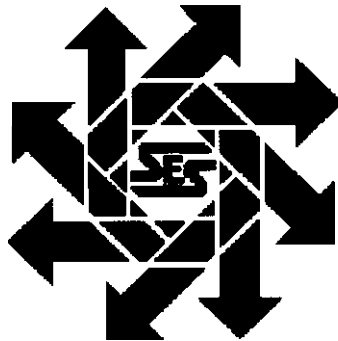


**Holly Energy Corporation
Depco Leak
Section 21, Township 18 South, Range 28 East
Closure Report**

Eddy County, New Mexico

September 1, 2009



Prepared for:

**Holly Energy Partners
PO Box 1260
Artesia, New Mexico 88211**

By:

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

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I. **Company Contacts**

NAME	Company	Telephone	E-mail
Dickie Townley	Holly Energy	(575) 748-8949	dickie.townley@hollyenergy.com
Isaac Kincaid	SESI	575-390-8841	ikincaid@sesi-nm.com

II. **Background**

Safety and Environmental Solutions, Inc. (SESI) was engaged by Holly Energy Partners to perform delineation services at the Depco Station. A clamp on an abandoned line ruptured releasing an unknown amount of crude oil.

III. **Surface and Ground Water**

The closest groundwater of record found on the USGS online database is located in the same Section, Range and Township. The depth of water in this well was 225' in February of 1999.

IV. **Work Performed**

On March 30, 2009 SESI was onsite to obtain samples of the excavated area. D&D Construction was previously onsite and had excavated the north end of the flowline to a depth of nine (9) feet and south of the flowline to a depth of one (1) foot. The samples were properly preserved and transported under Chain-of-Custody to Argon Laboratories of Hobbs, New Mexico for analysis. The samples were analyzed for Benzene, Toluene, Ethyl benzene, and Xylenes (BTEX) (EPA method 8021B), and Total Petroleum Hydrocarbons (TPH) (EPA method 418.1).

The results of the analysis are as follows:

Sample ID	TPH (mg/kg)	Benzene (mg/kg)	Toluene (mg/kg)	Ethyl Benzene (mg/kg)	Xylenes (mg/kg)
Bottom	4300	ND	15	26	41
Spoils	9000	3.4	67	68	100

Based upon the analytical results, the vertical extent of TPH contamination was determined at a depth of nine (9) feet.

On August 28, 2009, SESI was onsite to delineate the excavated area by process of excavation. Samples were obtained from the excavation and properly preserved and transported under Chain-of-Custody to Cardinal Laboratories of Hobbs, New Mexico for analysis. The samples were analyzed for Benzene, Toluene, Ethyl benzene, and Xylenes (BTEX) (EPA method 8021B), and Total Petroleum Hydrocarbons (TPH) (EPA method 418.1).

Sample ID	TPH (mg/kg)	Benzene (mg/kg)	Toluene (mg/kg)	Ethyl Benzene (mg/kg)	Xylenes (mg/kg)
West Wall 2'	37,400	5.47	57.6	39.3	63.1
West Wall 3'	1,380	<0.050	0.887	2.27	5.06
Bottom 12'	3,850	1.47	8.41	14.1	28.7
Bottom 15'	<100	<0.050	0.074	<0.050	<0.300
North Wall	<100	<0.050	0.078	<0.050	<0.300
East Wall	<100	<0.050	0.187	0.197	0.415
South Wall	2,620	<0.050	<0.050	<0.050	<0.300

The contaminated soils were taken to Artesia Aeration for disposal. Approximately 176 yards of soil were disposed of. The area was then backfilled with 132 yards of clean material from an offsite location, and contoured to its natural grade.

V. Closure Report

It is requested that no further action needs to be taken.

VI. Figures & Appendices

Figure 1 – Vicinity Map

Figure 2 – Site Plan

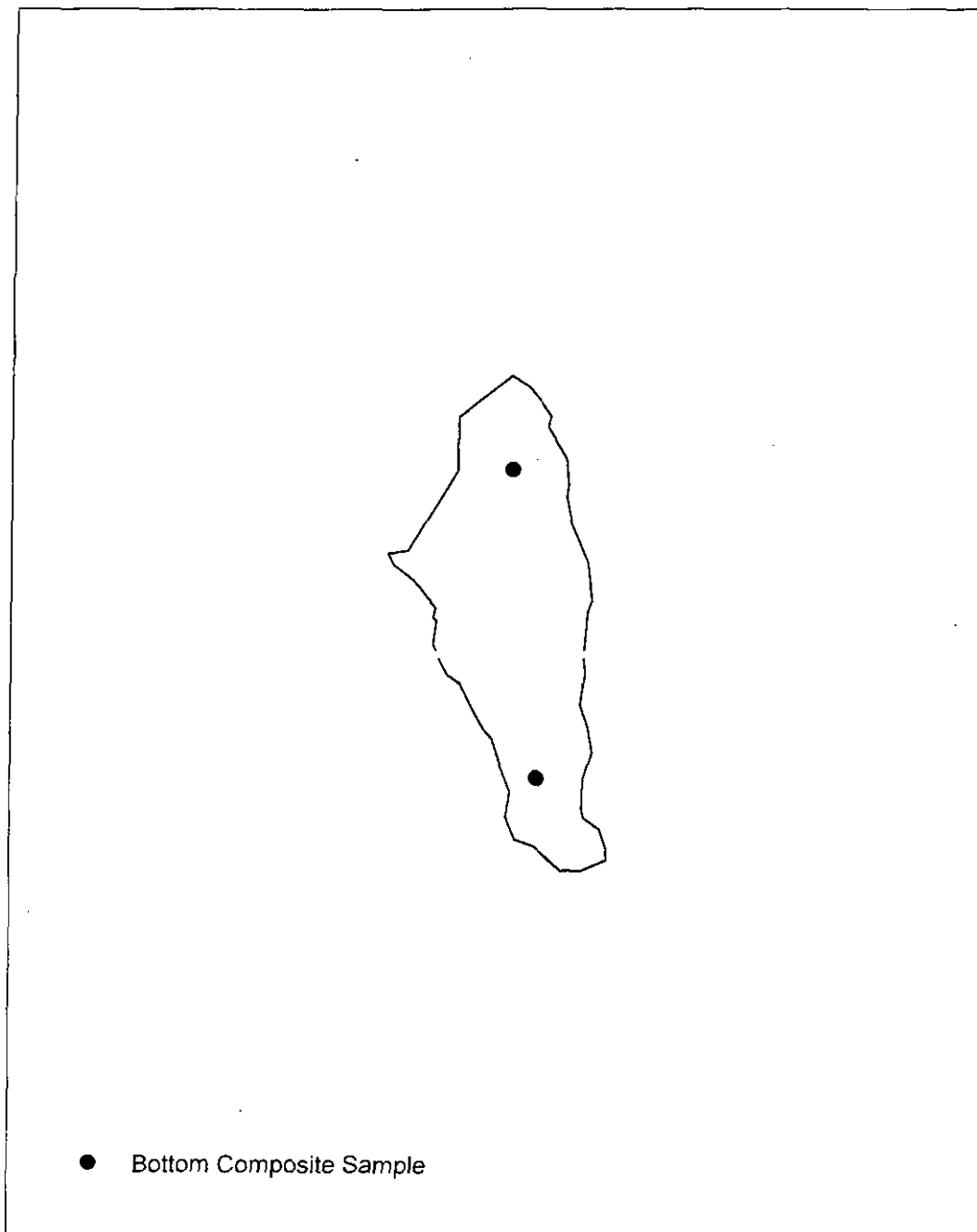
Appendix A – Analytical Results

Appendix B – Site Photos

Figure 1
Vicinity Map



Figure 2
Site Plan



Holly Deppco Leak

Lat/Long
WGS 1984



Scale 1:250
0 0.006
Miles

HOL-09-008 Site Plan.cor
3/31/2009

GPS Pathfinder® Office



Appendix A

Analytical Results



ARDINAL LABORATORIES

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

September 2, 2009

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

Re: Holly (HOL-09-008) *Dupco Leak*

Enclosed are the results of analyses for sample number H18108, received by the laboratory on 08/27/09 at 3:45 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.



CARDINAL 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: 08/27/09
Reporting Date: 09/02/09
Project Owner: HOLLY (HOL-09-008)
Project Name: DEPCO LEAK
Project Location: EDDY COUNTY, NM

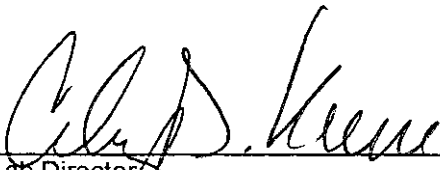
Sampling Date: 08/27/09
Sample Type: SOIL
Sample Condition: COOL & INTACT @ 5°C
Sample Received By: ML
Analyzed By: AB/ZL

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

ANALYSIS DATE:	08/28/09	08/30/09	08/30/09	08/30/09	08/30/09
H18108-1 WEST WALL 2'	37,400	5.47	57.6	39.3	63.1
H18108-2 BOTTOM 12'	3,850	1.47	8.41	14.1	28.7
H18108-3 BOTTOM 15'	<100	<0.050	0.074	<0.050	<0.300
H18108-4 WEST WALL 3'	1,380	<0.050	0.887	2.27	5.06
H18108-5 NORTH WALL	<100	<0.050	0.078	<0.050	<0.300
H18108-6 EAST WALL 2'	<100	<0.050	0.187	0.197	0.415
H18108-7 SOUTH WALL	2,620	<0.050	<0.050	<0.050	<0.300
Quality Control	332	0.053	0.055	0.050	0.155
True Value QC	300	0.050	0.050	0.050	0.150
% Recovery	111	106	110	100	103
Relative Percent Difference	1.2	2.3	2.2	1.2	1.6

METHODS: EPA 418.1; BTEX - SW-846 8021B. Reported on wet weight.

TEXAS NELAP ACCREDITATION T104704398-08-TX FOR BENZENE, TOLUENE, ETHYL BENZENE,
AND TOTAL XYLENES. Reported on wet weight. Not accredited for TOTAL 418.1 TPH.



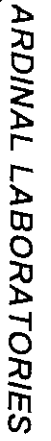
Lab Director



Date

H18108 418.1BTEX 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 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.



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

ANALYSIS REQUEST

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

#210

argon laboratories

07 April 2009

Bob Allen
Safety & Environmental Solutions, Inc.
703 E. Clinton Ave
Hobbs, NM 88240

RE: Deppco Leak Project Data

Enclosed are the results for sample(s) received on 03/30/09 15:45 by Argon Laboratories. The sample(s) were analyzed according to instructions in accompanying chain-of-custody. Results are summarized on the following pages.

Please see quality control report for a summary of QC data pertaining to this project.

The sample(s) will be stored for 30 days after completion of analysis, then disposed of in accordance with State and Federal regulations. Sample(s) may be archived by prior arrangement.

Thank you for the opportunity to service the needs of your company.

Sincerely,



Hiram Cueto
Lab Manager

(505)397-0295 (505)397-0296 info@argonlabs.com

CHAIN OF CUSTODY

1231

[illegible]

Argon Laboratories Sample Receipt Checklist

Client Name: SESI Date & Time Received: 03/30/09 15:40

Project Name: Deppco Leak Client Project Number: HOL-09-008

Received By: HC Matrix: Water ☐ Soil ☒

Sample Carrier: Client ☐ Laboratory ☒ Fed Ex ☐ UPS ☐ Other ☐

Argon Labs Project Number: D903010

Shipper Container in good condition? N/A ☐ Yes ☒ No ☐ Samples received in proper containers? Yes ☒ No ☐

Samples received under refrigeration? Yes ☒ No ☐ Samples received intact? Yes ☒ No ☐

Sufficient sample volume for requested tests? Yes ☒ No ☐

Chain of custody present? Yes ☒ No ☐ Samples received within holding time? Yes ☒ No ☐

Chain of Custody signed by all parties? Yes ☒ No ☐ Do samples contain proper preservative? N/A ☒ Yes ☐ No ☐

Chain of Custody matches all sample labels? Yes ☒ No ☐ Do VOA vials contain zero headspace? (None submitted ☒) Yes ☐ No ☐

ANY "No" RESPONSE MUST BE DETAILED IN THE COMMENTS SECTION BELOW

Date Client Contacted: _____ Person Contacted: _____

Contacted By: _____ Subject: _____

Comments: _____

Action Taken: _____

ADDITIONAL TEST(S) REQUEST / OTHER

Contacted By: _____ Date: _____ Time: _____

Call Received By: _____

Comments: _____

argon laboratories


Safety & Environmental Solutions, Inc.
703 E. Clinton Ave
Hobbs, NM 88240

Project Number: HOL-09-008
Project Name: Deppco Leak
Project Manager: Bob Allen

Work Order No.:
D903010

ANALYTICAL REPORT FOR SAMPLES

Sample ID	Laboratory ID	Matrix	Date Sampled	Date Received
Bottom	D903010-01	Soil	03/30/09 10:28	03/30/09 15:45
Spoils	D903010-02	Soil	03/30/09 10:30	03/30/09 15:45


QC Officer Approval

Argon Laboratories, Inc.

argon laboratories

Safety & Environmental Solutions, Inc.
703 E. Clinton Ave
Hobbs, NM 88240

Project Number: HOL-09-008
Project Name: Deppco Leak
Project Manager: Bob Allen


Work Order No.:
D903010

BTEX EPA Method 8021B

Analyte	Result	Reporting Limit	Units	Dilution	Analyzed	Method	Notes
Bottom (D903010-01) Soil Sampled: 03/30/09 10:28 Received: 03/30/09 15:45							
Benzene	ND	0.25	mg/kg	50	04/02/09	8021B	
Toluene	15	0.25	"	"	"	"	
Ethylbenzene	26	0.25	"	"	"	"	
Xylenes (total)	41	0.50	"	"	"	"	
Surr. Rec.:		117 %			"	"	

Spoils (D903010-02) Soil Sampled: 03/30/09 10:30 Received: 03/30/09 15:45

Benzene	3.4	1.0	mg/kg	200	04/02/09	8021B	
Toluene	67	1.0	"	"	"	"	
Ethylbenzene	68	1.0	"	"	"	"	
Xylenes (total)	100	2.0	"	"	"	"	
Surr. Rec.:		110 %			"	"	


QC Officer Approval

Argon Laboratories, Inc.

argon laboratories


Safety & Environmental Solutions, Inc.
703 E. Clinton Ave
Hobbs, NM 88240

Project Number: HOL-09-008
Project Name: Deppco Leak
Project Manager: Bob Allen

Work Order No.:
D903010

Total Recoverable Petroleum Hydrocarbons with Silica Gel Clean-Up by IR Spectrometry

Analyte	Result	Reporting Limit	Units	Dilution	Analyzed	Method	Notes
Bottom (D903010-01) Soil Sampled: 03/30/09 10:28 Received: 03/30/09 15:45							
Total Petroleum Hydrocarbons	4300	200	mg/kg	10	04/02/09	EPA 418.1	
Spoils (D903010-02) Soil Sampled: 03/30/09 10:30 Received: 03/30/09 15:45							
Total Petroleum Hydrocarbons	9000	500	mg/kg	25	04/02/09	EPA 418.1	


QC Officer Approval

Argon Laboratories, Inc.

2126 W. Marland Ave., Hobbs, NM 88240 • Phone (505) 397-0295 • Fax (505) 397-0296

email: info@argonlabs.com

argon laboratories

Safety & Environmental Solutions, Inc.
703 E. Clinton Ave
Hobbs, NM 88240

Project Number: HOL-09-008
Project Name: Deppco Leak
Project Manager: Bob Allen

Work Order No.:
D903010

BTEX EPA Method 8021B - Quality Control

Argon Laboratories

Analyte	Result	Reporting Limit	Units	Spike Level	Source Result	%REC	RPD	Notes
---------	--------	-----------------	-------	-------------	---------------	------	-----	-------

Batch DS00054 - EPA 5030B

Blank (DS00054-BLK1)

Prepared & Analyzed: 04/02/09

Surrogate: <i>a,a,a</i> -Trifluorotoluene	0.0515		mg/kg	0.0500		103		
Benzene	ND	0.005	"					
Toluene	ND	0.005	"					
Ethylbenzene	ND	0.005	"					
Xylenes (total)	ND	0.010	"					

LCS (DS00054-BS1)

Prepared & Analyzed: 04/02/09

Ethylbenzene	0.057		mg/kg	0.0500		114		
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LCS Dup (DS00054-BSD1)

Prepared & Analyzed: 04/02/09

Ethylbenzene	0.054		mg/kg	0.0500		108	5	
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Matrix Spike (DS00054-MS1)

Prepared & Analyzed: 04/02/09

Toluene	0.052		mg/kg	0.0500		104		
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Matrix Spike Dup (DS00054-MSD1)

Prepared & Analyzed: 04/02/09

Toluene	0.054		mg/kg	0.0500		108	4	
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QC Officer Approval

Argon Laboratories, Inc.

argon laboratories

Safety & Environmental Solutions, Inc.
703 E. Clinton Ave
Hobbs, NM 88240

Project Number: HOL-09-008
Project Name: Deppco Leak
Project Manager: Bob Allen

Work Order No.:
D903010

Total Recoverable Petroleum Hydrocarbons with Silica Gel Clean-Up by IR Spectrometry - Quality Control

Argon Laboratories

Analyte	Result	Reporting Limit	Units	Spike Level	Source Result	%REC	RPD	Notes
---------	--------	--------------------	-------	----------------	------------------	------	-----	-------

Batch DS00055 - EPA 3550B

Blank (DS00055-BLK1)

Prepared & Analyzed: 04/02/09

Total Petroleum Hydrocarbons ND 20 mg/kg

LCS (DS00055-BS1)

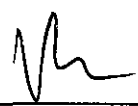
Prepared & Analyzed: 04/02/09

Total Petroleum Hydrocarbons 220 mg/kg 200 110

LCS Dup (DS00055-BSD1)

Prepared & Analyzed: 04/02/09

Total Petroleum Hydrocarbons 226 mg/kg 200 113 3


QC Officer Approval

Argon Laboratories, Inc.

argon laboratories


Safety & Environmental Solutions, Inc.
703 E. Clinton Ave
Hobbs, NM 88240

Project Number: HOL-09-008
Project Name: Deppco Leak
Project Manager: Bob Allen

Work Order No.:
D903010

Notes and Definitions

DET Analyte DETECTED
ND Analyte NOT DETECTED at or above the reporting limit
NR Not Reported
dry Sample results reported on a dry weight basis
RPD Relative Percent Difference


QC Officer Approval

Argon Laboratories, Inc.

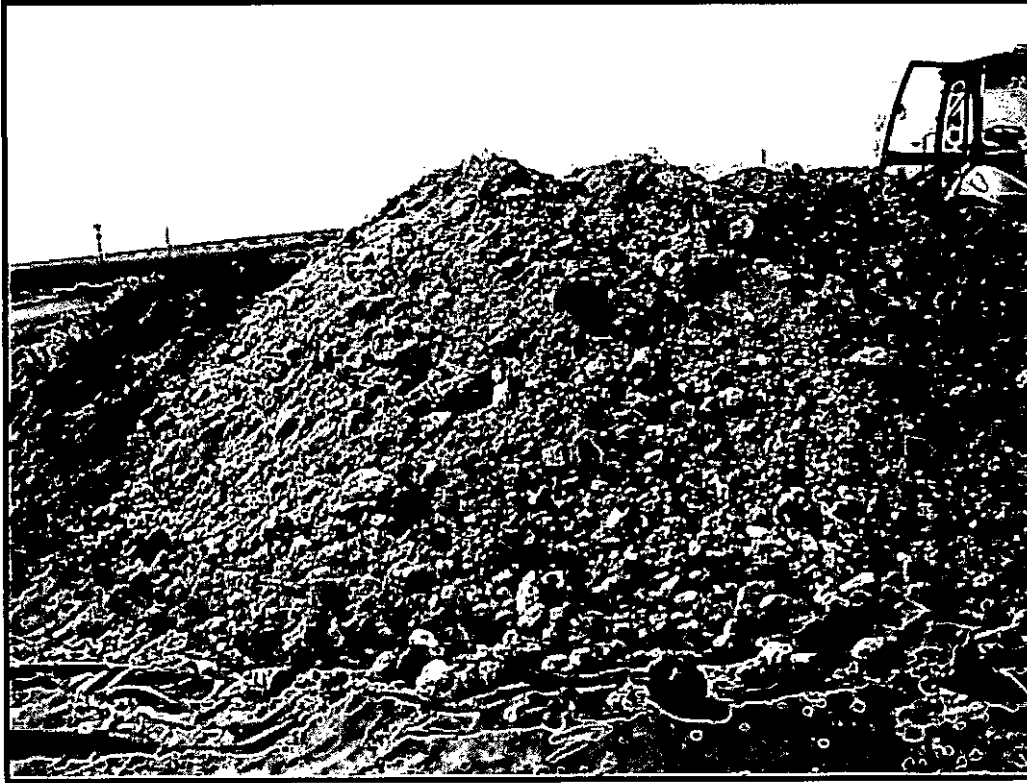
2126 W. Marland Ave., Hobbs, NM 88240 • Phone (505) 397-0295 • Fax (505) 397-0296

email: info@argonlabs.com

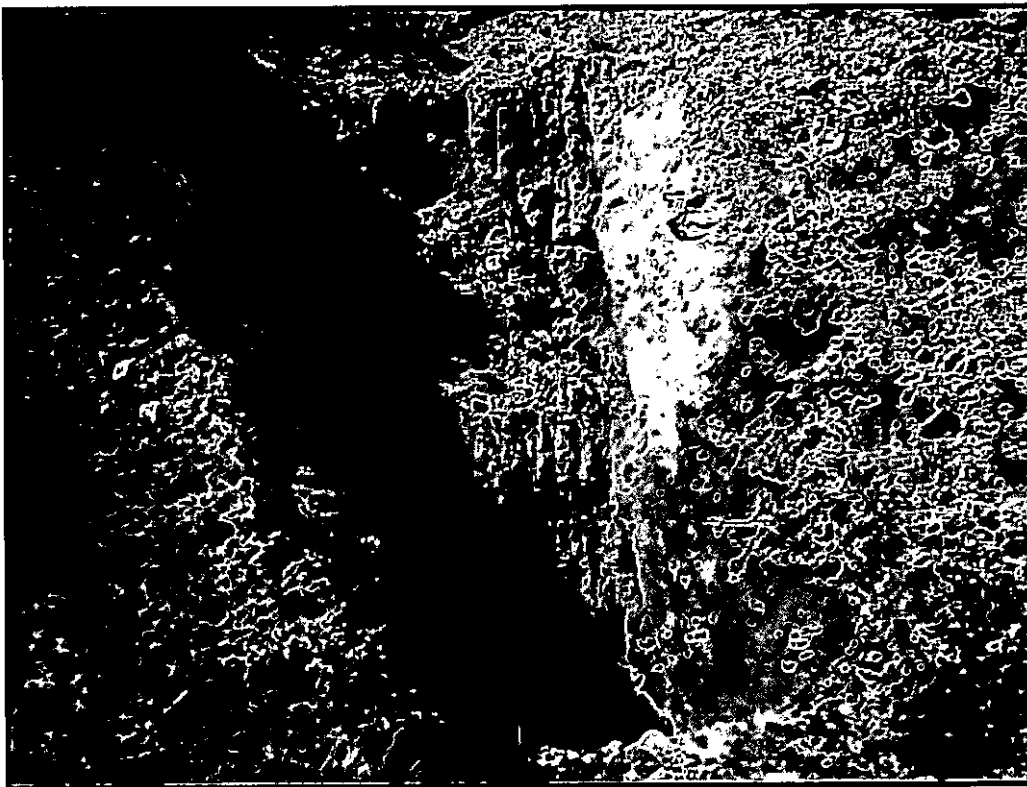
Appendix B

Site Photos

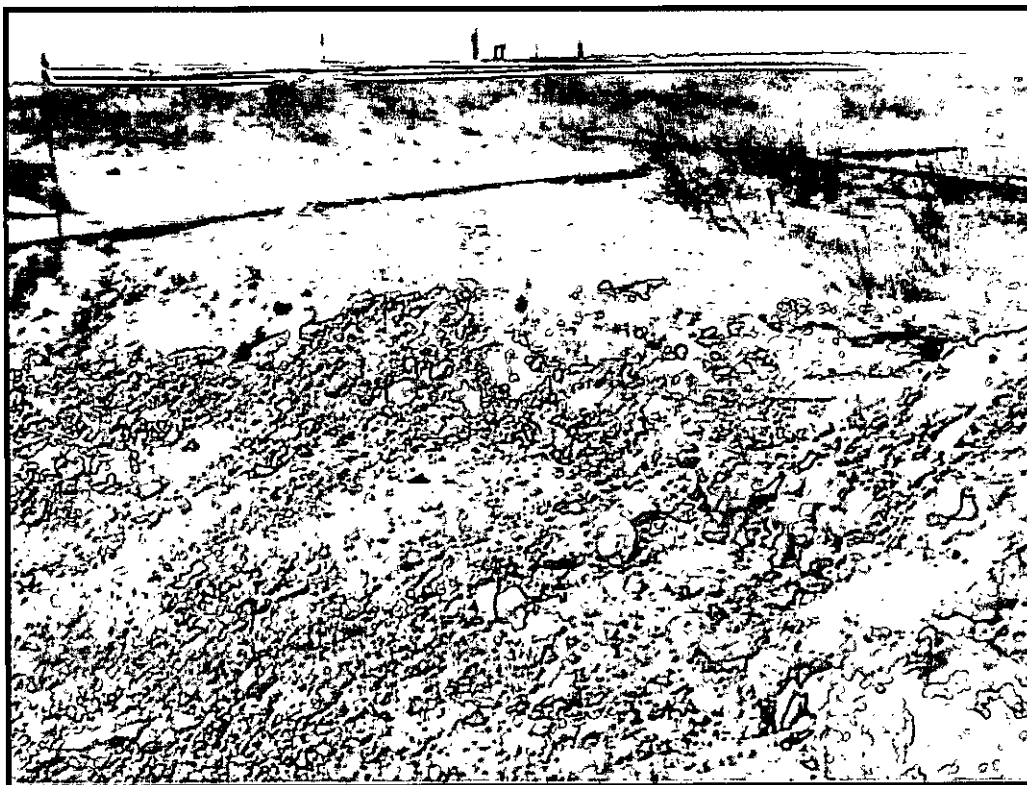
March 30, 2009



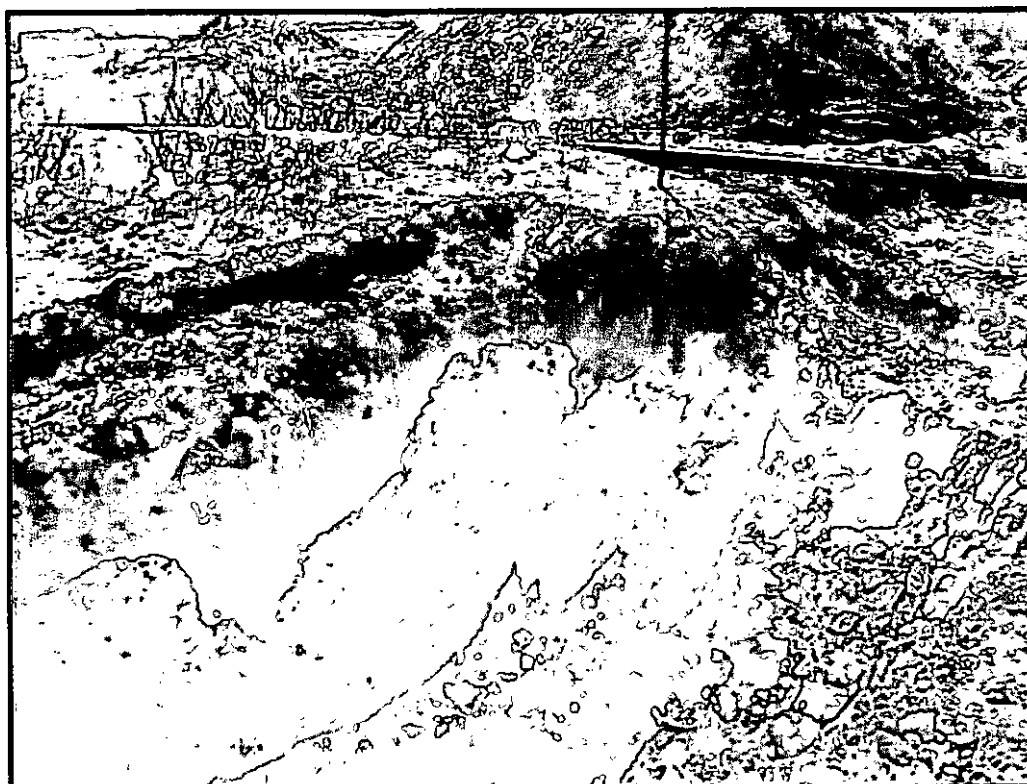
Spoils pile



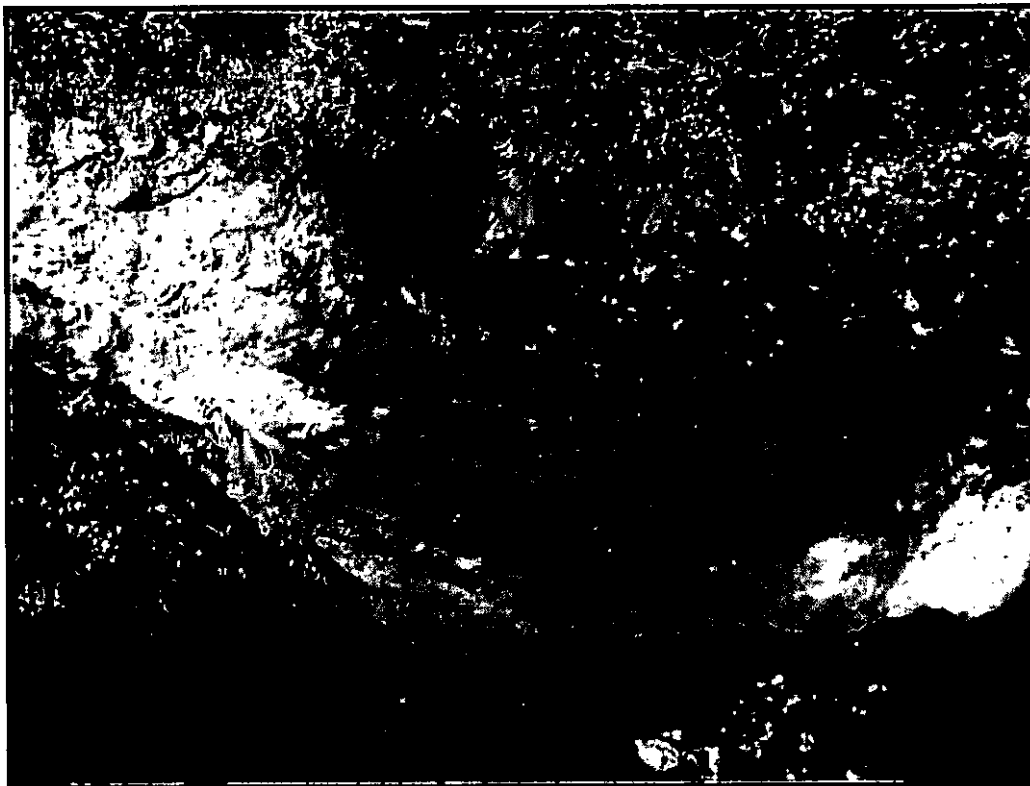
North side of line bottom



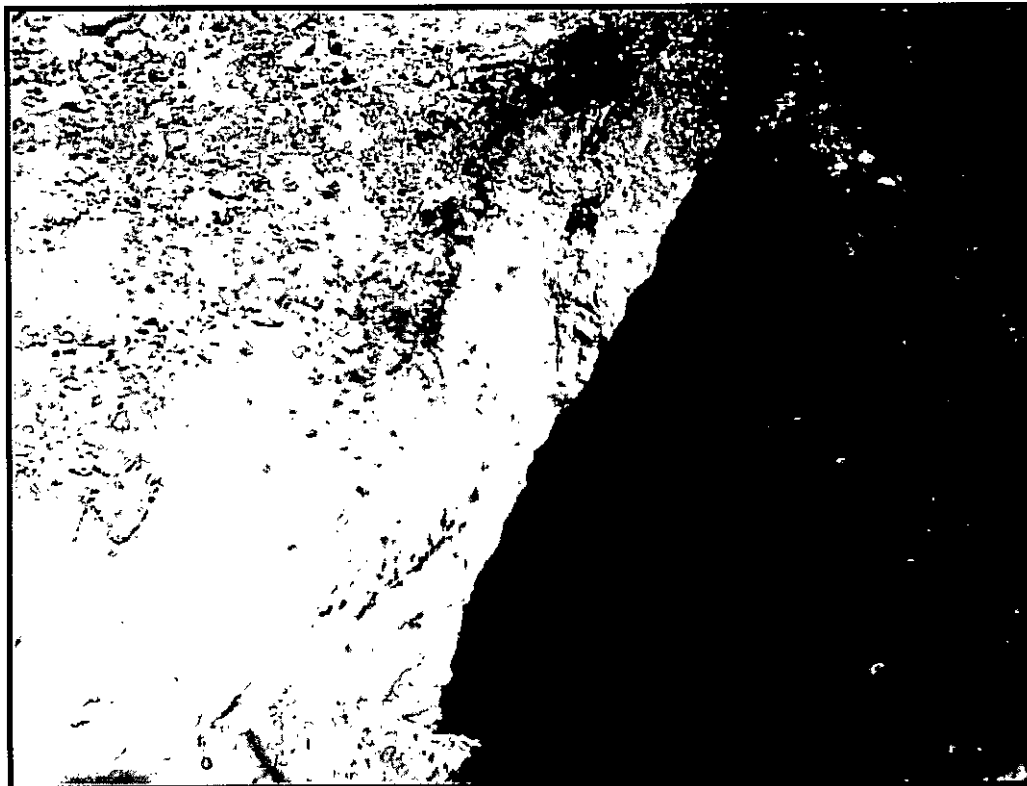
North side of line facing southwest



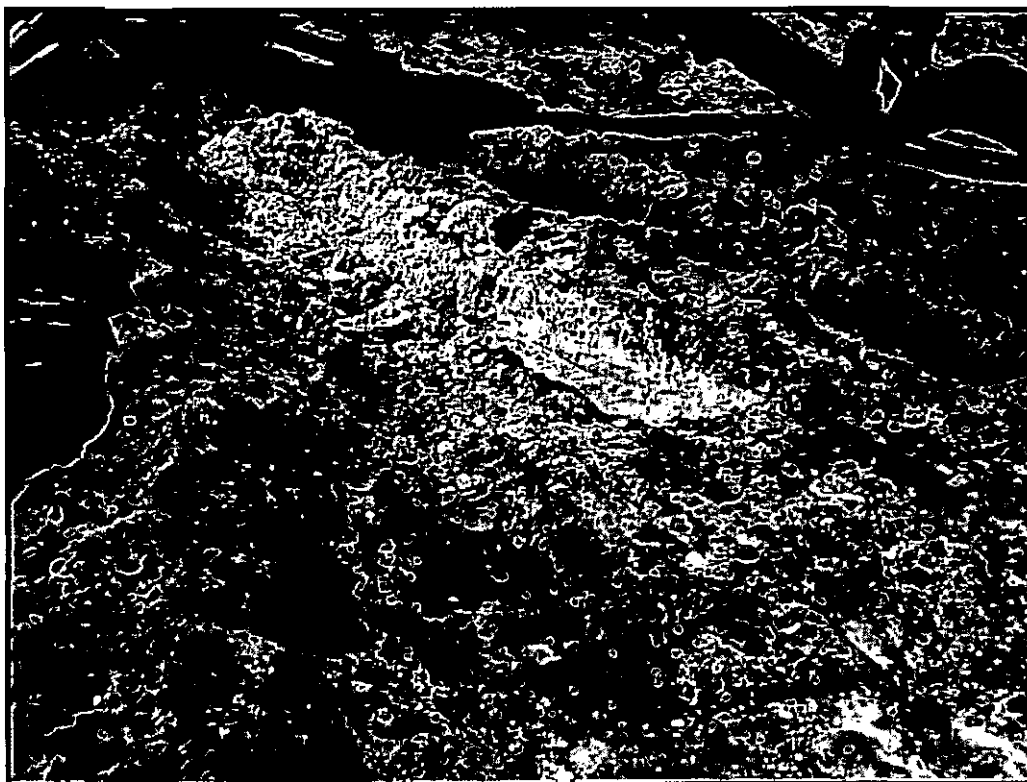
North side of line facing southeast



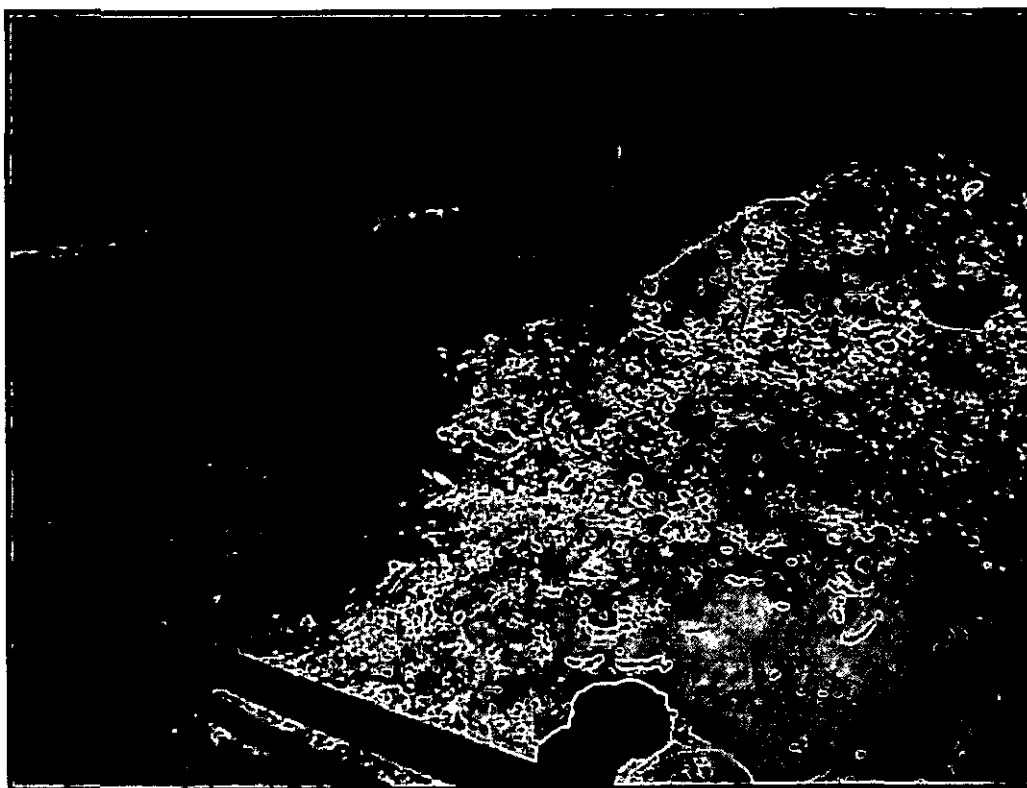
North side of line west wall



North side of line bottom

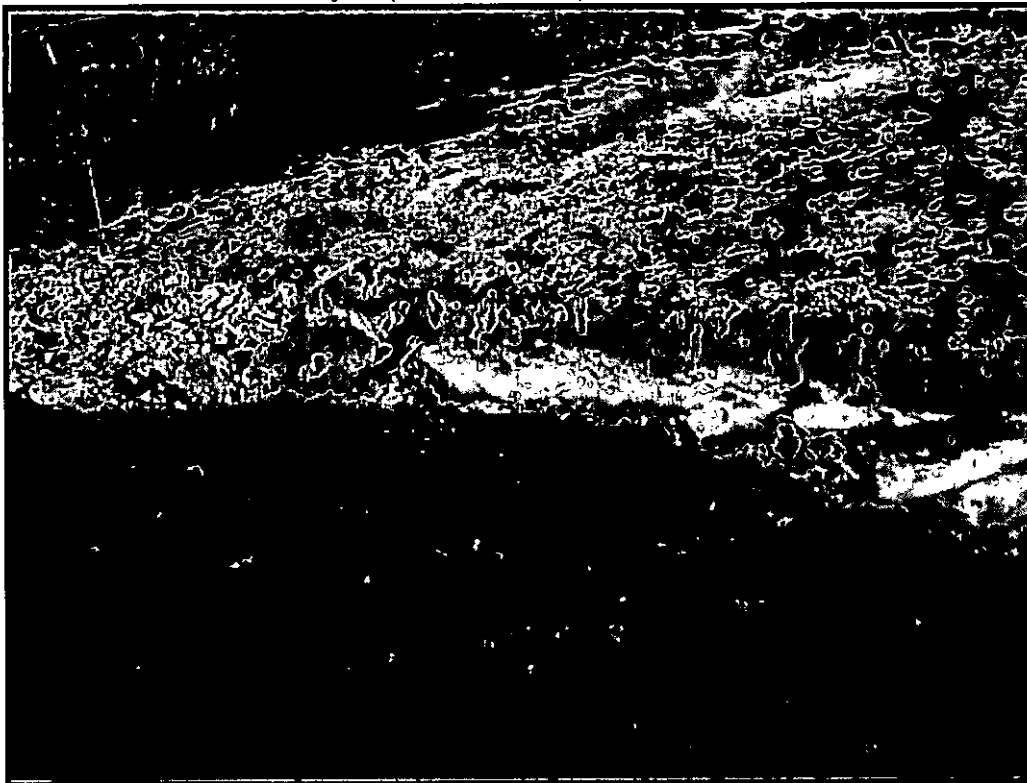


South side of line facing south



North side of line facing northwest

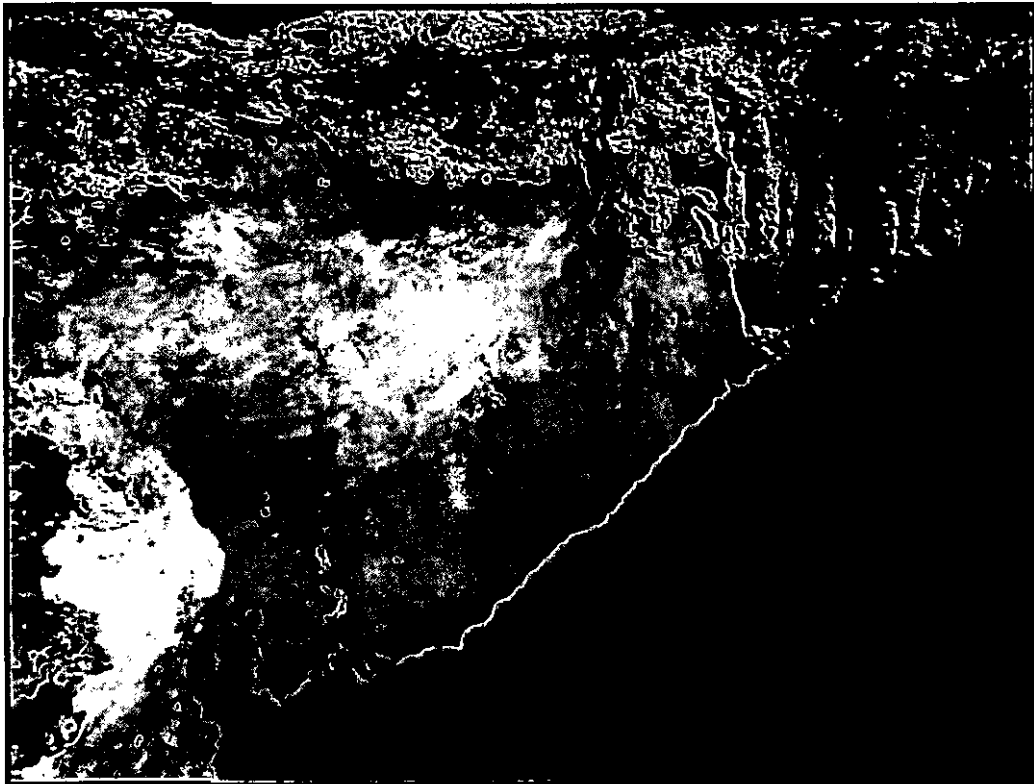
Holly Depco Leak Site photo 8-27-09



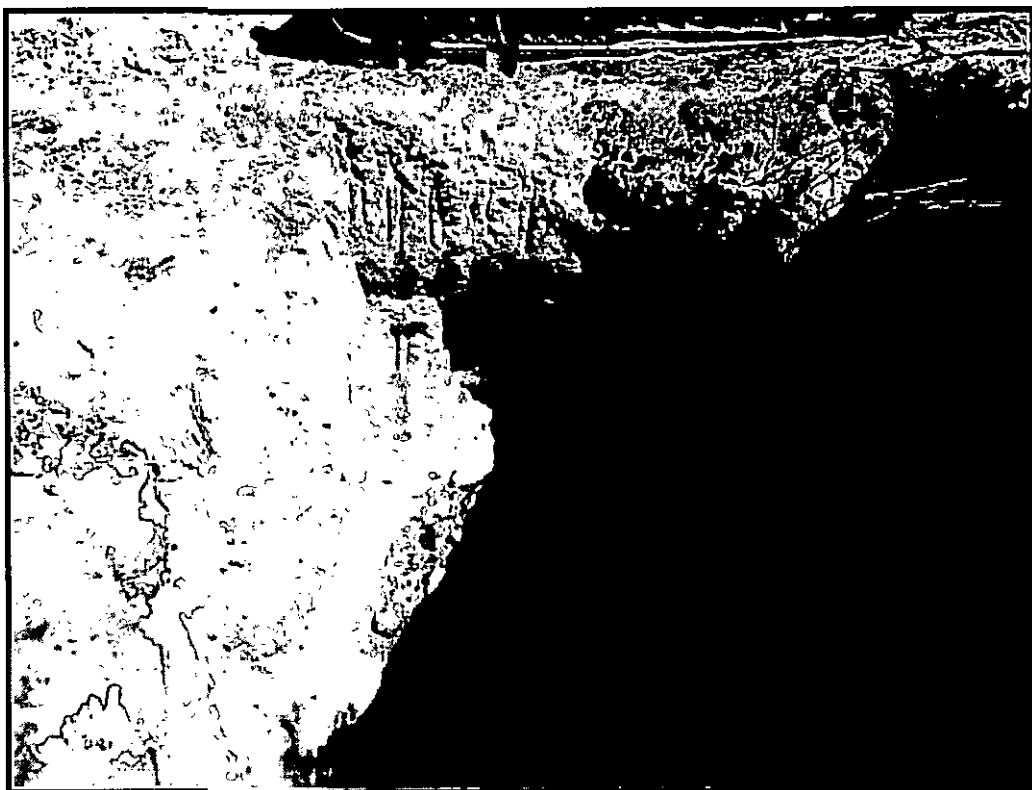
South Excavation facing southwest



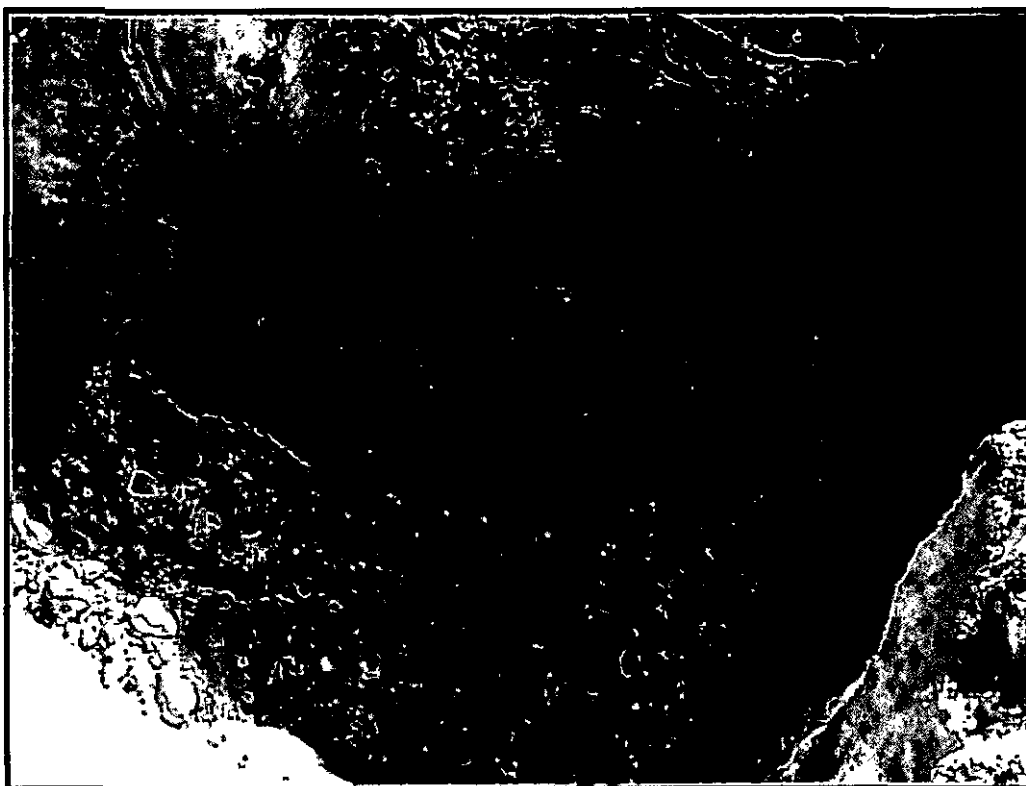
West wall facing north



West wall facing northwest



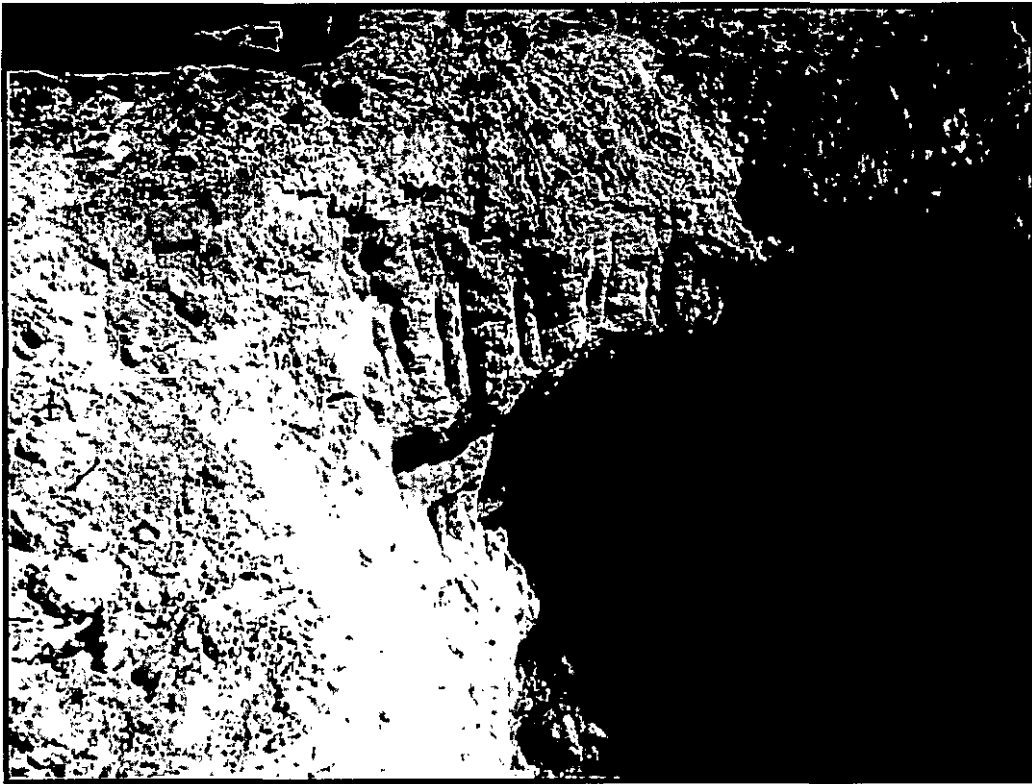
North wall facing north



Bottom of excavation at 15'



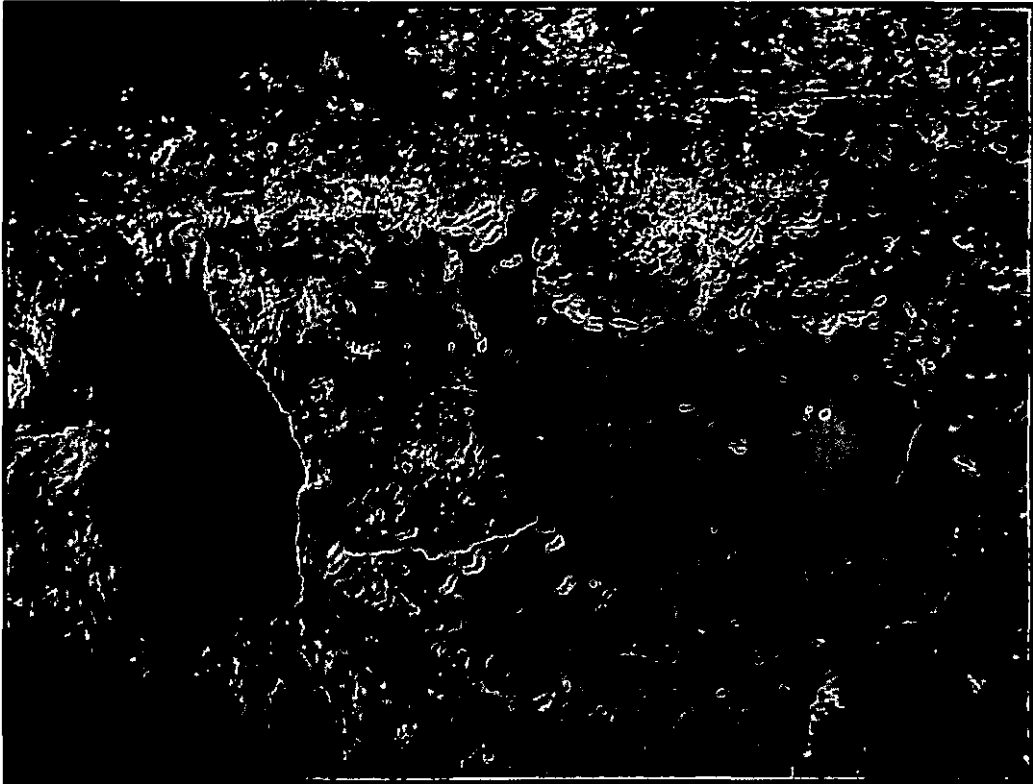
East wall facing east



North wall facing northeast



South wall facing south



West wall facing west

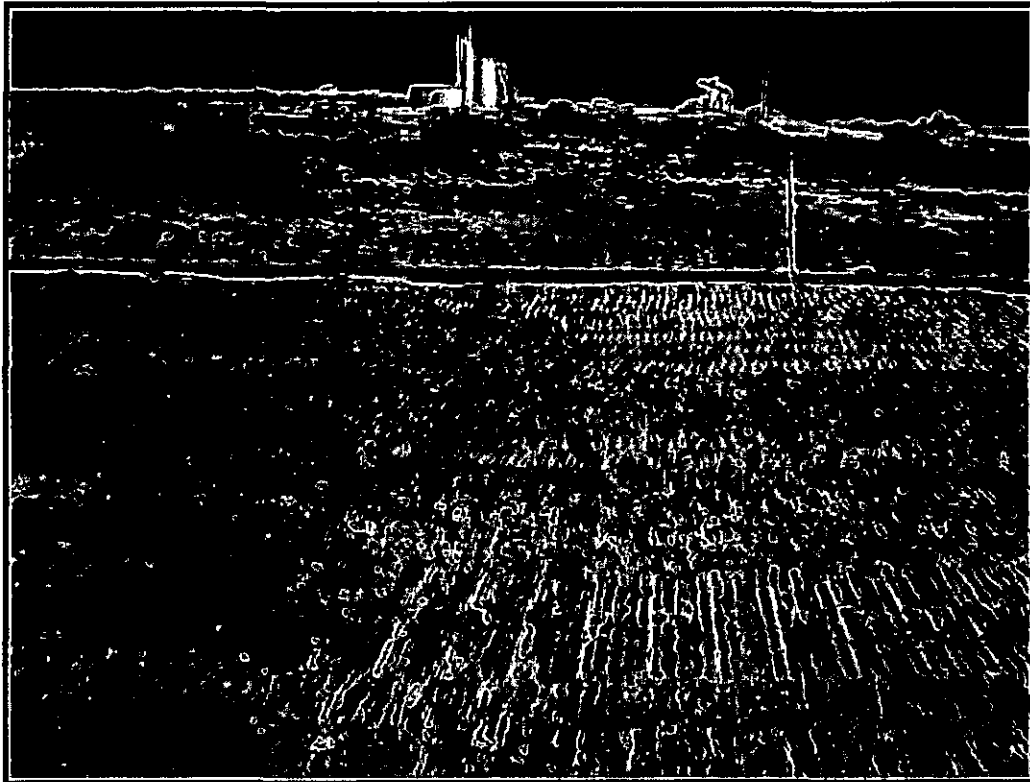
Holly Depco Leak Site Photos 9-1-09



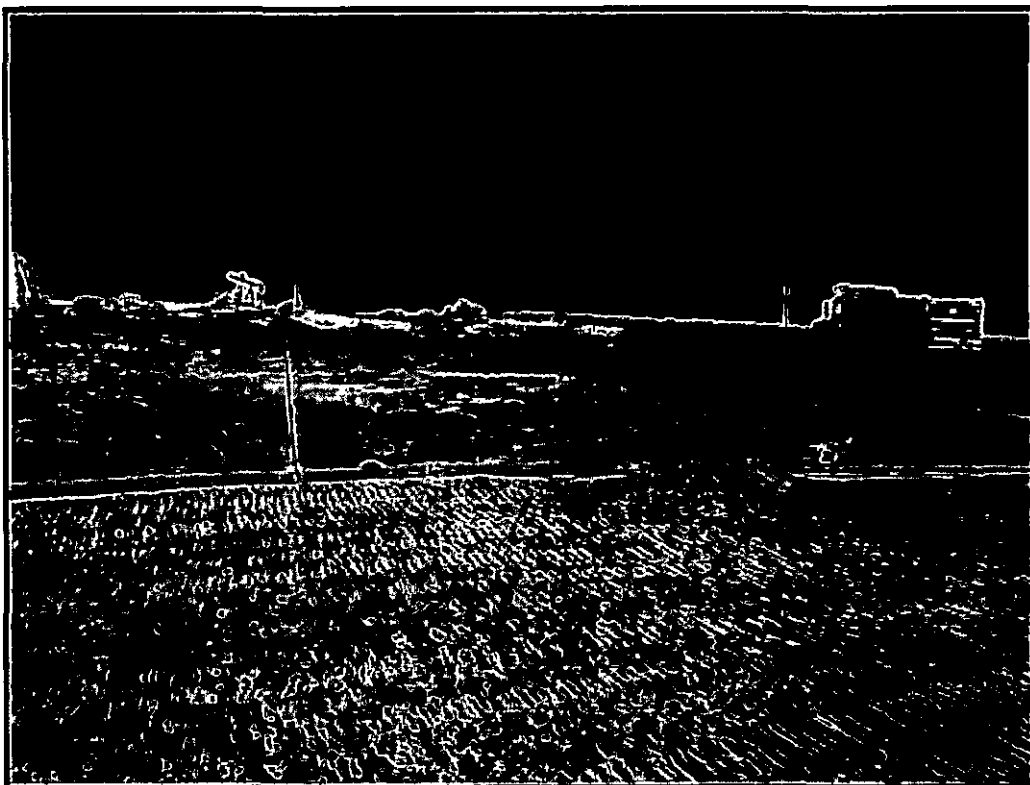
Backfilled area facing west



Backfilled area facing northeast



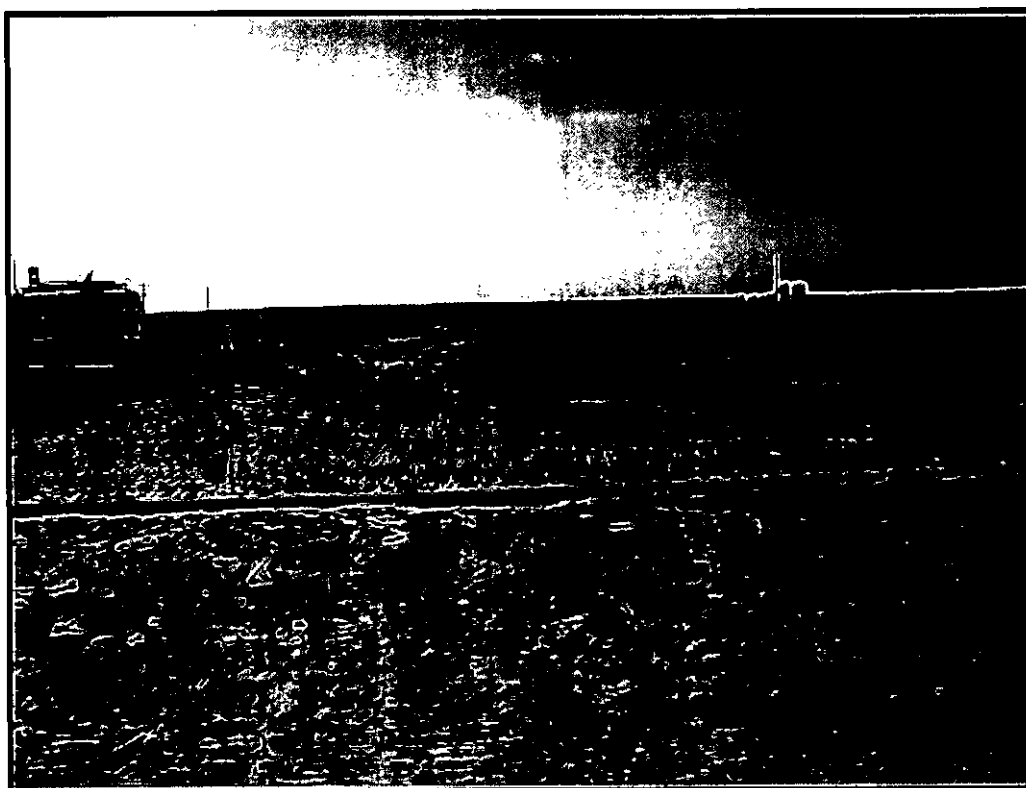
Backfilled area facing north



Backfilled area facing north



Backfilled area facing south



Backfilled area facing south

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

X Initial Report ☐ Final Report

Name of Company	Holly Energy Partners	Contact	Dickie Townley
Address	311 W. Quay, Artesia, NM 88210	Telephone No.	575-748-8949
Facility Name	Depco Station	Facility Type	Pipe Line

Surface Owner	State	Mineral Owner		Lease No.	
---------------	-------	---------------	--	-----------	--

LOCATION OF RELEASE

Unit Letter	Section 21	Township 18S	Range 28E	Feet from the	North/South Line	Feet from the	East/West Line	County Eddy
-------------	---------------	-----------------	--------------	---------------	------------------	---------------	----------------	----------------

Latitude 32°44'25.5" Longitude 104°10'55.5"

NATURE OF RELEASE

Type of Release: Crude oil	Volume of Release unknown	Volume Recovered unknown
Source of Release Tank Overflow	Date and Hour of Occurrence unknown	Date and Hour of Discovery unknown
Was Immediate Notice Given? <input type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> Not Required	If YES, To Whom?	
By Whom?	Date and Hour	
Was a Watercourse Reached? <input type="checkbox"/> Yes X No	If YES, Volume Impacting the Watercourse.	

If a Watercourse was Impacted, Describe Fully.*

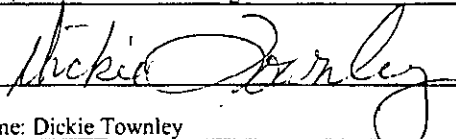
Describe Cause of Problem and Remedial Action Taken.*

A clamp on an abandoned line ruptured. Clamp was replaced.

Describe Area Affected and Cleanup Action Taken.*

Approximately 750 sq. ft. was affected by the release. Excavation was started and SESI was called for assessment.

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: 	OIL CONSERVATION DIVISION		
Printed Name: Dickie Townley	Approved by District Supervisor:		
Title: Manager of Environmental Health & Safety	Approval Date:	Expiration Date:	
E-mail Address: dickie.townley@hollyenergy.com	Conditions of Approval:		Attached <input type="checkbox"/>
Date: 5-29-09	Phone: 575-748-8949		

* Attach Additional Sheets If Necessary

ARR 3709