

HOLLY ENERGY PARTNERS LP
Form 8-K
May 06, 2009

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

**FORM 8-K
CURRENT REPORT
Pursuant to Section 13 or 15(d)
of the Securities Exchange Act of 1934
Date of Report (Date of earliest event reported): May 6, 2009 (May 5, 2009)**

HOLLY ENERGY PARTNERS, L.P.
(Exact name of Registrant as specified in its charter)

Delaware
(State or other jurisdiction of
incorporation)

001-32225
(Commission File Number)

20-0833098
(I.R.S. Employer
Identification Number)

**100 Crescent Court,
Suite 1600
Dallas, Texas**
(Address of principal
executive offices)

75201-6915
(Zip code)

Registrant's telephone number, including area code: **(214) 871-3555**

Not applicable

(Former name or former address, if changed since last report)

Check the appropriate box below if the Form 8-K filing is intended to simultaneously satisfy the filing obligation of the registrant under any of the following provisions:

- Written communications pursuant to Rule 425 under the Securities Act (17 CFR 230.425)
- Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 240.14a-12)
- Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2(b))
- Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.13e-4(c))

Item 1.01 Entry into a Material Definitive Agreement.

On May 5, 2009, Holly Energy Partners, L.P. (the Partnership) entered into an Underwriting Agreement (the Underwriting Agreement) with Goldman, Sachs & Co. and UBS Securities LLC, as representatives of the several underwriters named therein (the Underwriters), with respect to the issuance and sale in an underwritten public offering (the Common Units Offering) by the Partnership of 2,000,000 common units representing limited partner interests in the Partnership (the Common Units) at \$27.80 per common unit. The Partnership has granted the Underwriters a 30-day option to purchase up to an additional 300,000 Common Units. The Common Units to be sold in the Common Units Offering were registered under the Securities Act of 1933, as amended (the Securities Act), pursuant to a registration statement on Form S-3 (Registration No. 333-155537). The closing of the Common Units Offering is expected to occur on May 8, 2009 (the Closing Date). Legal opinions related to the Common Units are filed as Exhibits 5.1 and 8.1 to this Current Report on Form 8-K.

In the Underwriting Agreement, the Partnership agreed to indemnify the Underwriters against certain liabilities, including liabilities under the Securities Act, or to contribute to payments the Underwriters may be required to make because of any of those liabilities. A copy of the Underwriting Agreement is filed as Exhibit 1.1 to this Current Report on Form 8-K and is incorporated herein by reference. The description of the Underwriting Agreement in this Current Report on Form 8-K is qualified in its entirety by the terms of the Underwriting Agreement.

The Partnership intends to use the net proceeds from the Common Units Offering of approximately \$53.2 million (or approximately \$61.2 million if the Underwriters exercise in full their over-allotment option) and the general partner contribution described in the following paragraph, (i) to repay \$28.0 million of bank debt incurred to fund its purchase of a 25% interest in the joint venture (the remaining 75% of which is owned by Plains All American Pipeline, L.P.) that owns the Salt Lake City Pipeline, (ii) to repay bank debt incurred to date to fund capital projects, which consist primarily of the expansion of the Partnership's Artesia, New Mexico to El Paso, Texas refined products pipeline and terminal system (referred to as the South System) and (iii) for general partnership purposes.

In connection with the Common Units Offering, on the Closing Date, HEP Logistics Holdings, L.P., the general partner of the Partnership, will contribute \$1.1 million (or \$1.2 million if the Underwriters exercise in full their option to purchase additional Common Units) to the Partnership in order to maintain its 2% general partner interest in the Partnership.

Item 9.01 Financial Statements and Exhibits.

(d) Exhibits.

Exhibit Number	Description of Exhibit
1.1	Underwriting Agreement, dated May 5, 2009, between Holly Energy Partners, L.P., and Goldman, Sachs & Co. and UBS Securities LLC, as representatives of the several underwriters named therein.
5.1	Opinion of Vinson & Elkins L.L.P.
8.1	Opinion of Vinson & Elkins L.L.P. relating to tax matters.
23.1	Consent of Vinson & Elkins L.L.P. (included in Exhibits 5.1 and 8.1).

SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned thereunto duly authorized.

HOLLY ENERGY PARTNERS, L.P.

By: **HEP Logistics Holdings, L.P.**
its General Partner

By: **Holly Logistic Services, L.L.C.**
its General Partner

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

Date: May 6, 2009

EXHIBIT INDEX

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