

NEW MEXICO GAS COMPANY

SECOND REVISED RATE NO. 706
CANCELLING FIRST REVISED RATE NO. 706

Transportation to HollyFrontier Refinery and Marketing, LLC
(x)

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AVAILABILITY

Service under this Rate is available for transportation service HollyFrontier Refining and Marketing, LLC's Artesia and Lovington Plants.

TERRITORY

HollyFrontier Refining and Marketing, LLC, Eddy and Lea Counties, New Mexico.

RATES

The total Rate for transportation of gas effective for eight (8) years commencing on the 1st day of May 2016, per the Transportation Contract Number T-39806 between HollyFrontier Refining and Marketing, LLC, as amended (the "Contract") shall be:

- a. The current discounted rate (\$0.105/MMBtu) specified in Company's First Revised Rate No. 706, will be replaced. Effective as of May 1, 2016, the discounted rate for volumes shipped hereunder by Customer will be \$0.11 per MMBtu for 1st Contract Year and will increase by \$0.005/MMBtu per year at the beginning of Contract Years 2, 3 and 4. After the last of such increases, the discounted rate payable by Shipper hereunder will be \$0.125/MMBtu for the remainder of the Extended Term of the Contract for all volumes delivered to locations set forth in attached EXHIBIT B, DELIVERY POINTS, to the Contract, as previously amended.
- b. Transported volumes of Gas that exceed the Minimum Volume, as defined below, shall be subject to the discounted rate of \$0.07/MMBtu.

CURTAILABILITY

Service under this Rate may be curtailed to protect service to higher priority customers in accordance with the Company's Rule No. 21.

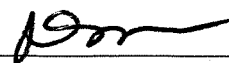
OTHER CONDITIONS

1. During the Term, Customer agrees that its usage will be a minimum monthly average 20,000 MMBtu of Gas per day (the "Minimum Volume"). The Navajo Artesia Hydrogen delivery point described in Exhibit A to the Contract will have a minimum delivery pressure of 375 psig. The above referenced Minimum Volume commitment includes deliveries to both the Artesia and Lovington refineries. If there is a shortfall in the Minimum Volume delivered, and to the extent such shortfall was not a result of curtailment by the Company, Company's breach of the Contract or an event of force majeure, Customer

Advice Notice No. 57

EFFECTIVE

MAY - 1 2016



Nicole Strauser
Director, Legal and Regulatory Affairs

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BY Operation of Law

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agrees to pay for the difference between the monthly volume actually delivered and the Minimum Volume.

2. The monthly financial reconciliation for the Minimum Volume and for volumes that exceed the Minimum Volume commitment will be calculated as follows:

Minimum Volume commitment of 20,000 MMBtu per day:

Calculation: Number of Days in the Month X 20,000 X Current Annual Rate

Volumes that exceed the Minimum Volume commitment:

(Actual Monthly Volume – (Number of Days in the Month X 20,000)) X \$0.07

3. Service under this Rate shall be subject to all applicable laws and orders and to the Company's Rules and Regulations on file with the New Mexico Public Regulation Commission.
4. Company shall transport gas received from owner at the receipt point and deliver equivalent quantities of gas on a MMBtu basis less a quantity of gas equal to one percent (1%). Such reduction in gas quantity redelivered shall be deemed to reflect fuel use and gas lost and unaccounted for.
5. Service under this Rate shall be subject to the Transportation Agreement between the Company and HollyFrontier Refinery and Marketing, LLC (T-39806) effective May 1, 2016, as amended and fully executed on May 13, 2016.

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