

HOLLY ENERGY PARTNERS LP

Form S-4

July 28, 2005

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As filed with the Securities and Exchange Commission on July 28, 2005
Registration No. 333-

**SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549**

**Form S-4
REGISTRATION STATEMENT
UNDER
THE SECURITIES ACT OF 1933**

**Holly Energy Partners, L.P.
Holly Energy Finance Corp.***
(Exact Name of Registrants as Specified in Their Charters)

Delaware	4610	20-0833098
Delaware	4610	20-2263311
<i>(State or Other Jurisdiction of Incorporation or Organization)</i>	<i>(Registrants Primary Standard Industrial Classification Code Number)</i>	<i>(I.R.S. Employer Identification No.)</i>

**100 Crescent Court, Suite 1600
Dallas, Texas 75201
(214) 871-3555**
*(Address, Including Zip Code, and
Telephone Number, Including Area Code, of
each of the Registrants Principal Executive Offices)*

**W. John Glancy
Senior Vice President and General Counsel
Holly Energy Partners, L.P.
100 Crescent Court, Suite 1600
Dallas, Texas 75201
(214) 871-3555**
*(Name, Address, Including Zip Code, and
Telephone Number, Including Area Code, of
each of the Registrants Agent for Service)*

**Copy to:
Alan J. Bogdanow
Vinson & Elkins L.L.P.
Trammell Crow Center
2001 Ross Avenue, Suite 3700
Dallas, Texas 75201
(214) 220-7700**

Approximate date of commencement of proposed sale to the public: As soon as practicable after the effective date of this Registration Statement.

If the securities being registered on this Form are being offered in connection with the formation of a holding company and there is compliance with General Instruction G, check the following box.

If this Form is filed to register additional securities for an offering pursuant to Rule 462(b) under the Securities Act, check the following box and list the Securities Act registration number of the earlier effective registration

statement for the same offering. o

If this Form is a post-effective amendment filed pursuant to Rule 462(d) under the Securities Act, check the following box and list the Securities Act registration statement number of the earlier effective registration statement for the same offering. o

CALCULATION OF REGISTRATION FEE

Title of Each Class of Securities to be Registered	Amount to be Registered	Proposed Maximum Offering Price per Note(1)	Proposed Maximum Aggregate Offering Price(1)	Amount of Registration Fee
6 ¹ / ₄ % Senior Notes due 2015	\$185,000,000	100%	\$185,000,000	\$21,775
Guarantees(2)				

(1) Estimated solely for the purpose of calculating the registration fee in accordance with Rule 457(f) under the Securities Act of 1933, as amended.

(2) The 6¹/₄% Senior Notes due 2015 are guaranteed by the subsidiaries of Holly Energy Partners, L.P. identified on the following pages. Pursuant to Rule 457(n), no separate fee for the guarantees is payable because the guarantees relate to other securities that are being registered concurrently.

* Additional registrants are identified on the following pages.

Each Registrant hereby amends this Registration Statement on such dates as may be necessary to delay its effective date until the Registrants shall file a further amendment which specifically states that this Registration Statement shall thereafter become effective in accordance with Section 8(a) of the Securities Act of 1933, as amended, or until the Registration Statement shall become effective on such date as the Securities and Exchange Commission, acting pursuant to said Section 8(a), may determine.

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ADDITIONAL REGISTRANTS

The additional registrants listed below are subsidiaries of Holly Energy Partners, L.P. that are guarantors of the 6¹/₄% Senior Notes due 2015.

HEP Logistics GP, L.L.C.

(Exact Name of Registrant As Specified In Its Charter)

Delaware <i>(State or Other Jurisdiction of Incorporation or Organization)</i>	51-0504692 <i>(I.R.S. Employer Identification Number)</i>
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Holly Energy Partners Operating, L.P.

(Exact Name of Registrant As Specified In Its Charter)

Delaware <i>(State or Other Jurisdiction of Incorporation or Organization)</i>	51-0504696 <i>(I.R.S. Employer Identification Number)</i>
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HEP Pipeline GP, L.L.C.

(Exact Name of Registrant As Specified In Its Charter)

Delaware <i>(State or Other Jurisdiction of Incorporation or Organization)</i>	72-1583767 <i>(I.R.S. Employer Identification Number)</i>
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HEP Refining GP, L.L.C.

(Exact Name of Registrant As Specified In Its Charter)

Delaware <i>(State or Other Jurisdiction of Incorporation or Organization)</i>	71-0968297 <i>(I.R.S. Employer Identification Number)</i>
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HEP Mountain Home, L.L.C.

(Exact Name of Registrant As Specified In Its Charter)

Delaware <i>(State or Other Jurisdiction of Incorporation or Organization)</i>	71-0968300 <i>(I.R.S. Employer Identification Number)</i>
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HEP Pipeline, L.L.C.

(Exact Name of Registrant As Specified In Its Charter)

Delaware <i>(State or Other Jurisdiction of Incorporation or Organization)</i>	71-0968296 <i>(I.R.S. Employer Identification Number)</i>
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HEP Refining, L.L.C.

(Exact Name of Registrant As Specified In Its Charter)

Delaware	71-0968299
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*(State or Other Jurisdiction of
Incorporation or Organization)*

*(I.R.S. Employer
Identification Number)*

HEP Woods Cross, L.L.C.

(Exact Name of Registrant As Specified In Its Charter)

Delaware

*(State or Other Jurisdiction of
Incorporation or Organization)*

72-1583768

*(I.R.S. Employer
Identification Number)*

HEP Navajo Southern, L.P.

(Exact Name of Registrant As Specified In Its Charter)

Delaware

*(State or Other Jurisdiction of
Incorporation or Organization)*

57-1207829

*(I.R.S. Employer
Identification Number)*

HEP Pipeline Assets, Limited Partnership

(Exact Name of Registrant As Specified In Its Charter)

Delaware

*(State or Other Jurisdiction of
Incorporation or Organization)*

51-0512050

*(I.R.S. Employer
Identification Number)*

HEP Refining Assets, L.P.

(Exact Name of Registrant As Specified In Its Charter)

Delaware

*(State or Other Jurisdiction of
Incorporation or Organization)*

51-0512052

*(I.R.S. Employer
Identification Number)*

HEP Fin Tex/ Trust River, L.P.

(Exact Name of Registrant As Specified In Its Charter)

Texas

*(State or Other Jurisdiction of
Incorporation or Organization)*

20-2161011

*(I.R.S. Employer
Identification Number)*

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The information in this exchange offer prospectus is not complete and may be changed. We may not sell these securities until the registration statement filed with the Securities and Exchange Commission is effective. This exchange offer prospectus is not an offer to sell these securities and is not soliciting an offer to buy these securities in any state where the offer or sale is not permitted.

SUBJECT TO COMPLETION, DATED JULY 28, 2005

PROSPECTUS

**Holly Energy Partners, L.P.
Holly Energy Finance Corp.
Offer to Exchange up to
\$185,000,000 of 6¹/₄% Senior Notes due 2015
that have not been registered under the Securities Act of 1933
for
\$185,000,000 of 6¹/₄% Senior Notes due 2015
that have been registered under the Securities Act of 1933
Terms of the Exchange Offer**

We are offering to exchange up to \$185,000,000 of our outstanding 6¹/₄% Senior Notes due 2015 for new notes with substantially identical terms that have been registered under the Securities Act of 1933, which we refer to as the Securities Act.

We will exchange for an equal principal amount of new notes all outstanding notes that you validly tender and do not validly withdraw before the exchange offer expires.

The exchange offer expires at 5:00 p.m., New York City time, on _____, 2005, unless we decide to extend it. We do not currently intend to extend the exchange offer.

Tenders of outstanding notes may be withdrawn at any time prior to the expiration of the exchange offer.

The exchange of outstanding notes for new notes should not be a taxable event for U.S. federal income tax purposes. See U.S. Federal Income Tax Considerations.

We will not receive any proceeds from the exchange offer.

Terms of the 6¹/₄% Senior Notes Offered in the Exchange Offer

Maturity

The new notes will mature on March 1, 2015.

Interest

Interest on the new notes is payable semi-annually in arrears on March 1 and September 1 of each year, with the first interest payment due on September 1, 2005.

Interest on the new notes will accrue from the most recent date to which interest has been paid on the outstanding notes, or if no interest has been paid on the outstanding notes, from February 28, 2005.

Redemption

We may redeem the new notes, in whole or in part, on or after March 1, 2010 at the redemption prices described in this prospectus. We may redeem the new notes in whole prior to that date pursuant to the make-whole provisions described in this prospectus. See Description of the New Notes Optional Redemption.

In addition, prior to March 1, 2008, we may redeem up to 35% of the new notes using the net proceeds of certain equity offerings. See Description of the New Notes Optional Redemption.

Change of Control

Upon a change of control, we may be required to repurchase all or a portion of your notes at a purchase price of 101% of their principal amount, plus accrued and unpaid interest. See Description of the New Notes Change of Control.

Guarantees

If we cannot make payment on the new notes when they are due, certain of our subsidiaries have guaranteed the notes and must make payment instead. The subsidiaries are referred to as the Guarantors. See Description of the New Notes Note Guarantees.

Ranking

The new notes and the guarantees will be our and the Guarantors unsecured senior obligations.

The new notes will be guaranteed on a senior basis by the Guarantors. The new notes will rank equally in right of payment to all of our and the Guarantors existing and future senior unsecured indebtedness, and will be effectively subordinated in right of payment to all of our and the Guarantors existing and future secured debt. See Description of the New Notes Brief Description of the Notes and the Guarantees.

Please read Risk Factors on page 8 for a discussion of factors you should consider before participating in the exchange offer.

Neither the Securities and Exchange Commission nor any state securities commission has approved or disapproved of these securities or passed upon the adequacy or accuracy of this prospectus. Any representation to the contrary is a criminal offense.

Each broker-dealer that receives the notes for its own account pursuant to this exchange offer must acknowledge in the letter of transmittal that it will deliver a prospectus in connection with any resale of the notes. This prospectus, as it may be amended or supplemented from time to time, may be used by a broker dealer in connection with resales of the notes received in exchange for outstanding notes where such outstanding notes were acquired by such broker-dealer as a result of market-making activities or other trading activities. We have agreed to make this prospectus available for a period of 180 days after the expiration date of this exchange offer to any broker-dealer for use in connection with any such resale. See Plan of Distribution.

The date of this prospectus is _____, 2005.

This prospectus incorporates important business and financial information about us that is not included in or delivered with this document. This information is available at the internet website that the SEC maintains at <http://www.sec.gov> and from other sources. See Where You Can Find More Information for a listing of documents we incorporate by reference. These documents are available without charge upon written or oral request directed to Holly Energy Partners, L.P., Attention: Investor Relations, 100 Crescent Court, Suite 1600, Dallas, Texas 75201, (214) 871-3555. To obtain timely delivery, you must request this information no later than _____, 2005, which is five business days before the expiration of the offer.

This prospectus is part of a registration statement that we have filed with the Securities and Exchange Commission (the SEC). In making your investment decision, you should rely only on the information contained in, or incorporated by reference into, this prospectus and in the accompanying letter of transmittal. We have not authorized anyone to provide you with any other information. If you receive any unauthorized information, you must not rely on it. We are not making an offer to sell these securities in any state where the offer is not permitted. You should not assume that the information contained in this prospectus, or the documents incorporated by reference into this prospectus, is accurate as of any date other than the date on the front cover of this prospectus or the date of such document, as the case may be.

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PROSPECTUS SUMMARY

This summary highlights information contained elsewhere in this prospectus or the documents incorporated by reference herein. It does not contain all of the information that you should consider before deciding to participate in the exchange offer. You should carefully consider the information set forth under Risk Factors beginning on page 8. References to the notes in this prospectus include both the outstanding and the new notes. References in this prospectus to Holly Energy Partners, we, our, us, or similar terms refer either to Holly Energy Partners, L.P. or to Holly Energy Partners, L.P. and its subsidiaries collectively, including the co-issuer of the notes, Holly Energy Finance Corp., as the context requires.

Overview

Holly Energy Partners, L.P. is a Delaware limited partnership engaged principally in the business of operating a system of refined product pipelines and distribution terminals primarily in West Texas, New Mexico, Utah and Arizona. We generate revenues by charging tariffs for transporting intermediate and refined products through our pipelines and by charging fees for terminalling refined products and other hydrocarbons in, and storing and providing other services at, our terminals. We do not take ownership of products that we transport or terminal and therefore we are not directly exposed to changes in commodity prices. We serve Holly Corporation's refineries in New Mexico and Utah under two pipelines and/or terminals agreements expiring in July 2019 and July 2020 and Alon USA, Inc.'s (Alon) Big Spring Refinery under a separate pipelines and terminals agreement expiring in February 2020. We are dedicated to generating stable cash flows and growing our business. Our assets include:

Refined Product Pipelines:

approximately 949 miles of refined product pipelines, including 340 miles of leased pipelines, that transport gasoline, diesel, and jet fuel from Holly Corporation's Navajo Refinery in New Mexico and Alon's Big Spring Refinery in Texas to their customers in the metropolitan and rural areas of Texas, New Mexico, Oklahoma, Arizona, Colorado, Utah and northern Mexico; and

a 70% interest in Rio Grande Pipeline Company, a joint venture that owns a 249-mile refined product pipeline, that transports liquid petroleum gases, or LPGs, from West Texas to the Texas/ Mexico border near El Paso for further transport into northern Mexico by shippers other than Holly Corporation.

Intermediate Pipelines:

two 65-mile parallel pipelines that originate in Lovington, New Mexico and terminate at Holly Corporation's Artesia refining facility, with an aggregate throughput capacity of 84,000 bpd, which we acquired from Holly Corporation in July 2005.

Refined Product Terminals:

seven refined product terminals (one of which is 50% owned), located in El Paso, Abilene and Wichita Falls, Texas, Moriarty, Bloomfield and Albuquerque, New Mexico, and Tucson, Arizona, with an aggregate capacity of approximately 2.3 million barrels, that are integrated with our refined product pipeline system;

three refined product terminals (two of which are 50% owned), located in Burley and Boise, Idaho, and Spokane, Washington, with an aggregate capacity of approximately 514,000 barrels, that serve third-party common carrier pipelines;

one refined product terminal near Mountain Home, Idaho, with a capacity of 120,000 barrels, that serves a nearby United States Air Force Base; and

two refined product truck loading racks, one located within Holly Corporation's Navajo Refinery, that is permitted to load over 40,000 barrels per day (bpd) of light refined products, and one

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located within Holly Corporation's Woods Cross Refinery near Salt Lake City, Utah, that is permitted to load over 25,000 bpd of light refined products.

Tank Farm:

one tank farm in Orla, Texas, with a storage capacity of 135,000 barrels.

Our executive offices are located at 100 Crescent Court, Suite 1600, Dallas, Texas 75201, and our telephone number is (214) 871-3555.

The Exchange Offer

On February 28, 2005 and June 28, 2005, we completed private offerings of the outstanding notes. In connection with the private offerings, we entered into registration rights agreements with the initial purchasers pursuant to which we agreed to deliver to you this prospectus and to use our reasonable best efforts to complete the exchange offer on or prior to October 26, 2005. The following is a summary of the exchange offer:

Outstanding Notes	On February 28, 2005, we issued \$150,000,000 aggregate principal amount of 6 ¹ / ₄ % Senior Notes due 2015 and on June 28, 2005, we issued an additional \$35,000,000 aggregate principal amount of 6 ¹ / ₄ % Senior Notes due 2015.
New Notes	6 ¹ / ₄ % Senior notes due 2015. The terms of the new notes are identical to those of the outstanding notes, except that the transfer restrictions, registration rights and provision for additional interest relating to the outstanding notes do not apply to the new notes.
Exchange Offer	We are offering to exchange new notes for the outstanding notes.
Expiration Date	The exchange offer will expire at 5:00 p.m., New York City time, on _____, 2005, unless we decide to extend it. We do not currently intend to extend the exchange offer.
Accrued Interest on the New Notes and the Outstanding Notes	The new notes will accrue interest from the most recent date to which interest has been paid on the outstanding notes, or if no interest has been paid on the outstanding notes, from February 28, 2005. Holders of outstanding notes that are accepted for exchange will be deemed to have waived the right to receive any further interest payments with respect to such outstanding notes.
Procedures for Tendering Outstanding Notes	To participate in the exchange offer, you must follow procedures established by The Depository Trust Company, or DTC, for tendering outstanding notes held in book-entry form. These procedures require that: the exchange agent receive, prior to the expiration date of the exchange offer, a computer generated message known as an agent's message, which message is transmitted through DTC's automated tender offer program known as ATOP; and DTC confirm (i) that it has received your instructions to exchange your outstanding notes and (ii) that you agree to be bound by the terms of the letter of transmittal attached as

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Annex A to this prospectus, which will be referred to in this prospectus as the Letter of Transmittal.

For more information on tendering your outstanding notes, please refer to the sections in this prospectus entitled Exchange Offer Terms of the Exchange Offer and Procedures for Tendering.

Guaranteed Delivery Procedures None.

Withdrawal of Tenders You may withdraw your tender of outstanding notes at any time prior to 5:00 p.m., New York City time, on the expiration date. To withdraw, you must submit a notice of withdrawal to the exchange agent using the ATOP procedures. Please read Exchange Offer Withdrawal of Tenders.

Acceptance of Outstanding Notes and Delivery of New Notes Subject to the Condition to the Exchange Offer discussed below, if you properly tender outstanding notes to us pursuant to the procedures set forth in Exchange Offer Procedures for Tendering and fulfill all conditions of the exchange offer on or before 5:00 p.m. New York City time on the expiration date, we will accept all of such tendered outstanding notes for exchange in the exchange offer. We will promptly deliver the new notes after the expiration date and acceptance of the outstanding notes for exchange. Please refer to the section in this prospectus entitled Exchange Offer Terms of the Exchange Offer.

Condition to the Exchange Offer The registration rights agreements do not require us to accept outstanding notes for exchange if the exchange offer or the making of any exchange by a holder of the outstanding notes would violate any applicable law or interpretation of the staff of the SEC. A minimum aggregate principal amount of outstanding notes being tendered is not a condition to the exchange offer. We will promptly return to you, without expense after the expiration date, any outstanding notes that we do not accept for exchange.

Fees and Expenses We will bear all expenses related to the exchange offer. Please refer to the section in this prospectus entitled Exchange Offer Fees and Expenses.

Use of Proceeds The issuance of the new notes will not provide us with any new proceeds. We are making this exchange offer solely to satisfy our obligations under our registration rights agreements.

Consequences of Failure to Exchange Outstanding Notes If you do not exchange your outstanding notes in this exchange offer, you will no longer be able to require us to register the outstanding notes under the Securities Act except in the limited circumstances provided under our registration rights agreements. In addition, you will not be able to resell, offer to resell or otherwise transfer the outstanding notes unless we have registered the outstanding notes under the Securities Act, or unless you resell, offer to resell or otherwise transfer them under an exemption from the registration requirements of, or in a transaction not subject to, the Securities Act.

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U.S. Federal Income Tax Considerations	The exchange of new notes for outstanding notes in the exchange offer should not be a taxable event for U.S. federal income tax purposes. Please read U.S. Federal Income Tax Considerations.
Exchange Agent	We have appointed U.S. Bank National Association as exchange agent for the exchange offer. You should direct questions, requests for assistance and requests for additional copies of this prospectus (including the letter of transmittal) to the exchange agent addressed as follows: U.S. Bank National Association, Corporation Trust Services, DN-CO-T3CT, 950 Seventeenth Street, Suite 300, Denver, Colorado 80202, Attention: Mr. Adam M. Dalmy. Eligible institutions may make requests by facsimile at (303) 585-6865.
Terms of the New Notes	
<i>The new notes will be identical to the outstanding notes except that the new notes are registered under the Securities Act and will not have restrictions on transfer, registration rights or provisions for additional interest. The new notes will evidence the same debt as the outstanding notes, and the same indenture will govern the new notes and the outstanding notes. We sometimes refer to both the new notes and the outstanding notes as the notes.</i>	
<i>The summary below describes the principal terms of the new notes. Certain of the terms and conditions described below are subject to important limitations and exceptions. You should read the full text and more specific details contained elsewhere in this prospectus under the heading Description of the New Notes.</i>	
Issuers	Holly Energy Partners, L.P. and Holly Energy Finance Corp.
	Holly Energy Finance Corp., a Delaware corporation, is wholly-owned subsidiary of Holly Energy Partners organized for the sole purpose of co-issuing the notes. Holly Energy Finance Corp. will not have any operations of any kind and will not have any revenue other than as may be incidental to its activities as a co-issuer of the notes.
Notes Offered	\$185 million aggregate principal amount of 6 ¹ / ₄ % senior notes due 2015.
Maturity Date	March 1, 2015.
Interest	6 ¹ / ₄ % per annum, payable semi-annually in arrears on March 1 and September 1 of each year. The next scheduled interest payment date is September 1, 2005.
Guarantees	Initially, all payments with respect to the notes offered hereby (including principal and interest) are jointly and severally, fully and unconditionally guaranteed by all of the issuers' wholly-owned subsidiaries. In the future, our domestic subsidiaries that guarantee other indebtedness of ours or another subsidiary under a credit agreement must also guarantee the notes offered hereby. The guarantees are also subject to release in certain circumstances.

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Ranking	<p>The new notes will be senior unsecured obligations of the issuers and the guarantors and will rank:</p> <ul style="list-style-type: none">equally in right of payment to any of the issuers and the guarantors existing and future senior indebtedness, including the outstanding notes;senior in right of payment to any of the issuers and the guarantors future subordinated indebtedness; andeffectively subordinated to any of the issuers and the guarantors future secured indebtedness, to the extent of the value of the assets securing such debt.
Optional Redemption	<p>At any time prior to March 1, 2008, we may use the proceeds of certain equity offerings to redeem up to 35% of the aggregate principal amount of the notes at a redemption price equal to 106.25% of the principal amount, plus accrued and unpaid interest to the redemption date.</p> <p>At any time and from time to time prior to March 1, 2010, we may redeem some or all of the notes at a redemption price equal to 100% of the principal amount plus a make-whole premium, plus accrued and unpaid interest to the redemption date.</p> <p>In addition, we may redeem some or all of the notes on or after March 1, 2010 at the redemption prices set forth herein, plus accrued and unpaid interest to the redemption date. The redemption prices are described under Description of the New Notes Optional Redemption.</p>
Change of Control	<p>Upon the occurrence of a change of control, we will be required to make an offer to purchase each holder's notes at a repurchase price equal to 101% of their principal amount, plus accrued and unpaid interest to the date of repurchase. See Description of the New Notes Repurchase at the Option of Holders Change of Control.</p>
Certain Covenants	<p>The indenture governing the notes contains covenants that limit our ability and the ability of our restricted subsidiaries to, among other things:</p> <ul style="list-style-type: none">incur additional indebtedness;make investments;sell assets;incur certain liens;pay distributions or dividends on equity or purchase, redeem or otherwise acquire equity;enter into transactions with affiliates; andconsolidate, merge or sell all or substantially all of our assets.

These covenants are subject to important exceptions and qualifications, which are described under the heading Description of the New Notes.

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At any time when the notes are rated investment grade by both Moody's and S&P and no default or event of default has occurred and is continuing under the indenture, we and our restricted subsidiaries will not be subject to many of the foregoing covenants. See Description of the New Notes Certain Covenants Suspension of Covenants .

Transfer Restrictions; Absence of a Public Market for the Notes The new notes generally will be freely transferable, but will also be new securities for which there will not initially be a market. There can be no assurance as to the development or liquidity of any market for the new notes.

Form of New Notes The new notes will be represented by one or more global notes. Each global new note will be deposited with the trustee, as custodian for DTC.

Same-Day Settlement The global new notes will be shown on, and transfers of the global new notes will be effected only through, records maintained in book-entry form by DTC and its direct and indirect participants.

The new notes are expected to trade in DTC's Same Day Funds Settlement System until maturity or redemption. Therefore, secondary market trading activity in the new notes will be settled in immediately available funds. Therefore, we cannot assure you as to the development of an active market for the new notes or as to the liquidity of any such market.

Trading We do not expect to list the new notes for trading on any securities exchange.

Trustee, Registrar and Exchange Agent U.S. Bank National Association.

Governing Law The new notes and the indenture relating to the new notes will be governed by, and construed in accordance with, the laws of the State of New York.

Risk Factors

Please read Risk Factors beginning on page 8 of this prospectus for a discussion of certain factors that you should consider before participating in the exchange offer.

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DISCLOSURE REGARDING FORWARD-LOOKING INFORMATION

All statements, other than statements of historical fact, included or incorporated by reference in this prospectus are forward-looking statements, including, but not limited to, statements identified by the words anticipate, believe, estimate, expect, plan, intend and forecast, and similar expressions and statements regarding our business strategy, plans and objectives for future operations. These statements reflect our current views with respect to future events, based on what we believe are reasonable assumptions. Certain factors could cause actual results to differ materially from results anticipated in the forward-looking statements. These factors include, but are not limited to:

risks and uncertainties with respect to the actual quantities of petroleum products shipped on our pipelines and/or terminalled in our terminals;

the future performance of the intermediate pipelines acquired from Holly Corporation in July 2005 and of the pipelines and terminals acquired from Alon in February 2005;

the economic viability of Holly Corporation, Alon and our other customers;

the demand for refined petroleum products in markets we serve;

our ability to successfully purchase and integrate any future acquired operations;

the availability and cost of our financing;

the possibility of inefficiencies or shutdowns of refineries utilizing our pipeline and terminal facilities;

the effects of current and future government laws, regulations and policies;

our operational efficiency in carrying out routine operations and capital construction projects;

the possibility of terrorist attacks and the consequences of any such attacks; and

general economic, market or business conditions.

Other factors described herein, or factors that are unknown or unpredictable, could also have a material adverse effect on future results. Please read Risk Factors beginning on page 8 of this prospectus. Except as required by securities laws, we do not intend to update these forward-looking statements and information.

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RISK FACTORS

You should carefully consider the following risk factors together with all of the other information included or incorporated by reference in this prospectus before deciding to participate in the exchange offer. Additional risks and uncertainties not currently known to us or that we currently deem to be immaterial may also materially and adversely affect our business operations. If any of the following risks were actually to occur, our business, financial condition or results of operations could be materially and adversely affected.

Risks Related to the Exchange Offer

If you fail to exchange outstanding notes, existing transfer restrictions will remain in effect and the market value of outstanding notes may be adversely affected because they may be more difficult to sell.

If you fail to exchange outstanding notes for new notes under the exchange offer, then you will continue to be subject to the existing transfer restrictions on the outstanding notes. In general, the outstanding notes may not be offered or sold unless they are registered or exempt from registration under the Securities Act and applicable state securities laws. Except in connection with this exchange offer or as required by the registration rights agreements, we do not intend to register resales of the outstanding notes.

The tender of outstanding notes under the exchange offer will reduce the principal amount of the currently outstanding notes. Due to the corresponding reduction in liquidity, this may have an adverse effect upon, and increase the volatility of, the market price of any currently outstanding notes that you continue to hold following completion of the exchange offer.

Risks Inherent in Our Business

We depend upon Holly Corporation and particularly its Navajo Refinery for a majority of our revenues and upon Alon and its Big Spring Refinery for a substantial portion of our other revenues, and if revenues from either of these customers were materially reduced, there would be a material adverse effect on our results of operations and ability to pay interest on, or the principal of, the notes.

For the three months ended March 31, 2005, before our purchase of intermediate pipelines from Holly Corporation, Holly Corporation accounted for approximately 53.0% of the revenues of our refined products pipelines and approximately 74.4% of the revenues of our terminals and truck loading racks. For the three months ended March 31, 2005, which includes 32 days for which our pipelines and terminals agreement with Alon was in effect, Alon accounted for approximately 24.7% of the revenues of our refined products pipelines and approximately 3.8% of the revenues of our terminals and truck loading racks. We expect to continue to derive substantially all of our revenues from Holly Corporation and Alon for the foreseeable future. If either Holly Corporation or Alon satisfy only their minimum obligations under our respective pipelines and/or terminals agreements with them or are unable to meet their minimum revenue commitment or minimum volume commitment for any reason, including due to prolonged downtime or a shutdown at the Navajo Refinery, the Woods Cross Refinery or the Big Spring Refinery, our revenues would decline and our ability to pay interest on, or the principal of, the notes would be adversely affected.

Any significant curtailing of production at either the Navajo Refinery or the Big Spring Refinery could, by reducing throughput in our pipelines, result in our realizing materially lower levels of revenues and cash flow for the duration of the shutdown. Operations at the Navajo Refinery or the Big Spring Refinery could be partially or completely shut down, temporarily or permanently, as the result of:

competition from other refineries and pipelines that may be able to supply the end-user markets of either Holly Corporation or Alon on a more cost-effective basis;

operational problems such as catastrophic events at the refinery, labor difficulties or environmental proceedings or other litigation that compel the cessation of all or a portion of the operations at the refinery;

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increasingly stringent environmental laws and regulations, such as the Environmental Protection Agency's gasoline and diesel sulfur control requirements that limit the concentration of sulfur in motor gasoline and diesel fuel for both on-road and non-road usage as well as various state and federal emission requirements that may affect the refinery itself;

an inability to obtain crude oil for the refinery at competitive prices; or

a general reduction in demand for refined products in the area due to:

a local or national recession or other adverse economic condition that results in lower spending by businesses and consumers on gasoline and diesel fuel;

higher gasoline prices due to higher crude oil prices, higher taxes or stricter environmental laws or regulations; or

a shift by consumers to more fuel-efficient or alternative fuel vehicles or an increase in fuel economy, whether as a result of technological advances by manufacturers, legislation either mandating or encouraging higher fuel economy or the use of alternative fuel or otherwise.

The magnitude of the effect on us of any shutdown will depend on the length of the shutdown and the extent of the refinery operations affected by the shutdown. We have no control over the factors that may lead to a shutdown or the measures either Holly Corporation or Alon may take in response to a shutdown. Holly Corporation and Alon make all decisions at the Navajo Refinery and the Big Spring Refinery, respectively, concerning levels of production, regulatory compliance, planned shutdowns of individual process units within the refinery to perform major maintenance activities, also referred to as refinery turnarounds, labor relations, environmental remediation and capital expenditures, and are responsible for all related costs, and are under no contractual obligation to us to maintain operations at these refineries.

Holly Corporation's obligations under our pipelines and/or terminals agreements with it would be temporarily suspended during the occurrence of a force majeure that renders performance impossible with respect to an asset for at least 30 days. If such an event were to continue for a year, we or Holly Corporation could terminate the applicable pipelines and/or terminals agreement. Our pipelines and terminals agreement with Alon provides that if we are unable to transport our terminal refined products that Alon is prepared to ship, then Alon has the right to reduce its minimum volume commitment to us during the period of interruption. If a force majeure event occurs beyond the control of either of us, we or Alon could terminate the Alon pipelines and terminals agreement after the expiration of certain time periods. The occurrence of any of these events could reduce our revenues and cash flows, and our ability to pay interest on, or principal of, the notes.

We are exposed to the credit risks of our key customers, and any material nonpayment or nonperformance by our key customers could reduce our ability to pay interest on, or the principal of, the notes.

We are subject to risks of loss resulting from nonpayment or nonperformance by our customers. Any material nonpayment or nonperformance by our key customers, including Holly Corporation and Alon, could reduce our ability to pay interest on, or the principal of, the notes. In addition to revenues that we receive from Holly Corporation and Alon, a subsidiary of BP p.l.c. (BP) is the only shipper on the Rio Grande Pipeline, a joint venture in which we own a 70% interest and from which we derived approximately 18.1% of our revenues for the three months ended March 31, 2005.

If any of our key customers default on their obligations to us, our financial results could be adversely affected. Furthermore, some of our customers may be highly leveraged and subject to their own operating and regulatory risks. Any loss of our key customers, including Holly Corporation, Alon or the BP subsidiary, could reduce our ability to pay interest on, or the principal of, the notes.

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We may be unable to make future acquisitions on attractive terms, and potential future acquisitions, if any, may affect our business by substantially increasing the level of our indebtedness and contingent liabilities and increasing our risks of being unable to effectively integrate these new operations.

We expect to continue to evaluate and, where appropriate, pursue acquisitions of assets and businesses that we believe complement our existing assets and businesses. We cannot assure you that we will be able to identify suitable acquisitions in the future, or that we will be able to purchase or finance any acquisitions on terms that we find acceptable. Additionally, we compete against other companies for acquisitions, and we cannot assure you that we will be successful in the acquisition of any assets or businesses appropriate for our growth strategy.

Acquisitions may require substantial capital or the incurrence of substantial indebtedness. If we consummate any future acquisitions, our capitalization and results of operations may change significantly, and you will not have the opportunity to evaluate the economic, financial and other relevant information that we will consider in determining the application of our funds and other resources.

Any acquisition involves potential risks, including, among other things:
mistaken assumptions about revenues and costs, including synergies;

the assumption of unknown liabilities or known liabilities for which we underestimate the risk;

limitations on rights to indemnity from the seller;

the diversion of management's attention from other business concerns;

unforeseen difficulties operating in new product areas or new geographic areas; and

customer or key employee losses at the acquired businesses.

Competition from other pipelines, including the Longhorn Pipeline, that may be able to supply our shippers customers with refined products at a lower price could cause us to reduce our rates or could reduce our revenues.

We and our shippers face competition from other pipelines that may be able to supply our shippers' end-user markets with refined products on a more competitive basis. One particular pipeline, the Longhorn Pipeline, could provide significant competition. The Longhorn Pipeline is a common carrier pipeline that is capable of delivering refined products utilizing a direct route from the Texas Gulf Coast to El Paso and, through interconnections with third-party common carrier pipelines, into the Arizona market. If the Longhorn Pipeline operates as currently proposed, it could result in significant downward pressure on wholesale refined product prices and refined product margins in El Paso and related markets. Additionally, the increased supply of refined products from Gulf Coast refiners entering the El Paso and Arizona markets on this pipeline and the likely increase in the demand for shipping product on the interconnecting common carrier pipelines, which are currently capacity constrained, could cause a decline in the demand for refined product from Holly Corporation or Alon. For Holly Corporation, this could ultimately result in a reduction in Holly Corporation's minimum revenue commitment to us, and while our pipelines and terminals agreement with Alon does not provide for a reduction in its minimum volume commitment obligation in these circumstances, it could reduce our opportunity to earn revenue from Alon in excess of Alon's minimum volume commitment obligation and our ability to pay interest on, or the principal of, the notes.

An additional factor that could affect some of Holly Corporation's and Alon's markets is excess pipeline capacity from the West Coast into our shippers' Arizona markets on the pipeline from the West Coast to Phoenix. If refined products become available on the West Coast in excess of demand in that market, additional products could be shipped into our shippers' Arizona markets with resulting possible downward pressure on refined products prices in these markets.

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A material decrease in the supply, or a material increase in the price, of crude oil available to Holly Corporation's and Alon's refineries, could materially reduce our ability to pay interest on, or the principal of, the notes.

The volume of refined products we transport in our refined product pipelines depends on the level of production of refined products from Holly Corporation's and Alon's refineries, which, in turn, depends on the availability of attractively-priced crude oil produced in the areas accessible to those refineries. In order to maintain or increase production levels at their refineries, our shippers must continually contract for new crude oil supplies. A material decrease in crude oil production from the fields that supply their refineries, as a result of depressed commodity prices, lack of drilling activity, natural production declines or otherwise, could result in a decline in the volume of crude oil our shippers refine. Such an event would result in an overall decline in volumes of refined products transported through our pipelines and therefore a corresponding reduction in our cash flow. In addition, the future growth of our shippers' operations will depend in part upon whether they can contract for additional supplies of crude oil at a greater rate than the rate of natural decline in their currently connected supplies.

Fluctuations in crude oil prices can greatly affect production rates and investments by third parties in the development of new oil reserves. Drilling activity generally decreases as crude oil prices decrease. We and our shippers have no control over the level of drilling activity in the areas of operations, the amount of reserves underlying the wells and the rate at which production from a well will decline or producers or their production decisions, which are affected by, among other things, prevailing and projected energy prices, demand for hydrocarbons, geological considerations, governmental regulation and the availability and cost of capital. Similarly, if there were a material increase in the price of crude oil supplied to our shippers' refineries without an increase in the value of the products produced by the refineries, either temporary or permanent, which caused a reduction in the production of refined products at the refineries, this would cause a reduction in the volumes of refined products we transport and our cash flow and could adversely affect our ability to pay interest on, or the principal of, the notes.

We may not be able to retain existing customers or acquire new customers, which could reduce our ability to pay interest on, or the principal of, the notes.

The renewal or replacement of existing contracts with our customers at rates sufficient to maintain current revenues and cash flows depends on a number of factors outside our control, including competition from other pipelines and the demand for refined products in the markets that we serve. Alon's obligations to lease capacity on the Artesia-Orla-El Paso pipeline have remaining terms ranging from three to six years. BP's agreement to ship on the Rio Grande Pipeline expires in 2007. If we are unable to renew or replace our current contracts as they expire, our ability to pay interest on, or the principal of, the notes could be adversely affected.

Our operations are subject to federal, state and local laws and regulations relating to environmental protection and operational safety that could require us to make substantial expenditures.

Our pipelines and terminal operations are subject to increasingly strict environmental and safety laws and regulations. The transportation and storage of refined products produces a risk that refined products and other hydrocarbons may be suddenly or gradually released into the environment, potentially causing substantial expenditures for a response action, significant government penalties, liability to government agencies for natural resources damages, personal injury or property damages to private parties and significant business interruption. We own or lease a number of properties that have been used to store or distribute refined products for many years. Many of these properties, such as recently acquired assets from Holly Corporation and Alon, have also been operated by third parties whose handling, disposal, or release of hydrocarbons and other wastes were not under our control. If we were to incur a significant liability pursuant to environmental laws or regulations, it could have a material adverse effect on our financial position and our ability to pay interest on, or the principal of, the notes.

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Our operations are subject to operational hazards and unforeseen interruptions for which we may not be adequately insured.

Our operations are subject to operational hazards and unforeseen interruptions such as natural disasters, adverse weather, accidents, fires, explosions, hazardous materials releases, mechanical failures and other events beyond our control. These events might result in a loss of equipment or life, injury or extensive property damage, as well as an interruption in our operations. We may not be able to maintain or obtain insurance of the type and amount we desire at reasonable rates. As a result of market conditions, premiums and deductibles for certain of our insurance policies have increased substantially, and could escalate further. In some instances, certain insurance could become unavailable or available only for reduced amounts of coverage. For example, our insurance carriers require broad exclusions