



December 18, 2025

Mr. Joel Stone, Environmental Scientist
New Mexico Oil Conservation Division
1220 South St. Francis Drive
Santa Fe, New Mexico 87505

RE: Holly Energy Partners Operating, L.P. Request for 120-Day Temporary Permission to Discharge
Hydrostatic Test Water
OGRID 282505
Permit Number: HBP-041

Dear Mr. Stone,

On behalf of Holly Energy Partners Operating L.P. (HEP), I am submitting this request for renewal of the 120-Day Temporary Permission to discharge hydrostatic test water resulting from the testing of new pipelines for HEP.

Discharges will be done in a manner to control erosion and prevent sediment discharging from the site. Methods of controlling sediment include: filter bags, detention basins, utilizing a water truck to spray test waters for dust suppression on the right-of-way, working the test water into the trench spoils to aid with compaction, placing the water in the trench and allowing it to soak or evaporate.

HEP acknowledges that conditions below must be satisfied for the use of the 120-Day Temporary Permission:

- a. the volume of the discharge is less than 25,000 gallons per hydrostatic test;
- b. water from a public/municipal water supply or other OCD approved sources, by written request and analytical results, is used for each hydrostatic test;
- c. email or written notification must be provided to the OCD 72 hours prior to each hydrostatic discharge event. Each notice shall contain the following information:
 - i. the proposed location of hydrostatic test discharge (Section/Township/Range or GPS coordinates);
 - ii. the date of the proposed discharge;
 - iii. the volume of the proposed discharge; and
 - iv. the source of hydrostatic test water;

- d. the discharge will not enter any lake, perennial stream, river, or their respective tributaries that may be seasonal;
- e. no discharge shall occur:
 - i. where ground water is less than 10 feet below ground surface.
 - ii. within 200 feet of a watercourse (defined in 19.15.2.7.W(4) NMAC), lakebed, sinkhole, or playa lake (defined in 19.15.2.7.P(4) NMAC);
 - iii. within an existing wellhead protection area (defined in 19.15.2.7.W(8) NMAC);
 - iv. within 500 feet of a wetland (defined in 19.15.2.7.W(9) NMAC); or
 - v. within 500 feet from the nearest permanent residence, school, hospital, institution, or church;
- f. best management practices must be implemented to contain the discharge onsite, to ensure the discharge does not impact adjacent property, and to control erosion;
- g. the discharge does not cause any fresh water supplies to be degraded or to exceed standards as set forth in Subsections A, B, and C of the 20.6.2.3103 NMAC;
- h. the landowner(s) of each proposed discharge and/or collection/retention or alternative discharge location must be properly notified of the activities prior to each proposed hydrostatic test discharge event; and
- i. A report, summarizing all hydrostatic test wastewater discharges of less than 25,000 gallons per hydrostatic test event, will be submitted to the OCD within 45 days after the temporary permission expiration date and shall contain the following information:
 - i. the location of each hydrostatic test water discharge (Section/Township/Range or GPS coordinates);
 - ii. the date of each discharge;
 - iii. the volume of each discharge; and
 - iv. the source and quality of test water (laboratory analysis, if necessary).

Enclosed is a check for the \$100.00 filing fee and \$50.00 for the temporary permission fee made out to the Water Quality Management Fund – New Mexico Oil Conservation Division. If you have any questions or comments, please feel free to contact me.



Melanie Nolan
Environmental Specialist
Holly Energy Partners
1602 W. Main
Artesia, NM 88210
Office: (575) 748-8972
Cell: (214) 605-8303
Fax: (575) 748-4052

HOLLY ENERGY PARTNERS OPERATING LP
2323 Victory Ave., Suite 1400
Dallas TX 75219-7695

WATER QUALITY MANAGEMENT FUND
c/o OIL CONSERVATION DIVISION
1220 S SAINT FRANCIS DR
SANTA FE NM 87505-4225

Check Date 12/08/2025
Check Amount \$ 100.00
Vendor No [REDACTED]
Payment Document [REDACTED]
Company Code 7070

Invoice Date	Invoice Number	Description	Invoice Amount	Discount Amount	Net Amount
12/01/2025	120125-FEE	DEC 2025 TMP PERM FEE TO DISCH HYDR	100.00	0.00	100.00

Payment document	Check number	Date	Currency	Payment amount
[REDACTED]	[REDACTED]	12/08/2025	USD	*****100.00*

THE ORIGINAL DOCUMENT HAS A WHITE REFLECTIVE WATERMARK ON THE BACK.

HOLD AT AN ANGLE TO VIEW. DO NOT CASH IF NOT PRESENT.

HOLLY ENERGY PARTNERS-OPERATING LP
2323 Victory Ave., Suite 1400
Dallas TX 75219-7695

64-1278/611 7000076599
12/08/2025

PAY EXACTLY

*****100.00*USD

VOID AFTER 180 DAYS

PAY *** ONE HUNDRED and 00 /100 USD***

TO THE
ORDER OF WATER QUALITY MANAGEMENT FUND
c/o OIL CONSERVATION DIVISION
1220 S SAINT FRANCIS DR
SANTA FE NM 87505-4225

AUTHORIZED SIGNATURE

Bank of America N.A.

HOLLY ENERGY PARTNERS-OPERATING LP

2323 Victory Ave., Suite 1400
Dallas TX 75219-7695WATER QUALITY MANAGEMENT FUND
c/o OIL CONSERVATION DIVISION
1220 S SAINT FRANCIS DR
SANTA FE NM 87505-4225

Check Date	12/12/2025
Check Amount	\$ 50.00
Vendor No	
Payment Document	
Company Code	7070

Invoice Date	Invoice Number	Description	Invoice Amount	Discount Amount	Net Amount
12/01/2025	121225DISCHARGE	DEC 2025 TMP PERM FEE TO DISCH HYDR	50.00	0.00	50.00

Payment document	Check number	Date	Currency	Payment amount
		12/12/2025	USD	*****50.00*

THE ORIGINAL DOCUMENT HAS A WHITE REFLECTIVE WATERMARK ON THE BACK.

HOLD AT AN ANGLE TO VIEW. DO NOT CASH IF NOT PRESENT.

HOLLY ENERGY PARTNERS-OPERATING LP
2323 Victory Ave., Suite 1400
Dallas TX 75219-7695

64-1278/611

7000076614

12/12/2025

PAY EXACTLY

*****50.00*USD

VOID AFTER 180 DAYS

PAY *** FIFTY and 00 /100 USD***

TO THE
ORDER OF WATER QUALITY MANAGEMENT FUND
c/o OIL CONSERVATION DIVISION
1220 S SAINT FRANCIS DR
SANTA FE NM 87505-4225

AUTHORIZED SIGNATURE

Bank of America N.A.

ORIGIN ID: ROWA (214) 605-8303
MELANIE NOLAN
HFSINCLAIR MIDSTREAM
311 W QUAY

ARTESIA, NM 88210
UNITED STATES US

TO **JOEL STONE**

NMOCD

1220 SOUTH FRANCIS DRIVE

SANTA FE NM 87505

INV: (505) 469-7486

REF:

PO:

DEPT:



FedEx
Express



125402509240149

WED - 24 DEC 5:00P
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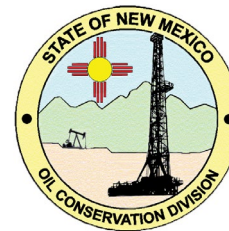
State of New Mexico
Energy, Minerals and Natural Resources Department

Michelle Lujan-Grisham
Governor

Erin Taylor
Acting Cabinet Secretary

Ben Shelton
Deputy Secretary

Albert C.S. Chang
Division Director
Oil Conservation Division



BY ELECTRONIC MAIL

January 8, 2026

Ms. Melanie Nolan
Holly Energy Partners Operating, L.P.
1602 W. Main
Artesia, NM 88210
melanie.nolan@hfsinclair.com

**Re: Renewal Request for Temporary Permission to Discharge Hydrostatic Test Water
Holly Energy Partners Operating, L.P. - OGRID 282505
Permit: HBP-41**

Dear Ms. Nolan:

The New Mexico Oil Conservation Division (OCD) has completed its review of Holly Energy Partners Operating, L.P. (HEP) renewal request, dated December 18, 2025, for approval of a 120-day temporary permission to discharge small quantities of hydrostatic test wastewater generated from the testing of new transmission pipelines of oil and gas or products thereof throughout the State of New Mexico, which expires on March 2, 2026. OCD acknowledges receipt of the filing fee (\$100.00) and temporary permission fee (\$50.00) within a separately mailed submittal received by OCD on January 5, 2026.

Based on the information provided in the request, *temporary permission is hereby granted to HEP for the discharge of the hydrostatic test wastewater generated from all new pipeline hydrostatic tests* an operator may perform during the approved 120-day period with the following provisions and conditions:

1. The volume of the discharge is less than 25,000 gallons per hydrostatic test;
2. Water from a public/municipal water supply or other OCD approved sources, by written request and analytical results, is used for each hydrostatic test;
3. Email or written notification must be provided to the OCD 72 hours prior to each hydrostatic discharge event. The notice shall contain the following information:

1220 South St. Francis Drive • Santa Fe, New Mexico 87505
Phone (505) 476-3441 • www.emnrd.nm.gov/ocd/

State of New Mexico
Energy, Minerals and Natural Resources Department

- a. the proposed location of hydrostatic test discharge (Section/Township/Range or GPS coordinates);
 - b. the date of the proposed discharge;
 - c. the volume of the proposed discharge; and
 - d. the source of hydrostatic test water.
4. No discharge shall enter any lake, perennial stream, river, or their respective tributaries that may be seasonal;
5. No discharge shall occur:
 - a. where ground water is less than 10 feet below ground surface;
 - b. within 200 feet of a watercourse (19.15.2.7.W(4) NMAC), lakebed, sinkhole, or playa lake (19.15.2.7.P(4) NMAC);
 - c. within an existing wellhead protection area (19.15.2.7.W(8) NMAC);
 - d. within 500 feet of a wetland (19.15.2.7.W(9) NMAC); or
 - e. within 500 feet from the nearest permanent residence, school, hospital, institution, or church.
6. No discharge shall occur to a surface water body without obtaining a National Pollution Discharge Elimination Systems (NPDES) permit from the US EPA, NMED, and OCD prior to the discharge;
7. Best management practices must be implemented to contain the discharge onsite, to ensure that the discharge does not impact adjacent property, and to control erosion;
8. The discharge does not cause any fresh water supplies to be degraded or to exceed standards as set forth in Subsections A, B, and C of the 20.6.2.3103 NMAC (the Water Quality Regulations);
9. HEP shall report all unauthorized discharges, spills, leaks, and releases of hydrostatic test wastewater and conduct corrective action pursuant to the Water Quality Regulations of 20.6.2.1203 NMAC and release notification pursuant to OCD Rule 29 (19.15.29 NMAC);
10. The landowner(s) of each proposed discharge and/or collection/retention or alternative discharge location must be properly notified of the activities prior to each proposed hydrostatic test event; and
11. A report, summarizing each test of new pipeline with less than 25,000 gallons per hydrostatic test per discharge event performed within the approved 120-day period, shall be submitted to OCD within 45 days after the temporary permission expiration date and shall contain the following information:

State of New Mexico
Energy, Minerals and Natural Resources Department

- a. the location of hydrostatic test discharge (Section/Township/Range or GPS coordinates);
- b. the date of each discharge;
- c. the volume of each discharge; and
- d. the source and quality of test water (laboratory analysis, if necessary).

This 120-day temporary permission shall expire on June 30, 2026. Renewal requests for a 120-day temporary permission to discharge shall be submitted forty-five (45) days prior to the expiration date. A 120-day temporary permission may be revoked or suspended for violation of any applicable provisions and/or conditions of this approval.

Please be advised that approval of this request does not relieve HEP of liability should operations result in pollution of surface water, ground water or the environment. Nor does this approval relieve HEP of its responsibility to comply with any other applicable governmental authority's rules and regulations.

Please do not hesitate to contact me at (505) 709-5149 or via email should you have any questions or concerns regarding this temporary permission.

Respectfully,



Joel Stone
Senior Environmental Scientist
joel.stone@emnrd.nm.gov

Sante Fe Main Office
Phone: (505) 476-3441

General Information
Phone: (505) 629-6116

Online Phone Directory
<https://www.emnrd.nm.gov/ocd/contact-us>

State of New Mexico
Energy, Minerals and Natural Resources
Oil Conservation Division
1220 S. St Francis Dr.
Santa Fe, NM 87505

CONDITIONS

Action 536256

CONDITIONS

Operator: HOLLY ENERGY PARTNERS - OPERATING, LP 1602 W. Main St. Artesia, NM 88210	OGRID: 282505
	Action Number: 536256
	Action Type: [UF-HP] HBP Permission (HBP)

CONDITIONS

Created By	Condition	Condition Date
joel.stone	OCD emailed the renewal approval of HBP-41 to the operator on January 8, 2026. The emailed approval is attached to this renewal request.	1/8/2026