



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

Submit 1 Copy to appropriate District Office in accordance with 19.15.29 NMAC.

### 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. *FMLB/129983217*

### 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 |
|-------------|------------|---------------|-----------|---------------------|----------------------|---------------------|--------------------|-------------|

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?<br><input checked="" type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> Not Required | If YES, To Whom?<br>Randy Dade 575-626-1372      |                                       |
| By Whom? Lori Coupland   | Date and Hour 10/22/2011 1:55 p.m.               |                                       |
| Was a Watercourse Reached?<br><input type="checkbox"/> Yes <input checked="" type="checkbox"/> No  | If YES, Volume Impacting the Watercourse.<br>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>               | <b>OIL CONSERVATION DIVISION</b>                         |                                   |
| 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*