

HOLLY ENERGY PARTNERS – OPERATING, L.P.
 LOCAL PROPORTIONAL TARIFF

RATES APPLYING ON THE TRANSPORTATION OF
 CRUDE PETROLUEM AND INDIRECT
 LIQUID PRODUCTS OF OIL AND GAS WELLS

| FROM | TO |
|--------------------|--|
| HOBBS, NEW MEXICO | LOVINGTON, NEW MEXICO |
| GAINES JCT., TEXAS | HOBBS, NEW MEXICO LOVINGTON, NEW MEXICO |

The rates named in this Tariff are expressed in cents per barrel of forty-two (42) United States Gallons and are subject to change as provided by law.

Subject to the Rules and Regulations published in Holly Energy Partners – Operating, L.P.’s FERC No. [W] 54.0.0 21, supplements thereto and successive issues thereof.

~~[C] The rate increase is filed in compliance of 18 CFR 342.3(a), Indexing, Rate Changes.~~

~~[C] Issued on 30 days’ notice.~~

[N] Filed in compliance with Order No. 714 - Electronic Tariff Filings, issued on September 19, 2008. This Tariff brings forward the rates in FERC No. 39 for the establishment of the Baseline Tariff. No rates are being changed.

ISSUED: June 29, 2010

EFFECTIVE: August 1, 2010

The provisions published herein will, if effective, not result in an effect on the quality of the human environment.

Issued By
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| TABLE OF RATES | | |
|---|-----------------------|-----------|
| RATES IN CENTS PER BARREL OF 42 UNITED STATES GALLONS | | |
| ORIGIN | DESTINATION | RATE |
| Hobbs, New Mexico | Lovington, New Mexico | [U] 53.19 |
| Gaines Jct., Texas | Lovington, New Mexico | [U] 53.19 |
| Gaines Jct., Texas | Hobbs, New Mexico | [U] 53.19 |

Explanation of Symbols:

[U] – Unchanged Rate

[C] – Cancel

[N] – New

[W] – Change in wording only