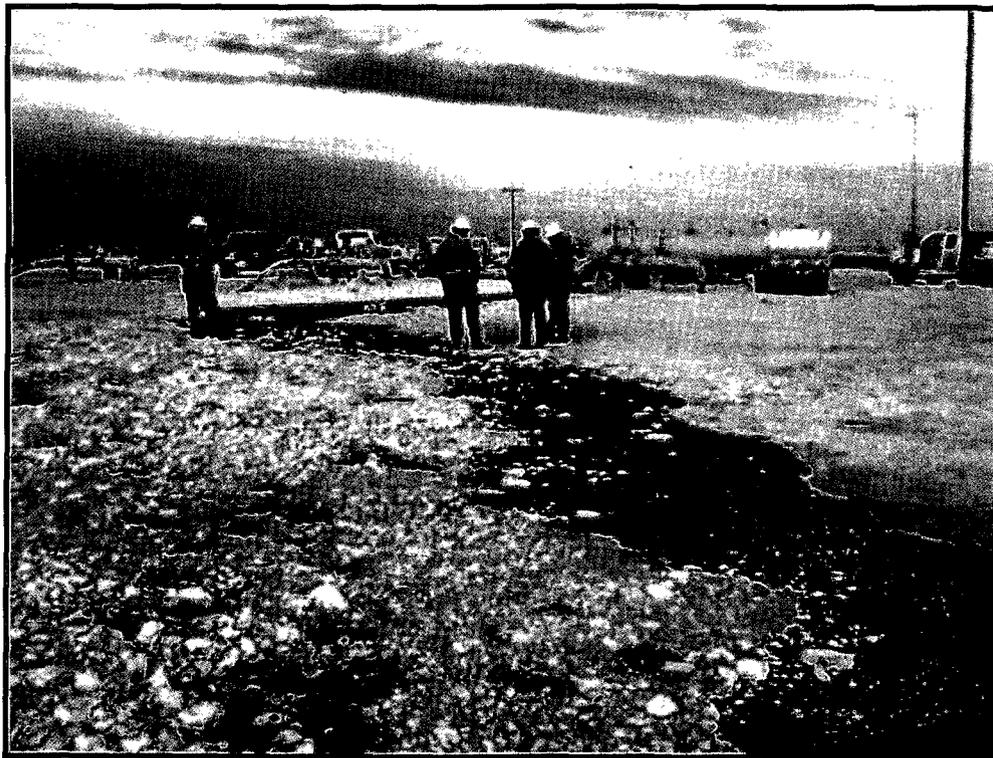
Celey D. Keene, Lab Director/Quality Manager

Appendix B Site Photographs

Site Photographs December 28, 2009



Release Area facing east



Release Area facing northeast



Release Area facing east



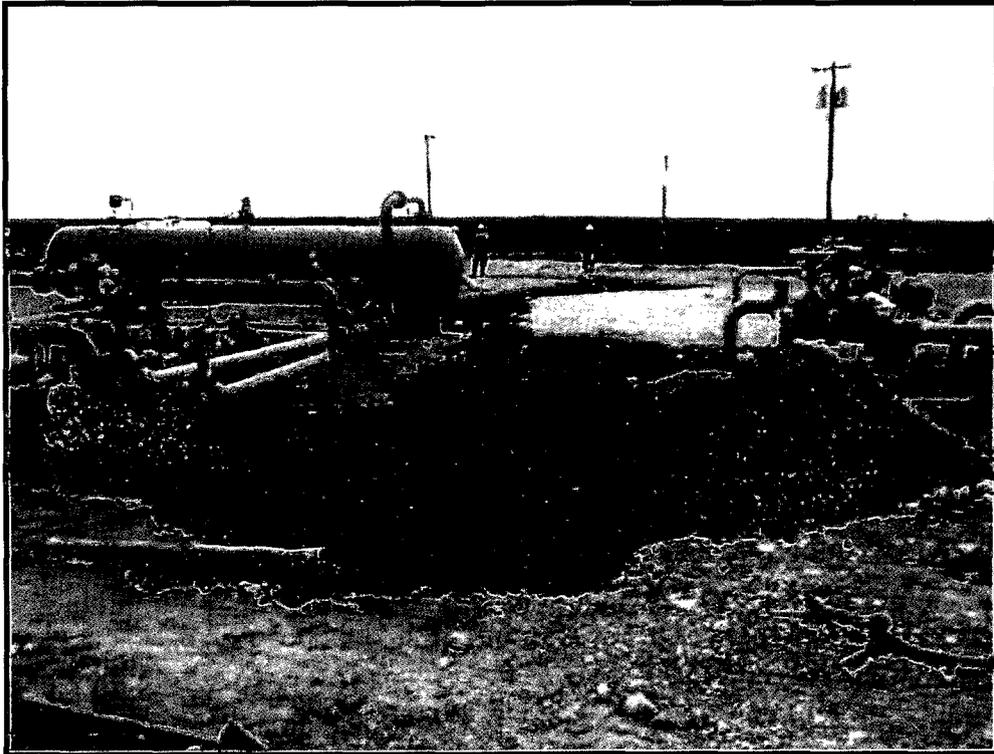
Release Area facing east



Release Area facing east



Release Area facing southeast



Release Area facing west



Excavated Area facing northwest

Monument Section 35 – 12/30/09



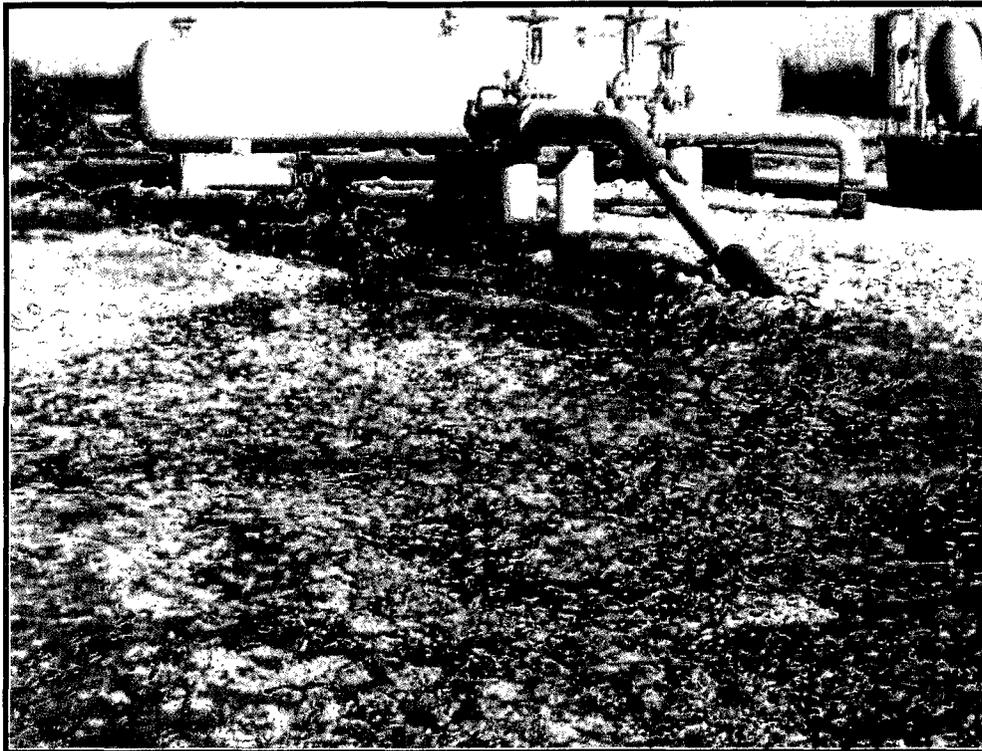
Southwest end of spill area



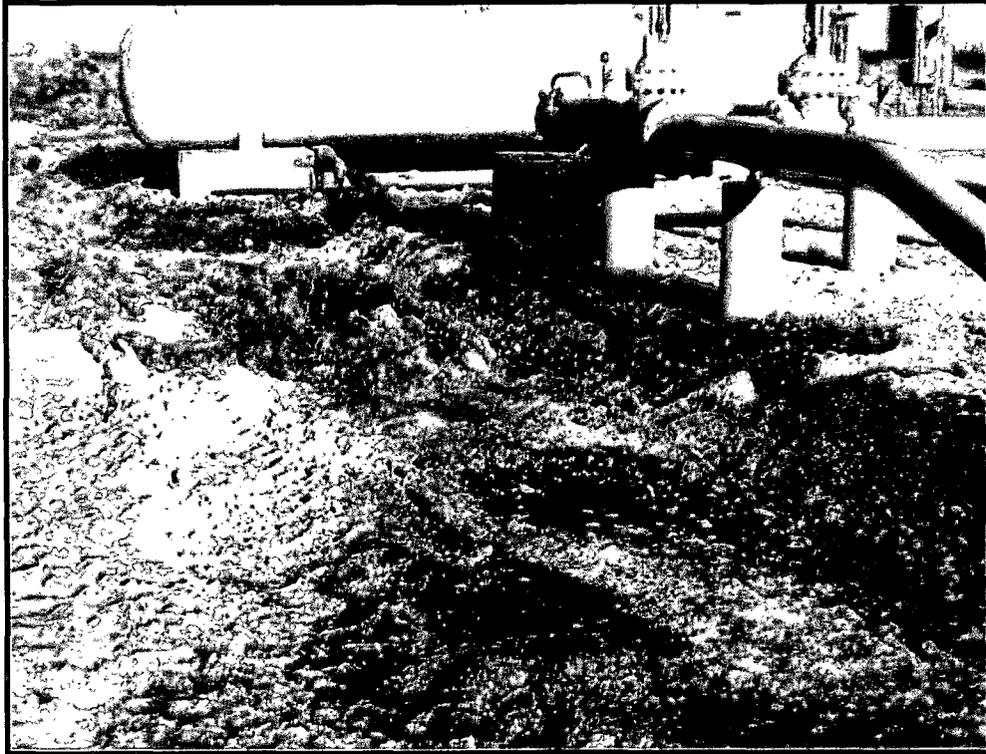
Southwest end of spill area facing east



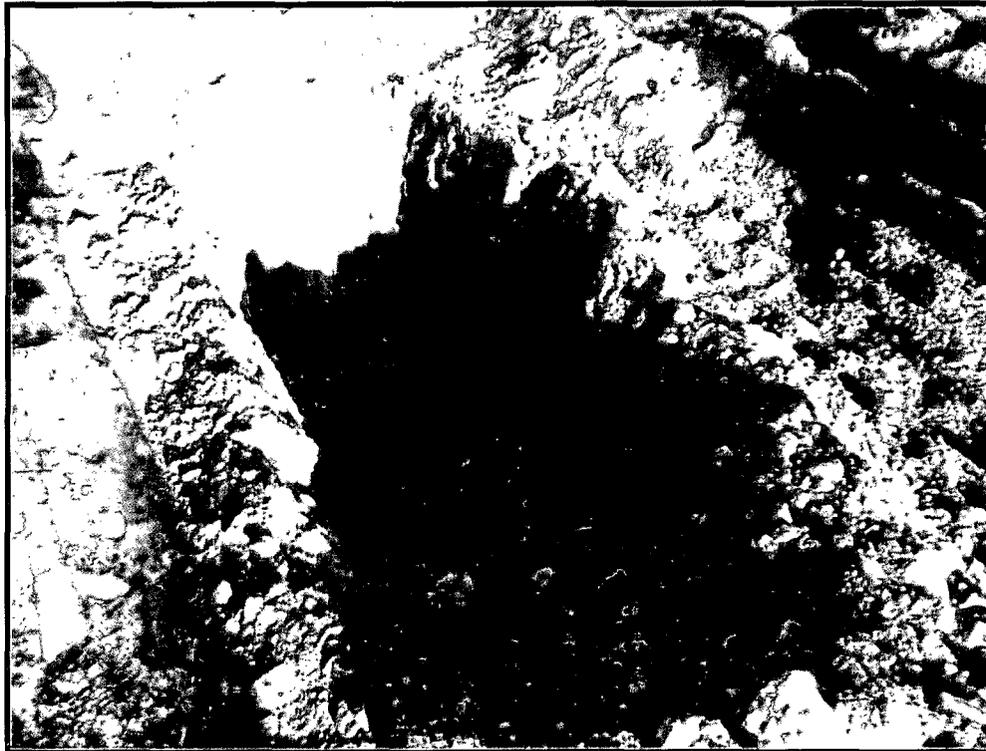
Spill area facing northeast



Spill area facing east



Spill area facing east



Test Trench #2



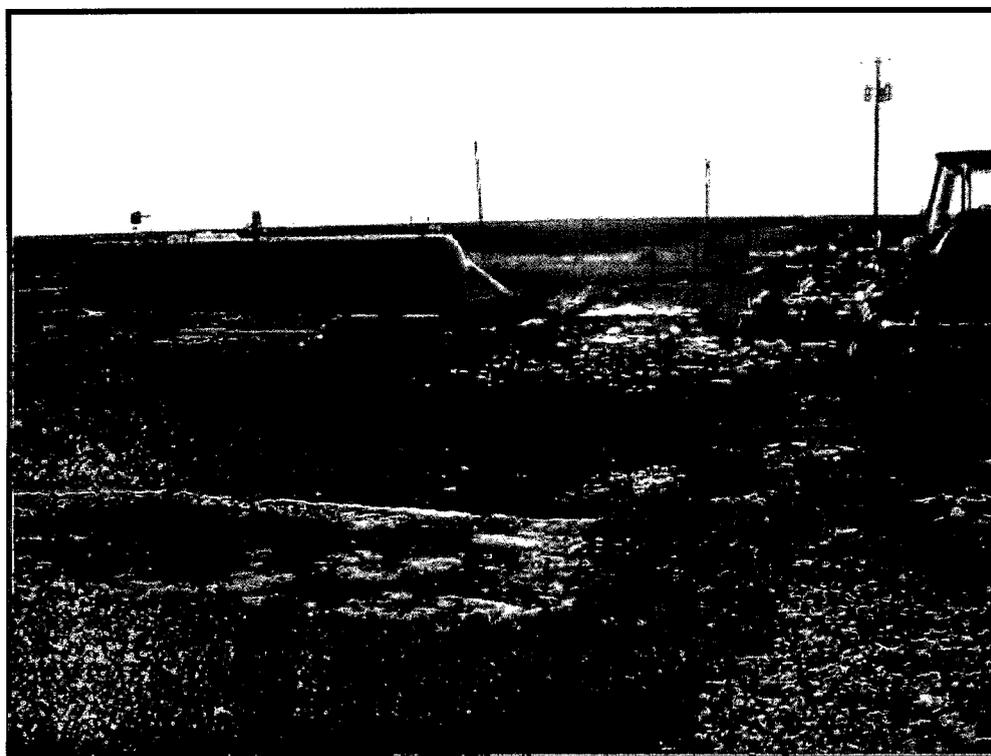
Spill Area facing east



Spill area facing north



Spill area facing east



Spill area facing west

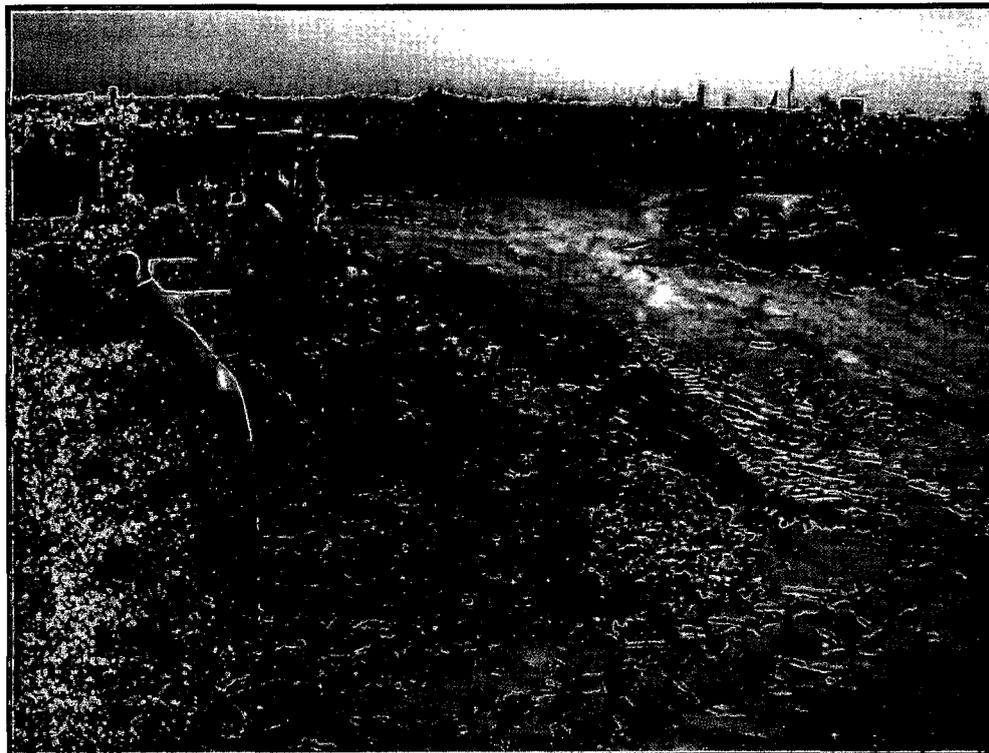
Site Photographs April 28, 2010



Location backfilled facing south



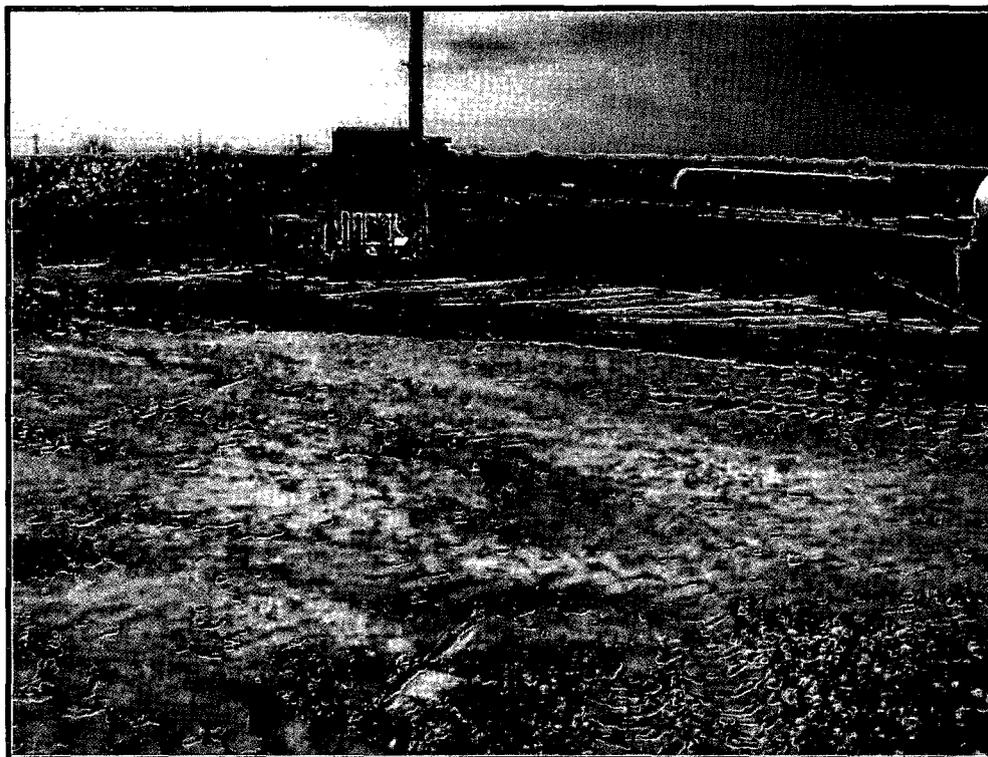
Location backfilled facing northeast



Location area backfilled facing southwest



Location backfilled facing east



Location backfilled facing south



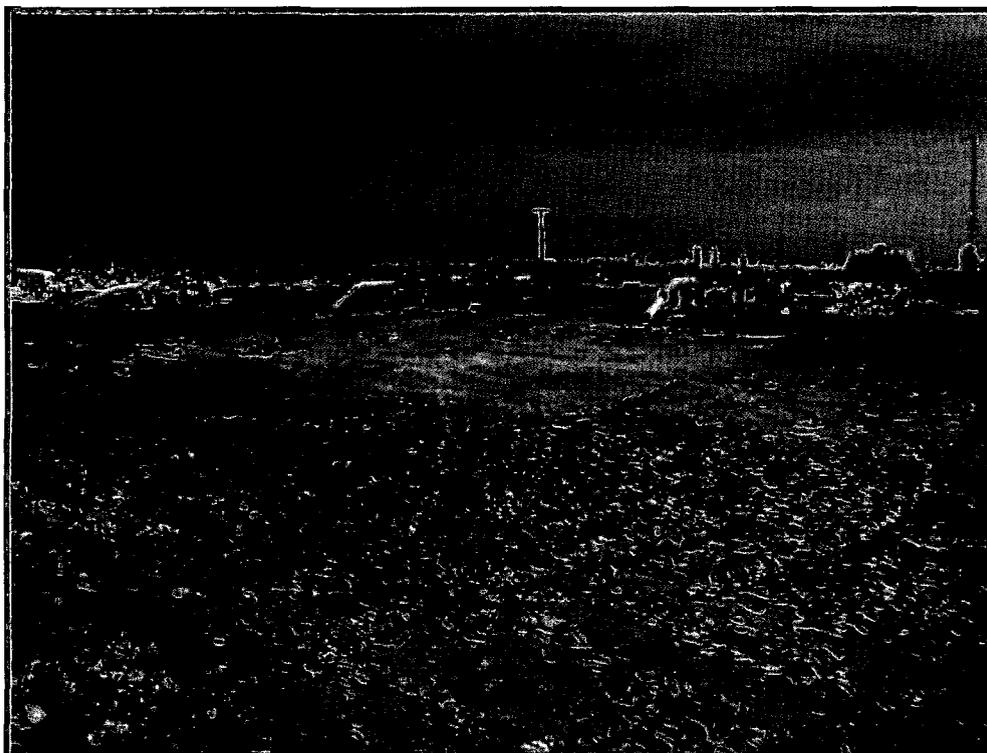
Location backfilled facing south



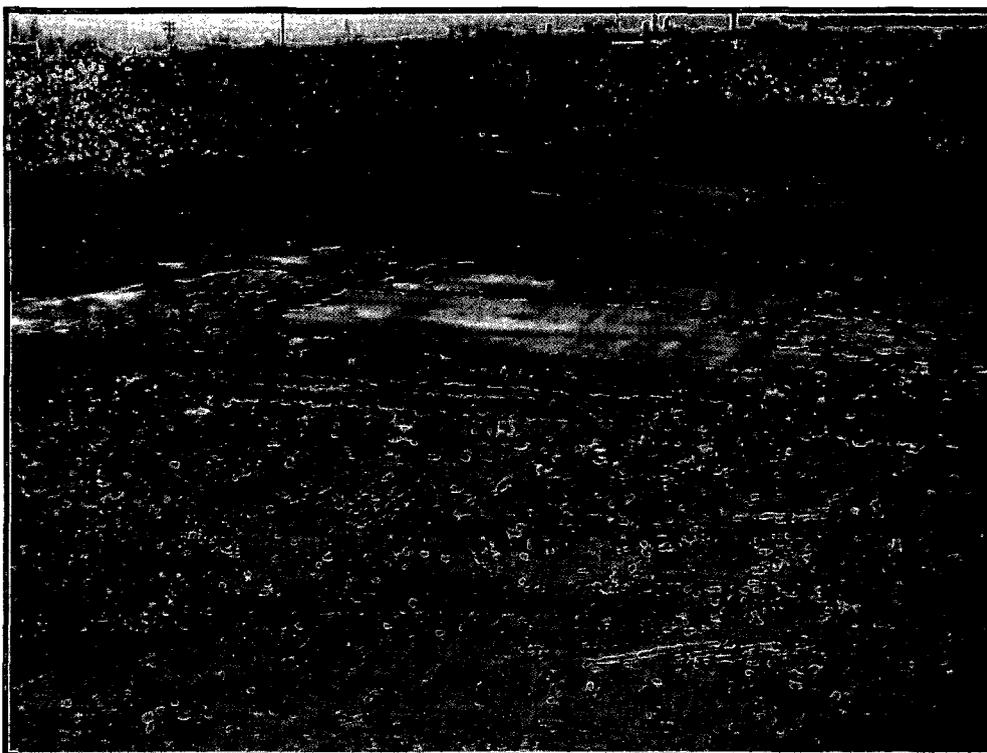
Location backfilled facing southwest



Location backfilled facing southwest



Location backfilled facing northeast



Temporary monitor well removed



Location backfilled 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 – Operating, L.P.	Contact Dickie Townley (Manager of EHS)
Address P.O. Box 1260, Artesia, NM 88211-1260	Telephone No. 575-748-8949
Facility Name Section 35 Station	Facility Type Crude Oil Manifold / Pig Station

Surface Owner State of New Mexico	Mineral Owner State of New Mexico	Lease No. N/A
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LOCATION OF RELEASE

Unit Letter	Section	Township	Range	Feet from the	North/South Line	Feet from the	East/West Line	County
	35	19S	37E					

Latitude 32.619791 Longitude -103.227688

NATURE OF RELEASE

Type of Release Crude Oil	Volume of Release 5 bbls	Volume Recovered 0
Source of Release Under ground Pipeline	Date and Hour of Occurrence 12/28/2009 @ ???	Date and Hour of Discovery 12/28/2009 @ 12:30 PM
Was Immediate Notice Given? <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> Not Required	If YES, To Whom? Sylvia Dickey (NMOCD 370-3186)	
By Whom? Dickie Townley	Date and Hour 12/28/2009 @ 3:33 PM (upon confirmation)	
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.*

An inactive underground crude oil pipeline leaked due to internal corrosion. The pipeline drained, and will be removed. The contaminated soil will be removed and replaced with clean soil. (There may be areas of contamination around structure supports that can not be removed and will have to be risked out.)

Describe Area Affected and Cleanup Action Taken.*

The release occurred near the center of the site and affected an area approximately 3-4 feet wide by 100 feet long.

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: <i>Dickie Townley</i>	OIL CONSERVATION DIVISION	
Printed Name: Dickie Townley	ENV. ENGINEER: Approved by District Supervisor <i>Jeff Leary</i>	
Title: Manager of EHS	Approval Date: 02/01/2011	Expiration Date: —
E-mail Address: Dickie.townley@hollyenergy.com	Conditions of Approval:	
Date: 12/29/2009 Phone: 575-748-8949	Attached <input type="checkbox"/> IRP-02-11-2678	

* Attach Additional Sheets If Necessary