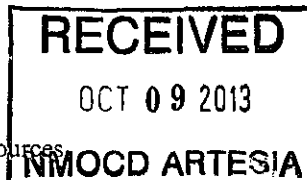


District I
1625 N. French Dr., Hobbs, NM 88240
District II
811 S. First St., Artesia, NM 88210
District III
1000 Rio Brazos Road, Aztec, NM 87410
District IV
1220 S. St. Francis Dr., Santa Fe, NM 87505

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 August 8, 2011

Release Notification and Corrective Action

OPERATOR

☐ Initial Report ☒ Final Report

Name of Company Holly Energy Partners	Contact Jeff Stubbfield
Address 1602 W Main Street Artesia, NM 88210	Telephone No. 972-322-5782
Facility Name Navaho Federal/Apache DAD Lateral	Facility Type Gathering Line

Surface Owner BLM	Mineral Owner	API No. <i>FMLB1129983217</i>
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LOCATION OF RELEASE

Unit Letter	Section 30	Township T17S	Range 29E	Feet from the 1650'	North/South Line FSL	Feet from the 2308'	East/West Line FEL	County EDDY
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Latitude N 32° 48.167 Longitude W 104° 06.730

NATURE OF RELEASE

Type of Release Crude Oil	Volume of Release ~100 bbls	Volume Recovered bbl
Source of Release 3" steel pipeline	Date and Hour of Occurrence 10/22/2011 unknown	Date and Hour of Discovery 10:10 a.m.
Was Immediate Notice Given? <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> Not Required	If YES, To Whom? Randy Dade 575-626-1372	
By Whom? Lori Coupland	Date and Hour 10/22/2011 1:55 p.m.	
Was a Watercourse Reached? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No	If YES, Volume Impacting the Watercourse. N/A	

If a Watercourse was Impacted, Describe Fully.*
N/A

Describe Cause of Problem and Remedial Action Taken.*
Possible internal or external corrosion on a 3" steel pipe tie-in from Conch Resources Navaho Federal #8. The leak is located below ground at the tie-in of the Apache DAD Lateral. Clean-up crews have been dispatched and free product will be removed. Contaminated soil will be also be removed and placed on plastic near the site.

Describe Area Affected and Cleanup Action Taken.*
Lease road-nearest well: Concho Resources Navaho Federal #8. Lease road has been closed on both sides of release and earthen dikes built to prevent surface migration. The free product will be recovered and the contaminated soil will be placed on plastic to allow for natural aeration. The soil will be hauled to an approved land farm once analytical test have been completed and the levels are acceptable levels for disposal. See Attached Closure Report

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>Lori Coupland</i>	OIL CONSERVATION DIVISION	
Printed Name: Lori Coupland	Approved by Environmental Specialist: <i>[Signature]</i>	
Title: Mgr. Regulatory Compliance	Approval Date: <i>10/5/15</i>	Expiration Date: <i>N/A</i>
E-mail Address: lori.coupland@hollyenergy.com	Conditions of Approval: <i>Final</i>	Attached <input type="checkbox"/>
Date: 10/22/2011 Phone: 575.748.4076		

* Attach Additional Sheets If Necessary

2PP-942