



August 19, 2026

OCD Review Team
EMNRD Oil Conservation Division
1220 S. Saint Francis Dr
Santa Fe, NM 87505

Re: OWL Landfill Services, LLC
Northern Delaware Basin Landfill
Minor Permit Modification

Dear OCD:

OWL Landfill Services, LLC ("OWL" or "Permittee") submits the enclosed Form C-137A and supporting documentation requesting the New Mexico Oil Conservation Division's ("OCD") prior written approval of a proposed change in ownership and control of the Permittee pursuant to 19.15.36.8(D) and 19.15.36.12(E) NMAC.

OWL is the current operator and permittee of the OWL Landfill Jal surface waste management facility located in Unit D, Section 23, Township 24 South, Range 33 East, Lea County, New Mexico. The facility operates pursuant to OCD Permit NM1-63.

Upon closing of the proposed transaction, **Desert Environmental LLC will become the sole member of OWL Landfill Services, LLC.**

OWL Landfill Services, LLC will remain the permitted operating entity following the transaction. Accordingly, the proposed transaction is principally a change in the ownership and control of the existing Permittee rather than a change to the physical facility or its permitted operations.

OWL nevertheless requests OCD's prior written approval pursuant to 19.15.36.12(E) NMAC and, to the extent OCD considers the transaction to constitute a transfer of Permit NM1-63, requests approval of that transfer as part of this application.

The transaction does not propose any change to the facility's permitted location, footprint, waste streams, design capacity, treatment or disposal methods, engineering design, environmental monitoring requirements, operating procedures, or other substantive terms and conditions of Permit NM1-63.

Following closing, OWL Landfill Services, LLC will continue to operate the facility in accordance with Permit NM1-63, applicable OCD rules and orders, and the facility's approved operating, inspection, contingency, closure, post-closure, environmental monitoring, and waste-management requirements.

An updated August 2026 closure and post-closure cost estimate is included with this application. The updated total estimated closure and post-closure obligation is **\$2,820,283.**

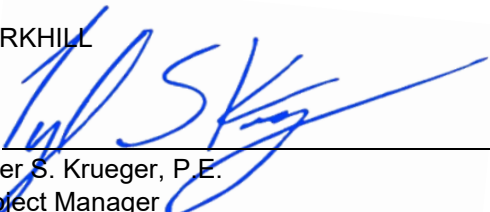
The following materials are submitted in support of this request:

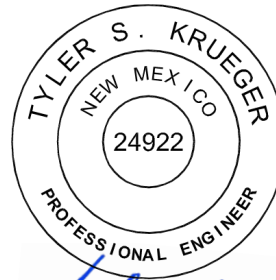
1. OCD Form C-137A
2. Corporate Ownership and Organizational Information;
3. Desert Environmental LLC Experience and Qualifications;
4. Secretary of State Documentation for OWL Landfill Services, LLC;
5. August 2026 Closure and Post-Closure Cost Update

Please do not hesitate to contact Tyler Krueger at 806-473-3656 if any additional information or clarification is needed to complete your review. We appreciate your time and consideration for this minor modification request.

Sincerely,

PARKHILL

By 
Tyler S. Krueger, P.E.
Project Manager



08/19/2026

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ATTACHMENT 1: OCD FORM C-137A

Santa Fe Main Office
Phone: (505) 476-3441
General Information
Phone: (505) 629-6116

Online Phone Directory Visit:
<https://www.emnrd.nm.gov/ocd/contact-us/>

State of New Mexico
Energy Minerals and Natural Resources

Oil Conservation Division
1220 South St. Francis Dr.
Santa Fe, NM 87505

For State Use Only:

Form C-137A
Revised October 11, 2022

File via OCD Permitting with any
associated permit fee

**APPLICATION FOR MINOR MODIFICATION TO SURFACE WASTE
MANAGEMENT FACILITY**

1. Operator: OWL Landfill Services, LLC
- Address: 8214 Westchester Drive, Suite 850, Dallas, TX 75225
- Contact Person: Roger Johnson Phone: (214) 206-3940
2. Location: /4 /4 Section 23 Township 24 South Range 33 East NMPM
3. Provide permit number NM1-63
4. Attach a description of the proposed minor modification(s) to the surface waste management facility.
5. If the Minor Modification involves changes to a treatment, remediation, or disposal method, attach engineering designs, certified by a registered professional engineer, including technical data on the design elements of each applicable treatment, remediation, and disposal method and detailed designs of surface impoundments.
6. If the Minor Modification will affect the closure and post-closure plan, attach an updated closure and post closure plan, including a responsible third party contractor's cost estimate, sufficient to close the surface waste management facility in a manner that will protect fresh water, public health, and the environment (the closure and post closure plan shall comply with the requirements contained in 19.15.36.18 NMAC).
7. If the Minor Modification will affect the contingency plan, attach an updated contingency plan that complies with the requirements of Subsection N of 19.15.36.13 NMAC and with NMSA 1978, Sections 12-12-1 through 12-12-30, as amended (the Emergency Management Act).
8. If the Minor Modification will affect the control of run-on or run-off water at the site, attach an updated plan to control run-on water onto the site and run-off water from the site that complies with the requirements of Subsection M of 19.15.36.13 NMAC.
9. If the Minor Modification will affect the best management practice plan, attach a best management practice plan to ensure protection of fresh water, public health, and the environment.
10. The division may require additional information to demonstrate that the surface waste management facility's operation will not adversely impact fresh water, public health, or the environment and that the surface waste management facility will comply with division rules and orders.

11. CERTIFICATION

I hereby certify that the information submitted with this application is true, accurate, and complete to the best of my knowledge and belief.

Name: Roger Johnson

Title: MANAGER

Signature: [Signature]

Date: 8/19/26

E-mail Address: rjohnson@owlhvu.com

ATTACHMENT 2: OWNERSHIP AND ORGANIZATIONAL INFORMATION

CORPORATE OWNERSHIP AND ORGANIZATIONAL INFORMATION

Existing Permittee

Legal Name: OWL Landfill Services, LLC

OGRID: 371820

OCD Facility: OWL Landfill Jal

Facility ID: fJEG1635837366

Permit: NM1-63

Ownership Following Closing

Upon completion of the proposed transaction:

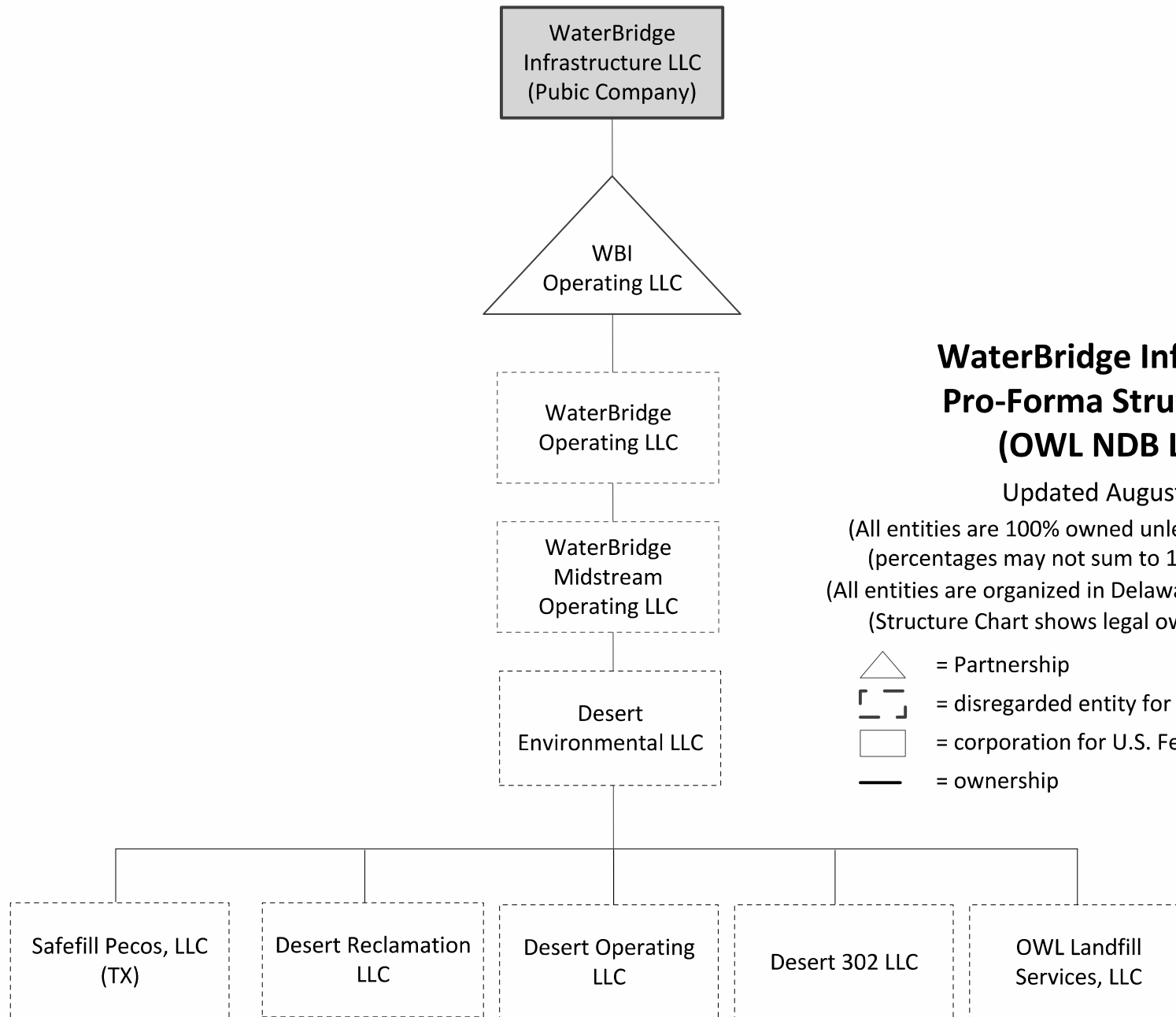
Desert Environmental LLC will become the sole member of OWL Landfill Services, LLC.

OWL Landfill Services, LLC will remain the OCD-permitted operator of the OWL Landfill Jal facility following the transaction.

Pursuant to 19.15.36.12(E) NMAC, the following information is provided concerning the proposed controlling entity.

Desert Environmental LLC Officers

Name	Position
Jason Long	Chief Executive Officer
Michael Reitz	President and Chief Operating Officer
Scott L. McNeely	Executive Vice President and Chief Financial Officer
Harrison Bolling	Executive Vice President and General Counsel
Jason Williams	Executive Vice President and Chief Administrative Officer



Execution Version

**MEMBERSHIP INTEREST
ASSIGNMENT AGREEMENT**

THIS ASSIGNMENT AGREEMENT (this “*Assignment*”), dated as of September 1, 2026, is made and entered into by and among Nest Intermediate Company, LLC, a Delaware limited liability company (“*Assignor*”), and Desert Environmental LLC, a Delaware limited liability company (“*Assignee*” and together with the Assignor, each a “*Party*” and, collectively, the “*Parties*”). Capitalized terms used but not otherwise defined herein shall have the meanings ascribed to them in the Purchase Agreement (as defined below).

WITNESSETH:

WHEREAS, Assignor owns one hundred percent (100%) of the issued and outstanding membership interests of OWL Landfill Services, LLC, a Texas limited liability company (the “*Acquired Company*” and such interests, the “*Membership Interests*”);

WHEREAS, Assignor, Assignee and the Acquired Company are parties to that certain Membership Interest Purchase Agreement, dated as of August 4, 2026 (together with the exhibits and schedules thereto, as may be amended from time to time, the “*Purchase Agreement*”);

WHEREAS, pursuant to and in accordance with the Purchase Agreement, Assignor desires to assign to Assignee, and Assignee desires to accept, all of the Membership Interests; and

WHEREAS, Assignor and Assignee desire to enter into this Assignment for the purpose of accomplishing the transfer of the Membership Interests, all in accordance with and subject to the terms of the Purchase Agreement.

NOW, THEREFORE, in consideration of the foregoing premises and for other good and valuable consideration, the receipt and adequacy of which is hereby acknowledged, Assignor and Assignee hereby agree as follows:

Section 1. Assignment. Assignor does hereby SELL, ASSIGN, CONVEY, TRANSFER AND DELIVER to Assignee, and Assignee does hereby purchase and accept from Assignor, all of Assignor’s right, title and interest in and to the Membership Interests, free and clear of all Liens (other than Liens arising by, through or under Assignee or its Affiliates, those set forth in the Organizational Documents of the Acquired Company or restrictions on transfer under applicable securities laws).

Section 2. Substitution as a Member. As of the date hereof, Assignee is hereby admitted as the sole member and managing member of the Acquired Company with all rights, duties and obligations formerly held by Assignor by virtue of its ownership of the Membership Interests. Assignor hereby withdraws as the sole member and managing member of the Acquired Company, and ceases to be a member of the Acquired Company and ceases to have or exercise any right, power or obligation as a member of the Acquired Company.

Section 3. Further Assurances. The Parties shall execute and deliver, or cause to be executed and delivered, to each other such other instruments and documents and shall take, or cause to be taken, such further actions, in each case, as may be reasonably requested or as may be reasonably necessary to consummate the transactions contemplated hereunder, including the transfer of the Membership Interests to Assignee, on the terms and subject to the conditions set forth in this Assignment.

Section 4. Entire Agreement. This Assignment, the Purchase Agreement and the other Related Documents contain the entire understanding of the Parties with respect to the subject matter contained herein and therein, and supersede all prior and contemporaneous agreements, arrangements, contracts, discussions, negotiations, undertakings and understandings (including any letters of intent or term sheets), whether written or oral, among the parties, or between or among any of them, with respect to such subject matter or any prior course of dealings. In the event of a conflict between the terms and conditions of this Assignment and the Purchase Agreement, the terms and conditions of the Purchase Agreement shall govern and control; *provided, however*, that the inclusion in this Assignment of terms and provisions not addressed in the Purchase Agreement shall not be deemed a conflict, and all such additional provisions shall be given full force and effect, subject to the provisions of this Section 4. Notwithstanding anything to the contrary, this Assignment is made subject to the Purchase Agreement, and nothing herein is intended to, nor shall it, expand, limit nor otherwise affect the rights or obligations of the Parties contained in the Purchase Agreement or the other documents contemplated therein, or the survival thereof.

Section 5. Severability. Whenever possible, each provision of this Assignment shall be interpreted in such manner as to be effective and valid under applicable Law, but if any term or other provision of this Assignment is determined to be invalid, illegal or incapable of being enforced under any Law or as a matter of public policy, all other terms or provisions of this Assignment shall nevertheless remain in full force and effect so long as the economic or legal substance of the transactions contemplated hereby is not affected in any manner materially adverse to any party. Upon such determination that any term or other provision is invalid, illegal or incapable of being enforced, in whole or in part, such term or provision is hereby deemed modified to give effect to the original written intent of the Parties to the greatest extent consistent with being valid and enforceable under applicable Law. No Party shall assert, and each Party shall cause its respective Affiliates or related parties not to assert, that this Assignment or any part hereof is invalid, illegal or unenforceable.

Section 6. Successors and Assigns. The provisions of this Assignment shall inure to the benefit of, and be binding upon, the successors by operation of law and permitted assigns of the Parties.

Section 7. No Third Party Beneficiary. Nothing in this Assignment, express or implied, is intended to confer upon any Person other than the Parties any rights or remedies of any nature whatsoever under or by reason of this Assignment.

Section 8. Governing Law; Jury Waiver. This Assignment shall be governed by the internal laws of the State of Texas, without giving effect to any choice or conflict of law principles or rules that would cause the application of the Laws of any other jurisdiction. EACH PARTY HERETO ACKNOWLEDGES AND AGREES THAT ANY CONTROVERSY WHICH MAY ARISE UNDER THIS ASSIGNMENT, THE RELATED DOCUMENTS OR ANY RELATED CLAIMS IS LIKELY TO INVOLVE COMPLICATED AND DIFFICULT ISSUES, AND THEREFORE IT HEREBY IRREVOCABLY AND UNCONDITIONALLY EXPRESSLY WAIVES, TO THE FULLEST EXTENT PERMITTED BY APPLICABLE LAW, ANY RIGHT IT MAY HAVE TO A TRIAL BY JURY IN RESPECT OF ANY PROCEEDING OR RELATED CLAIM BROUGHT BY OR AGAINST IT, DIRECTLY OR INDIRECTLY ARISING OUT OF OR RELATING TO THIS ASSIGNMENT, THE RELATED DOCUMENTS OR ANY RELATED CLAIMS.

Section 9. Submission to Jurisdiction. Consent to Service of Process.

- (a) The Parties hereby irrevocably submit to the exclusive jurisdiction of the Eleventh Business Court of the State of Texas located in Houston, Texas (or, if the Eleventh Business Court of

the State of Texas declines to accept jurisdiction over a particular matter, any federal court located in Houston, Texas, or if such courts do not have jurisdiction, any state court located in Houston, Texas) over all Related Claims related to this Assignment, and each Party hereby irrevocably agrees that all Related Claims related to this Assignment may be heard and determined in such courts. The Parties hereby irrevocably and unconditionally waive, to the fullest extent permitted by applicable Law, any objection which they may now or hereafter have to the laying of venue of any such Related Claim brought in such court or any defense of inconvenient forum for the maintenance of such dispute. Each of the Parties agrees that a judgment in any such dispute may be enforced in other jurisdictions by suit on the judgment or in any other manner provided by Law.

- (b) Each of the Parties hereby consents to process being served by any Party to this Assignment in any Related Claim related to this Assignment by the delivery of a copy thereof in accordance with the provisions of Section 11.5 of the Purchase Agreement along with a notification that service of process is being served in conformance with this Section 9. Nothing in this Agreement will affect the right of any party to serve process in any other manner permitted by Law.

Section 10. Amendment and Waiver. This Assignment may be amended, supplemented or changed, and any provision hereof can be waived, only by a written instrument making specific reference to this Assignment executed by the Party against whom enforcement of any such amendment, supplement, modification or waiver is sought. The waiver by any Party of a breach of any provision of this Assignment shall not operate or be construed as a further or continuing waiver of such breach or as a waiver of any other or subsequent breach. No failure on the part of any Party to exercise, and no delay in exercising any right, power or remedy hereunder shall operate as a waiver thereof, nor shall a single or partial exercise of such right, power or remedy by such Party preclude any other or further exercise thereof or the exercise of any other right, power or remedy.

Section 11. Counterparts. This Assignment may be executed in any number of counterparts (any of which may be delivered by facsimile or electronic transmission), each of which shall constitute an original, and all of which taken together shall constitute one and the same instrument. The exchange of a fully executed Assignment (in counterparts or otherwise) by electronic transmission in .PDF format, by facsimile or other agreed format shall be sufficient to bind the parties hereto to the terms and conditions of this Assignment.

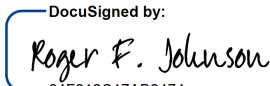
Section 12. Deed; Bill of Sale; Assignment. To the extent required and permitted by applicable Law, this Assignment shall also constitute a “deed”, “bill of sale” or an “assignment” of the Membership Interests.

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IN WITNESS WHEREOF, this Assignment has been executed by each of the Parties effective as of the date hereof.

ASSIGNOR:

NEST INTERMEDIATE COMPANY, LLC

By: 
Name: Roger F. Johnson
Title: Principal

By: _____
Name: T. Chris Cooper
Title: Principal

ASSIGNMENT AGREEMENT
SIGNATURE PAGE

IN WITNESS WHEREOF, this Assignment has been executed by each of the Parties effective as of the date hereof.

ASSIGNOR:

NEST INTERMEDIATE COMPANY, LLC

By: _____

Name: Roger F. Johnson

Title: Principal

By:  _____
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Name: T. Chris Cooper

Title: Principal

ASSIGNMENT AGREEMENT
SIGNATURE PAGE

ASSIGNEE:

DESERT ENVIRONMENTAL LLC

By:  _____

Name: Harrison Bolling

Title: Executive Vice President, General Counsel

ASSIGNMENT AGREEMENT
SIGNATURE PAGE

ATTACHMENT 3: DESERT ENVIRONMENTAL LLC EXPERIENCE AND QUALIFICATIONS

DESERT ENVIRONMENTAL LLC EXPERIENCE AND QUALIFICATIONS

Desert Environmental is the leading sustainable provider of energy waste management solutions with strategically positioned facilities in the heart of the northern and southern Delaware Basin (NM/TX) to address the dynamic needs of customers in the region. Desert currently operates two reclamation plants, two O&G surface waste management facilities, and has a third facility permit nearly complete. Desert is a steward of O&G waste management at scale. It leads with a modern, specialized focus on operational performance that both maximizes efficiency and minimizes environmental impact.

ATTACHMENT 4: SECRETARY OF STATE DOCUMENTATION FOR OWL LANDFILL SERVICES, LLC

SECRETARY OF STATE DOCUMENTATION FOR OWL LANDFILL SERVICES, LLC

OWL Landfill Services, LLC is currently registered with the New Mexico Secretary of State and will remain the legal entity operating the OWL Landfill Jal facility following completion of the transaction. Desert Environmental LLC will become the sole member of OWL Landfill Services, LLC. Below is the entry for OWL Landfill Services, LLC from the New Mexico Secretary of State Website.

Name	Business ID	Entity Type	Entity Sub-Type	Formed In	Status
OWL Landfill Services, LLC	5131812	Foreign Limited Liability Company	Foreign LLC	Texas	Active

ATTACHMENT 5: AUGUST 2026 CLOSURE AND POST-CLOSURE COST UPDATE

AUGUST 2026 CLOSURE AND POST-CLOSURE COST ESTIMATE

An updated Closure/Post-Closure Cost Estimate for OWL Landfill Services, LLC has been prepared as of August 2026.

2026 Total Closure/Post-Closure Cost Estimate \$2,820,283

The September 2025 total estimate was \$2,728,475. The August 2026 estimate applies a 3.36-percent CPI-U increase for July 2025 through July 2026, resulting in the updated total cost estimate of \$2,820,283.

OWL Landfill Services, LLC and Desert Environmental LLC acknowledge the requirements of 19.15.36 NMAC concerning financial assurance and understand that OCD will determine the amount and form of financial assurance required in connection with its approval of the proposed transaction.

The parties will provide financial assurance in the amount and form required by OCD.

Existing financial assurance will remain in place until OCD has approved the transaction and has accepted any replacement, additional, or successor financial assurance required by the Division.

No release of existing financial assurance is requested until all conditions established by OCD for the ownership change have been satisfied.

Supporting bond, letter-of-credit, cash collateral, surety, or other OCD-approved financial-assurance documentation will be submitted separately as required by the Division.

The updated Closure/Post-Closure Cost Estimate Summary – August 2026 Update is attached to this application in its entirety.

ATTACHMENT II.4.D.1
CLOSURE/POST-CLOSURE
COST ESTIMATE SUMMARY - August 2026 Update
OWL Landfill Services, LLC

TASK	COST ESTIMATE
1.0 LANDFILL CLOSURE CONSTRUCTION	\$1,446,695
2.0 LANDFILL MAINTENANCE	\$455,895
3.0 ENVIRONMENTAL MONITORING	\$165,000
4.0 POND AND PROCESSING AREA CLOSURE (see Att. II.4.D.5)	\$607,157
5.0 POND AND PROCESSING AREA MAINTENANCE	\$34,700
2025 Total Cost Estimate	\$2,728,475
CPI-U Increase July 2025-July 2026	3.36%
2026 TOTAL COST ESTIMATE	\$2,820,283

ATTACHMENT II.4.D.2
PHASE I LANDFILL CLOSURE CONSTRUCTION
CLOSURE COST ESTIMATE - 2026 Update
OWL Landfill Services, LLC Landfill (Cells 1A-5A & 1B/2B) = Total 57.8 acres

TASK 1.0	Unit Quantity	Unit	Unit Cost	Total Cost
1.1 Final Cover Installation (See Note 5)				
1.1.1 Install and compact 12" Intermediate Cover Layer	93,251	CY	\$3.31	\$308,660
1.1.2 Install and compact 6" Barrier Layer	46,625	CY	\$4.54	\$211,679
1.1.3 Install 24" Vegetative Layer	186,501	CY	\$3.24	\$604,264
1.1.4 Vegetative Layer Seeding (Class A)	57.8	AC	\$1,933.00	\$111,727
Task Subtotal				\$1,236,330
1.2 Final Cover CQA				
1.2.1 Inspection and Testing	1	LS	\$65,705	\$65,705
1.2.2 Certification	1	LS	\$13,142	\$13,142
Task Subtotal				\$78,847
TASK TOTALS				\$1,315,177
Independent Project Manager and Contract Administration Cost (10% of Task Totals)				\$131,518
TOTAL COST				\$1,446,695

Notes:

1. Phase I closure costs (Now 57.8 ac) are based on contracting with a qualified third party to complete and certify closure. The activities included in this cost estimate are based on current dollars, previous experience with landfills located in arid climates, and current subcontractor costs.
2. Final cover installation costs assume that: The greatest area requiring final cover is 42.8 acres and all soils necessary for closure are available on-site
3. CY = Cubic Yard, AC = Acre, LS = Lump Sum
4. Due to the perimeter location there is no final cover "crown" and related geosynthetic layers in Unit 1.
5. Previous year yardage calculations were overestimated and corrected this year

ATTACHMENT II.4.D.3
PHASE I LANDFILL MAINTENANCE
POST-CLOSURE COST ESTIMATE - 2026 Update
OWL Landfill Services, LLC

TASK 2.0	Unit Quantity	Unit	Unit Cost	Total Cost Per Year	Total Cost For 30 Years
2.1 Final Cover Inspection and Reporting					
2.1.1 Inspection	2	events/yr	\$1,310	\$2,620	\$78,600
2.1.2 Recordkeeping and Reporting	2	events/yr	\$525	\$1,050	\$31,500
Task Subtotals				\$3,670	\$110,100
2.2 Final Cover Maintenance					
2.2.1 Cover Maintenance	1	AC/yr	\$1,310	\$1,310	\$39,300
2.2.2 Vegetation	2	AC/yr	\$1,930	\$3,860	\$115,800
Task Subtotals				\$5,170	\$155,100
2.3 Leachate System					
2.3.1 Inspection/Repair	1	events/yr	\$525	\$525	\$15,750
2.3.2 Disposal	1	events/yr	\$1,290	\$1,290	\$38,700
Task Subtotals				\$1,815	\$54,450
2.4 Surface Water Management Systems					
2.4.1 Inspection/Repairs	2	events/yr	\$790	\$1,580	\$47,400
Task Subtotals				\$1,580	\$47,400
2.5 Fencing					
2.5.1 Inspection/Repairs	2	events/yr	\$790	\$1,580	\$47,400
Task Subtotals				\$1,580	\$47,400
TASK TOTALS				\$13,815	\$414,450
Independent Project Manager and Contract Administration Cost (10% of Task Totals)				\$1,382	\$41,445
TOTAL COST				\$13,815	\$455,895

Notes:

1. Phase I post-closure maintenance costs are based on contracting with a qualified third party to conduct post-closure care maintenance for the landfill. The activities included in this cost estimate are based on current dollars, previous experience with landfills located in arid climates, and current subcontractor costs.
2. AC = Acre
LS = Lump Sum

ATTACHMENT II.4.D.4
PHASE I ENVIRONMENTAL MONITORING
POST-CLOSURE COST ESTIMATE - 2026 Update
OWL Landfill Services, LLC

TASK 3.0	Unit	Unit	Unit	Total Cost	Total
3.1.1 Field Services/Lab Analysis/Reporting (30 years)	1	events/yr	\$3,025	\$3,025	\$90,750
Task Subtotal				\$3,025	\$90,750
3.2 NPDES Monitoring					
3.2.1 Field Services/Reporting (30 years)	1	events/yr	\$1,975	\$1,975	\$59,250
Task Subtotal				\$1,975	\$59,250
TASK TOTALS				\$5,000	\$150,000
Independent Project Manager and Contract Administration Cost (10% of Task Totals)				\$500	\$15,000
TOTAL COST				\$5,500	\$165,000

Notes:

1. Phase I closure costs are based on contracting with a qualified third party to conduct post-closure monitoring for the landfill.
The activities included in this cost estimate are based on current dollars, previous experience with landfills located in arid climates, and current subcontractor costs.
2. Assume no water in vadose wells (i.e., sampling and analysis costs not included).

ATTACHMENT II.4.D.5
PHASE I POND AND PROCESSING AREA CLOSURE CONSTRUCTION
CLOSURE COST ESTIMATE - 2026 Update
OWL Landfill Services, LLC

Task 4.0	Units	Unit Cost	Total (28 acres)	
			Quantity	Cost
4.1 Evaporation Pond				
4.1.1 Liquids Transport/Disposal				
4.1.1.1 Transport Liquid	bbl	\$2.32	340	\$ 789
4.1.1.2 Disposal Liquids	bbl	\$1.27	340	\$ 432
4.1.1.3 Remove/Transport Sludge	ton	\$8.57	4,840	\$ 41,479
4.1.1.4 Disposal Sludge	ton	\$19.74	4,840	\$ 95,542
4.1.1.5 Liner Removal/Transport	CY	\$5.28	235	\$ 1,241
4.1.1.6 Disposal Liner	CY	\$5.61	235	\$ 1,318
		Task Subtotal		\$ 140,800
4.1.2 Pond Backfill and Contouring				
4.1.2.1 Soil On-site	CY	\$1.36	0	\$ -
4.1.2.2 Place and Compact Soil	CY	\$3.96	21,500	\$ 85,140
		Task Subtotal		\$ 85,140
4.1.3 Sampling	each	\$263	319	\$ 83,993
4.1.4 Seeding	acres	\$1,971	28	\$ 55,188
		Task Subtotal		\$ 139,181
Pond Closure Subtotal:				\$ 365,121
4.2 Site Work				
4.2.1 Tank Removal	LS			\$ 55,315
4.2.2 Building Removal	LS			\$ 32,855
4.2.3 Process Equipment Removal	LS			\$ 32,855
4.2.4 Earthwork	LS			\$ 13,145
Site Work Subtotal:				\$ 134,170
4.3 Engineering				
4.3.1 CQA/Certification	LS			\$ 52,670
Engineering Subtotal:	LS			\$ 52,670
4.4 Totals				
4.4.1 Subtotal				\$ 551,961
4.4.2 Administration Cost (10%)				\$ 55,196
Total:				\$ 607,157

Notes:

1. Phase I closure costs are based on contracting with a qualified third party to complete and certify closure.
2. Assume 1,000 gallons of residual water in each pond transported up to 50 miles for disposal.
3. Assume 6" of sludge remaining in each pond at closure transported up to 50 miles for disposal.
4. Site Sampling is conducted during the CQA phase.
5. CY = Cubic Yard
LS = Lump Sum

ATTACHMENT II.4.D.6
PHASE I POND AND PROCESSING AREA MAINTENANCE
POST-CLOSURE COST ESTIMATE - 2026 Update
OWL Landfill Services, LLC

TASK 5.0	Unit Quantity	Unit	Unit Cost	Total Cost Per Year	Total Cost For 3 Years
5.1 Surface Inspection and Reporting					
5.1.1 Inspection	2	events/yr	\$1,315	\$2,630	\$7,890
5.1.2 Recordkeeping and Reporting	2	events/yr	\$525	\$1,050	\$3,150
Task Subtotals				\$3,680	\$11,040
5.2 Surface Maintenance					
5.2.1 Cover Maintenance	1	AC/yr	\$1,315	\$1,315	\$3,945
5.2.2 Vegetation	2	AC/yr	\$1,970	\$3,940	\$11,820
Task Subtotals				\$5,255	\$15,765
5.3 Fencing					
5.3.1 Inspection/Repairs	2	events/yr	\$790	\$1,580	\$4,740
Task Subtotals				\$1,580	\$4,740
TASK TOTALS				\$10,515	\$31,545
Independent Project Manager and Contract Administration Cost (@ 10%)				\$1,052	\$3,155
TOTAL COST				\$10,515	\$34,700

Notes:

1. Phase I post-closure maintenance costs are based on contracting with a qualified third party to conduct post-closure care/maintenance for the Processing Area. The activities included in this cost estimate are based on current dollars, previous experience with closures located in arid climates, and current subcontractor costs.
2. AC = Acre
LS = Lump Sum

State of New Mexico
Energy, Minerals and Natural Resources Department

Michelle Lujan-Grisham
Governor

Erin Taylor
Acting Cabinet Secretary

Ben Shelton
Deputy Secretary

Albert C.S. Chang
Division Director
Oil Conservation Division



BY ELECTRONIC MAIL ONLY

September 4, 2026

Mr. Zach Ramos
3889 Maple Avenue
Suite 300
Dallas, TX 75219
zramos@ndblandfill.com

RE: Permit Minor Modification Request
Permit NM1-63, OWL Landfill Services LLC
Location: Section 23, Township 24 South, Range 33 East, NMPM Lea County, NM

Dear Mr. Ramos:

The Oil Conservation Division (OCD) has completed a review of the Minor Modification request submitted by OWL Landfill Services, LLC (OWL) on August 19, 2026, for the commercial surface waste management facility permit NM1-63. OWL has requested the following minor modification:

- Approval of a change in ownership and control of OWL, the Permittee and current operator. Desert Environmental LLC has become the sole member of OWL.

OCD hereby approves this Minor Modification request and the updated closure and post-closure cost estimate of \$2,820,283. Owl must submit replacement financial assurance in the updated amount within 30 days of receipt of this letter.

If there are any questions regarding this matter, please do not hesitate to contact me at (505) 549-5583 or Joseph.Kennedy@emnrd.nm.gov.

Respectfully,

Joe Kennedy • Senior Environmental Scientist

Sante Fe Main Office
Phone: (505) 476-3441

General Information
Phone: (505) 629-6116

Online Phone Directory
<https://www.emnrd.nm.gov/oed/contact-us>

State of New Mexico
Energy, Minerals and Natural Resources
Oil Conservation Division
1220 S. St Francis Dr.
Santa Fe, NM 87505

CONDITIONS

Action 616008

CONDITIONS

Operator: OWL LANDFILL SERVICES, LLC 3889 Maple Avenue Dallas, TX 75219	OGRID: 371820
	Action Number: 616008
	Action Type: [C-137] SWMF Minor Modification (C-137A)

CONDITIONS

Created By	Condition	Condition Date
joseph.kennedy	Please see letter emailed to Mr. Zach Ramos on 9/4/2026.	9/4/2026