

HOLLY ENERGY PARTNERS LP
Form SC 13D/A
January 14, 2011

SECURITIES AND EXCHANGE COMMISSION

Washington, D.C. 20549

SCHEDULE 13D

Under the Securities Exchange Act of 1934

(Amendment No. 1)

Holly Energy Partners, L.P.

(Name of Issuer)

Common Units

(Title of Class of Securities)

435763 10 7

(CUSIP Number)

Denise C. McWatters

Vice President, General Counsel and Secretary

Holly Energy Partners, L.P.

100 Crescent Court, Suite 1600

Dallas, Texas 75201

Tel: (214) 871-3555

(Name, Address and Telephone Number of Person
Authorized to Receive Notices and Communications)

December 29, 2010

(Date of Event which Requires Filing of this Statement)

If the filing person has previously filed a statement on Schedule 13G to report the acquisition that is the subject of this Schedule 13D, and is filing this schedule because of §§240.13d-1(e), 240.13d-1(f) or 240.13d-1(g), check the following box:

Note: Schedules filed in paper format shall include a signed original and five copies of the schedule, including all exhibits. See §240.13d-7 for other parties to whom copies are to be sent.

*The remainder of this cover page shall be filled out for a reporting person's initial filing on this form with respect to the subject class of securities, and for any subsequent amendment containing information which would alter disclosures provided in a prior cover page.

The information required on the remainder of this cover page shall not be deemed to be filed for the purpose of Section 18 of the Securities Exchange Act of 1934 (Act) or otherwise subject to the liabilities of that section of the Act but shall be subject to all other provisions of the Act (however, see the Notes).

(Continued on following pages)

Common Unit CUSIP No. 435763 10 7

NAME OF REPORTING PERSON

1 I.R.S. IDENTIFICATION NO. OF ABOVE PERSONS
Holly Corporation 75-1056913

CHECK THE APPROPRIATE BOX IF A MEMBER OF A GROUP

2 (a)
(b)

SEC USE ONLY

3

SOURCE OF FUNDS

4 OO

CHECK BOX IF DISCLOSURE OF LEGAL PROCEEDINGS IS REQUIRED PURSUANT TO
ITEMS 2(d) OR 2(e)

5

CITIZENSHIP OR PLACE OF ORGANIZATION

6 Delaware, United States

SOLE VOTING POWER

7

NUMBER OF 72,503 Common Units

SHARED VOTING POWER

8

SHARES BENEFICIALLY OWNED BY 7,217,497 Common Units

SOLE DISPOSITIVE POWER

9

EACH REPORTING

PERSON 72,503 Common Units

WITH SHARED DISPOSITIVE POWER

10

7,217,497 Common Units

AGGREGATE AMOUNT BENEFICIALLY OWNED BY EACH REPORTING PERSON (1)

11

7,290,000 Common Units

CHECK BOX IF THE AGGREGATE AMOUNT IN ROW (11) EXCLUDES CERTAIN SHARES

12

PERCENT OF CLASS REPRESENTED BY AMOUNT IN ROW (11)

13

33% of Common Units

TYPE OF REPORTING PERSON

14

CO corporation

(1) Certain indirect wholly owned subsidiaries of Holly Corporation, including Navajo Pipeline Co., L.P. and Holly Logistics Limited LLC, are the record owners of 7,217,497 of these Common Units.

Common Unit CUSIP No. 435763 10 7

NAME OF REPORTING PERSON

1 I.R.S. IDENTIFICATION NO. OF ABOVE PERSONS
Navajo Holdings, Inc. 85-0284908

CHECK THE APPROPRIATE BOX IF A MEMBER OF A GROUP

2 (a)
(b)

SEC USE ONLY

3

SOURCE OF FUNDS

4

OO (see Item 3)

CHECK BOX IF DISCLOSURE OF LEGAL PROCEEDINGS IS REQUIRED PURSUANT TO
ITEMS 2(d) OR 2(e)

5

CITIZENSHIP OR PLACE OF ORGANIZATION

6

New Mexico, United States

SOLE VOTING POWER

7

NUMBER OF 0 Common Units

SHARED VOTING POWER

8

SHARES BENEFICIALLY OWNED BY 7,127,440 Common Units

SOLE DISPOSITIVE POWER

9

EACH REPORTING

PERSON 0 Common Units

WITH SHARED DISPOSITIVE POWER

10

7,127,440 Common Units

AGGREGATE AMOUNT BENEFICIALLY OWNED BY EACH REPORTING PERSON (1)

11

7,127,440 Common Units

CHECK BOX IF THE AGGREGATE AMOUNT IN ROW (11) EXCLUDES CERTAIN SHARES

12

PERCENT OF CLASS REPRESENTED BY AMOUNT IN ROW (11)

13

32.3% of Common Units

TYPE OF REPORTING PERSON

14

CO corporation

(1) Navajo Pipeline Co., L.P. and Holly Logistics Limited LLC are the record owners of these Common Units.

Common Unit CUSIP No. 435763 10 7

NAME OF REPORTING PERSON

1 I.R.S. IDENTIFICATION NO. OF ABOVE PERSONS
Navajo Pipeline GP, L.L.C. 52-2364943

CHECK THE APPROPRIATE BOX IF A MEMBER OF A GROUP

2 (a)
(b)

SEC USE ONLY

3

SOURCE OF FUNDS

4

OO (see Item 3)

CHECK BOX IF DISCLOSURE OF LEGAL PROCEEDINGS IS REQUIRED PURSUANT TO
ITEMS 2(d) OR 2(e)

5

CITIZENSHIP OR PLACE OF ORGANIZATION

6

Delaware, United States

SOLE VOTING POWER

7

NUMBER OF 0 Common Units

SHARED VOTING POWER

SHARES BENEFICIALLY **8**

OWNED BY 7,127,440 Common Units

SOLE DISPOSITIVE POWER

EACH REPORTING **9**

PERSON 0 Common Units

WITH SHARED DISPOSITIVE POWER

10

7,127,440 Common Units

11

AGGREGATE AMOUNT BENEFICIALLY OWNED BY EACH REPORTING PERSON (1)

7,127,440 Common Units

12

CHECK BOX IF THE AGGREGATE AMOUNT IN ROW (11) EXCLUDES CERTAIN SHARES

13

PERCENT OF CLASS REPRESENTED BY AMOUNT IN ROW (11)

32.3% of Common Units

14

TYPE OF REPORTING PERSON

OO limited liability company

(1) Navajo Pipeline Co., L.P. and Holly Logistics Limited LLC are the record owners of these Common Units.

Common Unit CUSIP No. 435763 10 7

NAME OF REPORTING PERSON

1 I.R.S. IDENTIFICATION NO. OF ABOVE PERSONS
Navajo Pipeline LP, L.L.C. 85-0484420

CHECK THE APPROPRIATE BOX IF A MEMBER OF A GROUP

2 (a)
(b)

SEC USE ONLY

3

SOURCE OF FUNDS

4

OO (see Item 3)

CHECK BOX IF DISCLOSURE OF LEGAL PROCEEDINGS IS REQUIRED PURSUANT TO
ITEMS 2(d) OR 2(e)

5

CITIZENSHIP OR PLACE OF ORGANIZATION

6

Delaware, United States

SOLE VOTING POWER

7

NUMBER OF 0 Common Units

SHARED VOTING POWER

SHARES
BENEFICIALLY **8**
OWNED BY

7,127,440 Common Units

SOLE DISPOSITIVE POWER

EACH
REPORTING **9**

PERSON 0 Common Units

WITH SHARED DISPOSITIVE POWER

10

7,127,440 Common Units

AGGREGATE AMOUNT BENEFICIALLY OWNED BY EACH REPORTING PERSON (1)

11

7,127,440 Common Units

CHECK BOX IF THE AGGREGATE AMOUNT IN ROW (11) EXCLUDES CERTAIN SHARES

12

PERCENT OF CLASS REPRESENTED BY AMOUNT IN ROW (11)

13

32.3% of Common Units

TYPE OF REPORTING PERSON

14

OO limited liability company

(1) Navajo Pipeline Co., L.P. and Holly Logistics Limited LLC are the record owners of these Common Units.

Common Unit CUSIP No. 435763 10 7

NAME OF REPORTING PERSON

1 I.R.S. IDENTIFICATION NO. OF ABOVE PERSONS
Navajo Pipeline Co., L.P. 75-1611333

CHECK THE APPROPRIATE BOX IF A MEMBER OF A GROUP

2 (a)
(b)

SEC USE ONLY

3

SOURCE OF FUNDS

4

OO (see Item 3)

CHECK BOX IF DISCLOSURE OF LEGAL PROCEEDINGS IS REQUIRED PURSUANT TO
ITEMS 2(d) OR 2(e)

5

CITIZENSHIP OR PLACE OF ORGANIZATION

6

Delaware, United States

SOLE VOTING POWER

7

NUMBER OF 0 Common Units

SHARED VOTING POWER

SHARES
BENEFICIALLY **8**
OWNED BY

7,127,440 Common Units

SOLE DISPOSITIVE POWER

EACH
REPORTING **9**

PERSON 0 Common Units

WITH SHARED DISPOSITIVE POWER

10

7,127,440 Common Units

11

AGGREGATE AMOUNT BENEFICIALLY OWNED BY EACH REPORTING PERSON (1)

7,127,440 Common Units

12

CHECK BOX IF THE AGGREGATE AMOUNT IN ROW (11) EXCLUDES CERTAIN SHARES

13

PERCENT OF CLASS REPRESENTED BY AMOUNT IN ROW (11)

32.3% of Common Units

14

TYPE OF REPORTING PERSON

PN partnership

(1) Holly Logistics Limited LLC is the record owner of 7,000,000 of these Common Units.

Common Unit CUSIP No. 435763 10 7

NAME OF REPORTING PERSON

1 I.R.S. IDENTIFICATION NO. OF ABOVE PERSONS
Holly Logistic Services, L.L.C. 05-0593172

CHECK THE APPROPRIATE BOX IF A MEMBER OF A GROUP

2 (a)
(b)

SEC USE ONLY

3

SOURCE OF FUNDS

4

OO (see Item 3)

CHECK BOX IF DISCLOSURE OF LEGAL PROCEEDINGS IS REQUIRED PURSUANT TO
ITEMS 2(d) OR 2(e)

5

CITIZENSHIP OR PLACE OF ORGANIZATION

6

Delaware, United States

SOLE VOTING POWER

7

NUMBER OF 0 Common Units

SHARED VOTING POWER

SHARES BENEFICIALLY **8**

OWNED BY 7,000,000 Common Units

SOLE DISPOSITIVE POWER

EACH REPORTING **9**

PERSON 0 Common Units

WITH SHARED DISPOSITIVE POWER

10

7,000,000 Common Units

AGGREGATE AMOUNT BENEFICIALLY OWNED BY EACH REPORTING PERSON (1)

11

7,000,000 Common Units

CHECK BOX IF THE AGGREGATE AMOUNT IN ROW (11) EXCLUDES CERTAIN SHARES

12

PERCENT OF CLASS REPRESENTED BY AMOUNT IN ROW (11)

13

31.7% of Common Units

TYPE OF REPORTING PERSON

14

OO limited liability company

(1) Holly Logistics Limited LLC is the record owner of these Common Units.

Common Unit CUSIP No. 435763 10 7

NAME OF REPORTING PERSON

1 I.R.S. IDENTIFICATION NO. OF ABOVE PERSONS
Holly Logistics Limited LLC 27-4289116

CHECK THE APPROPRIATE BOX IF A MEMBER OF A GROUP

2 (a)
(b)

SEC USE ONLY

3

SOURCE OF FUNDS

4

OO (see Item 3)

CHECK BOX IF DISCLOSURE OF LEGAL PROCEEDINGS IS REQUIRED PURSUANT TO
ITEMS 2(d) OR 2(e)

5

CITIZENSHIP OR PLACE OF ORGANIZATION

6

Delaware, United States

SOLE VOTING POWER

7

NUMBER OF 0 Common Units

SHARED VOTING POWER

8

SHARES BENEFICIALLY OWNED BY 7,000,000 Common Units

SOLE DISPOSITIVE POWER

9

EACH REPORTING

PERSON 0 Common Units

WITH SHARED DISPOSITIVE POWER

10

7,000,000 Common Units

11

AGGREGATE AMOUNT BENEFICIALLY OWNED BY EACH REPORTING PERSON (1)

7,000,000 Common Units

12

CHECK BOX IF THE AGGREGATE AMOUNT IN ROW (11) EXCLUDES CERTAIN SHARES

13

PERCENT OF CLASS REPRESENTED BY AMOUNT IN ROW (11)

31.7% of Common Units

14

TYPE OF REPORTING PERSON

OO limited liability company

Common Unit CUSIP No. 435763 10 7

NAME OF REPORTING PERSON

1 I.R.S. IDENTIFICATION NO. OF ABOVE PERSONS
HEP Logistics Holdings, L.P. 20-0833056

CHECK THE APPROPRIATE BOX IF A MEMBER OF A GROUP

2 (a)
(b)

SEC USE ONLY

3

SOURCE OF FUNDS

4

OO (see Item 3)

CHECK BOX IF DISCLOSURE OF LEGAL PROCEEDINGS IS REQUIRED PURSUANT TO
ITEMS 2(d) OR 2(e)

5

CITIZENSHIP OR PLACE OF ORGANIZATION

6

Delaware, United States

SOLE VOTING POWER

7

NUMBER OF 0 Common Units

SHARED VOTING POWER

SHARES BENEFICIALLY **8**

OWNED BY 0 Common Units

SOLE DISPOSITIVE POWER

EACH REPORTING **9**

PERSON 0 Common Units

WITH SHARED DISPOSITIVE POWER

10

0 Common Units

AGGREGATE AMOUNT BENEFICIALLY OWNED BY EACH REPORTING PERSON

11

0 Common Units

CHECK BOX IF THE AGGREGATE AMOUNT IN ROW (11) EXCLUDES CERTAIN SHARES

12

PERCENT OF CLASS REPRESENTED BY AMOUNT IN ROW (11)

13

0% of Common Units

TYPE OF REPORTING PERSON

14

PN partnership

AMENDMENT NO. 1 TO SCHEDULE 13D

This Amendment No. 1 to Schedule 13D (this Amendment) relates to the common units representing limited partner interests (the Common Units) of Holly Energy Partners, L.P., a Delaware limited partnership (the Issuer), and amends the Schedule 13D filed with the Securities and Exchange Commission on August 28, 2009 by Holly Corporation, Navajo Holdings, Inc., Navajo Pipeline GP, L.L.C., Navajo Pipeline LP, L.L.C., Navajo Pipeline Co., L.P., Holly Logistic Services, L.L.C. and HEP Logistics Holdings, L.P.

Except as otherwise specified in this Amendment, all items left blank remain unchanged in all material respects and any items which are reported are deemed to amend and restate the corresponding items in the Schedule 13D.

Capitalized terms used herein but not defined herein have the respective meanings ascribed to them in the Schedule 13D.

Item 1. Security and Issuer

Item 2. Identity and Background

Sub-Items (a) and (c) of Item 2 of the Schedule 13D are hereby amended and restated in their entirety as follows:

(a) Name of Persons Filing this Statement:

- (1) Holly Corporation, a Delaware corporation (Holly), is the parent of Navajo Holdings, Inc., a New Mexico corporation (Navajo Holdings), Navajo Pipeline GP, L.L.C., a Delaware limited liability company (Navajo Pipeline GP), Navajo Pipeline LP, L.L.C., a Delaware limited liability company (Navajo Pipeline LP), Navajo Pipeline, Co., L.P., a Delaware limited partnership (Navajo), Holly Logistic Services, L.L.C., a Delaware limited liability company (HLS), Holly Logistics Limited LLC, a Delaware limited liability company (HLL) and HEP Logistics Holdings, L.P., a Delaware limited partnership (the General Partner).
- (2) Navajo Holdings is a wholly owned subsidiary of Holly.
- (3) Navajo Pipeline GP is a wholly owned subsidiary of Navajo Holdings.
- (4) Navajo Pipeline LP is a wholly owned subsidiary of Navajo Holdings.
- (5) Navajo has one general and limited partner, which are Navajo Pipeline GP and Navajo Pipeline LP, respectively.
- (6) HLS is a wholly owned subsidiary of Navajo.
- (7) HLL is a wholly owned subsidiary of HLS.
- (8) The General Partner (collectively with Holly, Navajo Holdings, Navajo Pipeline GP, Navajo Pipeline LP, Navajo, HLS and HLL, the Reporting

Persons), has one general and limited partner, which are HLS and Navajo, respectively, and is the sole general partner of the Issuer.

The Reporting Persons, other than HLL, previously entered into a Joint Filing Agreement, dated August 28, 2009, a copy of which is incorporated by reference to this Schedule 13D as Exhibit 99.1 (which is hereby incorporated by reference), and the Reporting Persons, including HLL, have entered into an amendment to the Joint Filing Agreement, as of the date hereof, filed with this Schedule 13D as Exhibit 99.2 (which is incorporated by reference), pursuant to which the Reporting Persons have agreed to file this statement jointly in accordance with the provisions of Rule 13d-1(k)(1) under the Act. Immediately after the filing of this Schedule 13D, the General Partner's obligations under the Joint Filing Agreement to file any future amendments to this Schedule 13D jointly shall terminate. Information with respect to each Reporting Person is given solely by such Reporting Person, and no Reporting Person assumes responsibility for the accuracy or completeness of the information furnished by another Reporting Person. The Reporting Persons expressly disclaim that they have agreed to act as a group.

Pursuant to Rule 13d-4 of the Act, the Reporting Persons expressly declare that the filing of this statement shall not be construed as an admission that any such person is, for the purposes of Section 13(d) and/or Section 13(g) of the Act or otherwise, the beneficial owner of any securities covered by this Schedule 13D held by any other person.

(c) Present Principal Occupation or Principal Business:

- (1) The principal business of Holly is to act as a holding company whose assets consist of direct and indirect ownership interests in, and whose business is conducted substantially through, its subsidiaries.
- (2) The principal business of Navajo Holdings is to act as a holding company whose assets consist of direct and indirect ownership interests in, and whose business is conducted substantially through, its subsidiaries.
- (3) The principal business of Navajo Pipeline GP is to serve as the general partner of Navajo.
- (4) The principal business of Navajo Pipeline LP is to serve as the limited partner of Navajo.
- (5) The principal business of Navajo is to own all of the membership interests in HLS and serve as the limited partner of the General Partner.
- (6) The principal business of HLS is to serve as the general partner of the General Partner, and as the sole member of HLL.
- (7) The principal business of HLL is to own Common Units in the Issuer.

- (8) The principal business of the General Partner is to serve as the general partner of the Issuer. The principal business of the Issuer is the operation (through its subsidiaries) of oil and gas refined product and crude oil pipelines.

Pursuant to Instruction C to Schedule 13D of the Act, information regarding the directors and executive officers of Holly, Navajo Holdings and HLS (the Listed Persons) are as follows:

Holly Corporation:

Name	Position	Principal Occupation/Business	Common Units Beneficially Owned	Percent of Common Units Beneficially Owned
Matthew P. Clifton	Chairman of the Board and Chief Executive Officer	Executive Officer of Holly and its affiliates	81,280	0.4
David L. Lamp	President	Executive Officer of Holly and its affiliates	300 ⁽¹⁾	*
Bruce R. Shaw	Senior Vice President and Chief Financial Officer	Executive Officer of Holly and its affiliates	9,134	*
George J. Damiris	Senior Vice President, Supply and Marketing	Executive Officer of Holly and its affiliates	0	*
Denise C. McWatters	Vice President, General Counsel and Secretary	Executive Officer of Holly and its affiliates	4,255 ⁽²⁾	*
Robert G. McKenzie	Director	Financial Consultant	0	*
Jack P. Reid	Director	Retired	4,400 ⁽³⁾	*
Paul T. Stoffel	Director	Chairman of Triple S Capital Corp. and Paul Stoffel Investments	0	*
Buford P. Berry	Director	Of Counsel, Thompson & Knight L.L.P.	0	*
Leldon E. Echols	Director	Private Investor	0	*
Tommy A. Valenta	Director	Retired	0	*

* Less than 0.1%

Navajo Holdings, Inc.

Name	Position	Principal Occupation/Business	Percent of Common Units Beneficially Owned	
			Common Units Beneficially Owned	Owned
Matthew P. Clifton	President and Director	Executive Officer of Holly and its affiliates	81,280	0.4
Bruce R. Shaw	Senior Vice President, Chief Financial Officer and Director	Executive Officer of Holly and its affiliates	9,134	*
Denise C. McWatters	Vice President, General Counsel, Secretary and Director	Executive Officer of Holly and its affiliates	4,255 ⁽²⁾	*

* Less than 0.1%

Holly Logistic Services, L.L.C.

Name	Position	Principal Occupation/Business	Percent of Common Units Beneficially Owned	
			Common Units Beneficially Owned	Owned
Matthew P. Clifton	Chairman of the Board and Chief Executive Officer	Executive Officer of Holly and its affiliates	81,280	0.4
David G. Blair	President	Executive Officer of HLS	12,922	0.1
Bruce R. Shaw	Senior Vice President and Chief Financial Officer	Executive Officer of Holly and its affiliates	9,134	*
Mark T. Cunningham	Vice President, Operations	Executive Officer of HLS	9,878	*
Denise C. McWatters	Vice President, General Counsel and Secretary	Executive Officer of Holly and its affiliates	4,255 ⁽²⁾	*
P. Dean Ridenour	Director	Retired	30,570	0.1
Charles M. Darling, IV	Director	President of DQ Holdings, L.L.C.	19,586 ⁽⁴⁾	0.1
William J. Gray	Director	Private Consultant	6,785	*
Jerry W. Pinkerton	Director	Retired	8,386	*
William P. Stengel	Director	Retired	7,816 ⁽⁵⁾	*

* Less than 0.1%

(1) Mr. Lamp owns a 20% interest in, and is a director of, BJM Corp., which owns these Common Units; therefore, as an owner and director of BJM Corp., Mr. Lamp shares voting and disposition power over these Common Units. As an owner and director

of BJM Corp., Mr. Lamp has the power to direct the receipt of distributions from and the proceeds from the sale of, these Common Units.

(2) Mrs. McWatters shares voting and disposition power over 2,000 of these Common Units, which Common Units are owned by her husband. Mrs. McWatters' husband also has the right to receive distributions from, and the proceeds from the sale of, these Common Units.

(3) Mr. Reid holds a 18.6525% or less limited partner interest and a 0.5% general partner interest in the Reid Family Limited Partnership and Mr. Reid's wife holds a 18.6525% or less limited partner interest and a 0.5% general partner interest in the Reid Family Limited Partnership, which owns these Common Units; therefore, as general partners of the Reid Family Limited Partnership, Mr. Reid shares voting and disposition power over these Common Units with his wife. As general partners of the Reid Family Limited Partnership, Mr. Reid and his wife have the power to direct the receipt of distributions from, and the proceeds from the sale of, these Common Units. Mr. Reid disclaims beneficial ownership of Common Units held by the Reid Family Limited Partnership except to the extent of his pecuniary interest therein.

(4) Mr. Darling owns a 50% interest in, and is the general manager of, DQ Holdings, L.L.C., which owns 11,200 of these Common Units. As an owner and general manager of DQ Holdings, L.L.C., Mr. Darling shares voting and disposition power over these Common Units. As an owner and general manager of DQ Holdings, L.L.C., Mr. Darling has the power to direct the receipt of distributions from, and the proceeds from the sale of, these Common Units. Mr. Darling disclaims beneficial ownership of Common Units held by DQ Holdings, L.L.C. except to the extent of his pecuniary interest therein.

(5) Mr. Stengel shares voting and disposition power over 500 of these Common Units, which Common Units are owned by his wife. Mr. Stengel's wife also has the right to receive distributions from, and the proceeds from the sale of, these Common Units.

The principal business address and principal office address of the executive officers and directors listed above is 100 Crescent Court, Suite 1600, Dallas, Texas 75201.

Item 3. Source and Amount of Funds or Other Consideration

Item 3 of the Schedule 13D is hereby amended to add the following additional disclosure:

On December 17, 2010, the General Partner contributed 7,000,000 Common Units to HLL, which was a wholly owned subsidiary of the General Partner at such time. HLS subsequently acquired all of the membership interest in HLL from the General Partner.

Additionally, on December 29, 2010, HLL entered into a Pledge and Security Agreement (the "P&SA", attached hereto as Exhibit 10.1) with Plains Marketing, L.P. (Plains) pursuant to which it pledged 5,000,000 Common Units owned by it to Plains to secure certain purchases of crude oil by another Holly affiliate from Plains. HLL will retain the voting and investing power over the Common Units, unless and until a Holly affiliate defaults on its obligations under certain crude oil contracts with Plains and Plains forecloses on the common units pursuant to the P&SA.

From time to time, Holly issues letters of credit to certain of its crude oil suppliers in order to secure purchases of crude oil when those purchases exceed the open credit provided by the supplier. By pledging Common Units instead of using letters of credit, Holly will reduce costs associated with issuing such letters of credit and having such letters of credit remain outstanding.

Item 4. Purpose of Transaction

Item 5. Interest in Securities of the Issuer

Sub-Items (a), (b), (c), and (e) of Item 5 of the Schedule 13D are hereby amended and restated in their entirety as follows:

- (a) (1) HLL is the record and beneficial owner of an aggregate of 7,000,000 Common Units, representing 31.7% of the Common Units. Navajo is the record and beneficial owner of an aggregate of 127,440 Common Units, representing 0.6% of the Common Units. Holly is the record and beneficial owner of 72,503 Common Units, representing 0.3% of the Common Units. No other Reporting Person directly owns any Common Units.
- (2) In its capacity as the owner of 100% of the membership interests in HLL, HLS may, pursuant to Rule 13d-3 under the Act, be deemed to be the beneficial owner of an aggregate of 7,000,000 Common Units, representing 31.7% of the Common Units. In its capacity as the owner of 100% of the membership interests in HLS, Navajo may, pursuant to Rule 13d-3 under the Act, be deemed to be the beneficial owner of an aggregate of 7,127,440 Common Units, representing 32.3% of the Common Units. In their capacity as the direct or indirect owners of 100% of the general and limited partner interests in Navajo, Navajo Holdings, Navajo Pipeline GP and Navajo Pipeline LP may each, pursuant to Rule 13d-3 under the Act, be deemed to be the beneficial owner of an aggregate of 7,127,440 Common Units, representing 32.3% of the Common Units. In its capacity as the owner of 100% of the common stock of Navajo Holdings, Holly may, pursuant to Rule 13d-3 under the Act, be deemed to be the beneficial owner of an aggregate of 7,290,000 Common Units, 90,057 of which are held directly by wholly owned subsidiaries of Holly that are not Reporting Persons, representing 33% of the Common Units.
- (3) The information set forth in Item 2 with respect to the Listed Persons is incorporated into this Item 5(a) by reference.
- (4) The filing of this Schedule 13D shall not be construed as an admission by any Reporting Person or Listed Person that, for the purpose of Section 13(d) or 13(g) of the Act, such Reporting Person or Listed Person is the beneficial owner of any securities covered by this Schedule 13D other than securities owned of record by such Reporting Person or Listed Person.
- (5) Except as set forth herein, neither the Reporting Persons nor, to the best knowledge of the Reporting Persons, the Listed Persons own beneficially, or have any right to acquire, directly or indirectly, any Common Units.

(b) The information set forth in Items 7 through 11 of the cover pages hereto and the information regarding the Listed Persons in Item 2 are incorporated herein by reference. The executive officers and members of the board of directors of (i) Holly who are identified in Item 2 hereof, share the power to vote or to direct the vote, and to dispose or to direct the disposition of, 7,290,000 Common Units owned by Holly, Navajo, HLL and other wholly owned subsidiaries of Holly that are not Reporting Persons, subject to certain exceptions, (ii) Navajo Holdings who are identified in Item 2 hereof, share the power to vote or to direct the vote, and to dispose or to direct the disposition of, 7,127,440 Common Units owned by Navajo and HLL, subject to certain exceptions, and (iii) HLS who are identified in Item 2 hereof, share the power to vote or to direct the vote, and to dispose or to direct the disposition of, 7,000,000 Common Units owned by the HLL, subject to certain exceptions.

(c) The information with respect to the acquisition on December 17, 2010 of the 7,000,000 Common Units by HLL from the General Partner set forth on Item 3 is hereby incorporated herein. On January 1, 2011, each of the following individuals surrendered the Common Units indicated below to satisfy such individual's tax liability incident to the vesting of certain of the restricted Common Units previously awarded to such individual:

Name	Number of Common Units	Price Per Unit
David G. Blair	1,390	\$ 50.91
Bruce R. Shaw	921	\$ 50.91
Mark T. Cunningham	821	\$ 50.91
Denise C. McWatters	236	\$ 50.91

Except as described above, none of the Reporting Persons, or to the Reporting Person's knowledge, the Listed Persons has effected transactions in the Common Units in the past sixty days.

(e) On December 17, 2010, the General Partner ceased to own any Common Units and therefore ceased to be the beneficial owner of more than 5% of the Issuer.

Item 6. Contracts, Arrangements, Understandings or Relationships with Respect to Securities of the Issuer

Item 6 of the Schedule 13D is hereby amended to add the following additional disclosure:

Additionally, on December 29, 2010, HLL entered into a Pledge and Security Agreement (the "P&SA", attached hereto as Exhibit 10.1) with Plains Marketing, L.P. ("Plains") pursuant to which it pledged 5,000,000 Common Units owned by it to Plains to secure certain purchases of crude oil by another Holly affiliate from Plains. HLL will retain the voting and investing power over the Common Units, unless and until a Holly affiliate defaults on its obligations under certain crude oil contracts with Plains and Plains forecloses on the common units pursuant to the P&SA.

From time to time, Holly issues letters of credit to certain of its crude oil suppliers in order to secure purchases of crude oil when those purchases exceed the open credit provided by the supplier. By pledging Common Units instead of using letters of credit, Holly will reduce

costs associated with issuing such letters of credit and having such letters of credit remain outstanding.

Item 7. Material to Be Filed as Exhibits

Item 7 of the Schedule 13D is hereby amended to add the following two exhibits:

Exhibit 10.1: Pledge and Security Agreement, dated December 29, 2010, by and between Holly Logistics Limited LLC and Plains Marketing, L.P.

Exhibit 99.2: Amendment to Joint Filing Agreement among the parties regarding filing of Schedule 13D, dated as of the date hereof.

Signature

After reasonable inquiry and to the best of my knowledge and belief, I certify that the information set forth in this statement is true, complete and correct.

January 13, 2011

HOLLY CORPORATION

By: /s/ Bruce R. Shaw

Name:

Bruce R. Shaw

Title: Senior Vice President and Chief

Financial

Officer

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Signature

After reasonable inquiry and to the best of my knowledge and belief, I certify that the information set forth in this statement is true, complete and correct.

January 13, 2011

NAVAJO HOLDINGS, INC.

By: /s/ Bruce R. Shaw

Name:

Bruce R. Shaw

Title: Senior Vice President and Chief

Financial

Officer

19

Signature

After reasonable inquiry and to the best of my knowledge and belief, I certify that the information set forth in this statement is true, complete and correct.

January 13, 2011

NAVAJO PIPELINE GP, L.L.C.

By: /s/ Bruce R. Shaw

Name:

Bruce R. Shaw

Title: Senior Vice President and Chief

Financial

Officer

20

Signature

After reasonable inquiry and to the best of my knowledge and belief, I certify that the information set forth in this statement is true, complete and correct.

January 13, 2011

NAVAJO PIPELINE LP, L.L.C.

By: /s/ Bruce R. Shaw

Name:

Bruce R. Shaw

Title: Senior Vice President and Chief

Financial

Officer

21

Signature

After reasonable inquiry and to the best of my knowledge and belief, I certify that the information set forth in this statement is true, complete and correct.

January 13, 2011

NAVAJO PIPELINE CO., L.P.

By: Navajo Pipeline GP, L.L.C.,
Its general partner

By: /s/ Bruce R. Shaw
Name: Bruce R. Shaw
Title: Senior Vice President and Chief
Financial Officer

Signature

After reasonable inquiry and to the best of my knowledge and belief, I certify that the information set forth in this statement is true, complete and correct.

January 13, 2011

HOLLY LOGISTIC SERVICES, L.L.C.

By: /s/ Bruce R. Shaw

Name:

Bruce R. Shaw

Title: Senior Vice President and Chief
Financial Officer

23

Signature

After reasonable inquiry and to the best of my knowledge and belief, I certify that the information set forth in this statement is true, complete and correct.

January 13, 2011

HOLLY LOGISTICS LIMITED LLC

By: Holly Logistic Services, L.L.C.,
Its sole member

By: /s/ Bruce R. Shaw
Name: Bruce R. Shaw
Title: Senior Vice President and Chief
Financial Officer

Signature

After reasonable inquiry and to the best of my knowledge and belief, I certify that the information set forth in this statement is true, complete and correct.

January 13, 2011

HEP LOGISTICS HOLDINGS, L.P.

By: Holly Logistic Services, L.L.C.,
Its general partner

By: /s/ Bruce R. Shaw
Name: Bruce R. Shaw
Title: Senior Vice President and Chief
Financial Officer

EXHIBIT INDEX

The Exhibit Index is amended to include the following two exhibits:

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