

NM1 - _____62_____

**Updated 2020
Closure and Post
Closure Cost
Estimate**

May 13, 2022

Jones, Brad A., EMNRD

From: Peterson, Gundar <gpeterson@geo-logic.com>
Sent: Friday, May 13, 2022 9:13 AM
To: Jones, Brad A., EMNRD
Cc: Andrew L. Wambsganss (Andy@Wambsganss.com); 'Misty Pratt (mpratt@brownpruitt.com)'
Subject: [EXTERNAL] SSWI Surface Waste Management Facility (NM-62) 2020 Annual Report Review
Attachments: Closure_2020_Updated.pdf; 2022 0422 NM1-62 Sundance West Inc 2020 Annual Report Review and FA Increase Request review.pdf

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Mr. Jones-

Per your letter dated April 22, 2022 (attached for reference), please see the attached, updated 2020 Closure and Post-Closure Cost Estimate.

Gundar Peterson, P.E.

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**2020 Closure/Post Closure
COST ESTIMATE SUMMARY
SUNDANCE SERVICES WEST, INC.**

Task	Cost Estimate
1.0 LANDFILL CLOSURE CONSTRUCTION	\$282,649
2.0 LANDFILL MAINTENANCE	\$448,800
3.0 ENVIRONMENTAL MONITORING	\$125,400
4.0 EVAPORATION POND CLOSURE CONSTRUCTION	\$110,803
5.0 PROCESSING AREA CLOSURE CONSTRUCTION	\$207,262
6.0 EVAPORATION POND AND PROCESSING AREA MAINTENANCE	\$26,400
Total cost	\$1,201,313

**TASK 1.0 - LANDFILL CLOSURE CONSTRUCTION
CLOSURE COST ESTIMATE
COST ESTIMATE SUMMARY
SUNDANCE SERVICES WEST, INC.**

Task 1.0	Unit Quantity	Unit	Unit Cost	Total Cost
1.1 Final Cover Installation				
1.1.1 Install and compact 24" Infiltration (Barrier) Layer	43,516	CY	\$3.50	\$152,308
1.1.2 Install 12" Erosion (Vegetative) Layer	21,758	CY	\$2.50	\$54,396
1.1.3 Vegetative Layer Seeding (Class A)	13.5	AC	\$1,500	\$20,250
			Task Subtotal	\$226,953
1.2 Final Cover Construction Quality Assurance (CQA)				
1.2.1 Inspection and Testing	LS	1	\$25,000	\$25,000
1.2.2 Certification	LS	1	\$5,000	\$5,000
			Task Subtotal	\$30,000
			TASK TOTAL	\$256,953
Independent Project Manager & Contract Administration Cost (10 % of Task Totals)				\$25,695
			TOTAL COST	\$282,649

Notes:

- Closure costs 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.
- Final cover installation costs assume that:
 - The greatest area requiring final cover is 13.5 acres +/-.
 - 12" of intermediate cover is already installed.
 - All soils necessary for closure construction are available on-site.
- Costs include taxes.
- CY = Cubic yard
AC = Acre

**TASK 2.0 - LANDFILL MAINTENANCE
POST-CLOSURE COST ESTIMATE
COST ESTIMATE SUMMARY
SUNDANCE SERVICES WEST, INC.**

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	\$1,000	\$2,000	\$60,000
2.1.2 Recordkeeping and Reporting	2	events/yr	\$400	\$800	\$24,000
			Task Subtotals	\$2,800	\$84,000
2.2 Final Cover Maintenance					
2.2.1 Cover Maintenance	1	AC/yr	\$1,000	\$1,000	\$30,000
2.2.2 Vegetation	2	AC/yr	\$1,500	\$3,000	\$90,000
			Task Subtotals	\$4,000	\$120,000
2.3 Leachate System					
2.3.1 Inspection/Repairs	1	LS	\$400	\$400	\$12,000
2.3.2 Disposal	4	events/yr	\$1,000	\$4,000	\$120,000
			Task Subtotals	\$400	\$132,000
2.4 Surface Water Management System					
2.4.1 Inspection/Repairs	2	events/yr	\$600	\$1,200	\$36,000
			Task Subtotals	\$1,200	\$36,000
2.5 Fencing					
2.5.1 Inspection/Repairs	2	events/yr	\$600	\$1,200	\$36,000
			Task Subtotals	\$1,200	\$36,000
TASK TOTAL				\$9,600	\$408,000
Independent Project Manager & Contract Administration Cost (10 % of Task Totals)				\$960	\$40,800
TOTAL COST				\$10,560	\$448,800

Notes:

1. Post-closure maintenance costs are based on contracting with a qualified third party to conduct post-closure care 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. Costs include taxes
3. AC = Acre

**TASK 3.0 - ENVIRONMENTAL MONITORING
POST-CLOSURE COST ESTIMATE
COST ESTIMATE SUMMARY
SUNDANCE SERVICES WEST, INC.**

Task 3.0	Unit Quantity	Unit	Unit Cost	Total Cost per Year	Total Cost for 30 Years
3.1 Landfill Gas Monitoring³					
3.1.1 Field Services/Lab Analysis/Reporting	1	events/yr	\$0	\$0	\$0
Task Subtotal				\$0	\$0
3.1 Monitoring Well/Vadose Zone Monitoring					
3.1.1 Field Services/Lab Analysis/Reporting	1	events/yr	\$2,300	\$2,300	\$69,000
Task Subtotal				\$2,300	\$69,000
3.1 Vadose Zone Monitoring					
3.1.1 Field Services/Lab Analysis/Reporting	1	events/yr	\$1,500	\$1,500	\$45,000
Task Subtotal				\$1,500	\$45,000
TASK TOTAL				\$3,800	\$114,000
Independent Project Manager & Contract Administration Cost (10 % of Task Totals)				\$380	\$11,400
TOTAL COST				\$4,180	\$125,400

Notes:

1. 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 zone wells (i.e., sampling and analysis costs not included).
3. Included with Task 3.2
4. LS = Lump Sum

TASK 4.0 - EVAPORATION POND CLOSURE CONSTRUCTION
CLOSURE COST ESTIMATE
COST ESTIMATE SUMMARY
SUNDANCE SERVICES WEST, INC.

Task 4.0	Units	Unit Cost	Quantity	Total Cost
4.1 Evaporation Pond				
4.1.1 Liquids Transport/Disposal				
4.1.1.1 Transport Liquid	BBL	\$1.75	100	\$ 175
4.1.1.2 Disposal Liquids	BBL	\$0.95	100	\$ 95
4.1.1.3 Remove/Transport Sludge (included w/Pond Excavation)	ton	\$6.50	1,200	\$ 7,800
4.1.1.4 Disposal Sludge	ton	\$15.00	1,200	\$ 18,000
4.1.1.5 Liner Removal/Transport	CY	\$4.00	80	\$ 320
4.1.1.6 Disposal Liner	CY	\$4.25	80	\$ 340
Task Subtotal				\$ 26,730
4.1.2 Pond Excavation, Backfill and Contouring				
4.1.2.1 Soil On-site	CY	\$1.00	0	\$ -
4.1.2.2 Place and Compact Soil	CY	\$3.00	6,000	\$ 18,000
Task Subtotal				\$ 18,000
4.1.3 Sampling	EA	\$200	100	\$ 20,000
4.1.4 Seeding	AC	\$1,200	10	\$ 12,000
Task Subtotal				\$ 32,000
Pond Closure Subtotal:				\$ 76,730
4.2 Site Work				
4.2.1 Tank Removal	LS			\$ 7,500
4.2.2 Building Removal	LS			\$ -
4.2.3 Process Equipment Removal	LS			\$ 1,000
4.2.4 Earthwork	LS			\$ 7,500
Site Work Subtotal:				\$ 16,000
4.3 Engineering				
4.3.1 CQA/Certification	LS			\$ 8,000
Engineering Subtotal:				\$ 8,000
TASK TOTAL				\$100,730
Independent Project Manager & Contract Administration Cost (10 % of Task Totals)				\$10,073
TOTAL COST				\$110,803

Notes:

- Closure costs are based on contracting with a qualified third party to complete and certify closure.
- Assume 10 barrels of residual water in each pond transported up to 50 miles for disposal.
- Assume 6" of sludge remaining solids in each pond at closure transported up to 50 miles for disposal.
- Site sampling is conducted during the CQA phase
- Costs include taxes.
- CY = Cubic Yard
AC = Acre
LS = Lump Sum
EA = Each Acre
BBL = Barrell (US)

TASK 5.0 - PROCESSING AREA CLOSURE CONSTRUCTION
CLOSURE COST ESTIMATE
COST ESTIMATE SUMMARY
SUNDANCE SERVICES WEST, INC.

Task 5.0	Units	Unit Cost	Quantity	Total Cost
5.1 Jet-Out & Drying Pad				
5.1.1 Liquids Transport/Disposal				
5.1.1.1 Transport Liquid	BBL	\$1.75	100	\$ 175
5.1.1.2 Disposal Liquids	BBL	\$0.95	100	\$ 95
5.1.1.3 Remove/Transport Sludge (included w/Pond Excavation)	ton	\$6.50	100	\$ 650
5.1.1.4 Disposal Sludge	ton	\$15.00	100	\$ 1,500
Task Subtotal				\$ 2,420
5.1.2 Jet-Out Backfill and Contouring				
5.1.2.1 Soil On-site	CY	\$1.00	18,000	\$ 18,000
5.1.2.2 Place and Compact Soil	CY	\$3.00	18,000	\$ 54,000
Task Subtotal				\$ 72,000
5.1.3 Sampling	EA	\$500	100	\$ 50,000
5.1.4 Seeding	AC	\$1,200	10	\$ 12,000
Task Subtotal				\$ 62,000
Jet-Out & Drying Pad Closure Subtotal:				\$ 136,420
5.2 Site Work				
5.2.1 Tank Removal	LS		\$	10,000
5.2.2 Building Removal	LS		\$	-
5.2.3 Process Equipment Removal	LS		\$	2,000
5.2.4 Earthwork	LS		\$	10,000
Site Work Subtotal:				\$ 22,000
5.3 Engineering				
5.3.1 CQA/Certification	LS		\$	30,000
Engineering Subtotal:				\$ 30,000
TASK TOTAL				\$188,420
Independent Project Manager & Contract Administration Cost (10 % of Task Totals)				\$18,842
TOTAL COST				\$207,262

Notes:

1. Closure costs are based on contracting with a qualified third party to complete and certify closure.
2. Assume 100 barrels of residual water in the jet-out transported up to 50 miles for disposal.
3. Assume 6" of sludge remaining solids in each pond at closure transported up to 50 miles for disposal.
4. Site sampling is conducted during the CQA phase
5. Costs include taxes.
6. CY = Cubic Yard
AC = Acre
LS = Lump Sum
EA = Each Acre
BBL = Barrell (US)

TASK 6.0 - EVAPORATION POND AND PROCESS AREA MAINTENANCE
POST-CLOSURE COST ESTIMATE
COST ESTIMATE SUMMARY
SUNDANCE SERVICES WEST, INC.

Task 6.0	Unit Quantity	Unit	Unit Cost	Total Cost per Year	Total Cost for 3 Years
6.1 Surface Inspection and Reporting					
6.1.1 Inspection	2	events/yr	\$1,000	\$ 2,000	\$ 6,000
6.1.2 Recordkeeping and Reporting	2	events/yr	\$410	\$ 800	\$ 2,400
			Task Subtotals	\$ 2,800	\$ 8,400
6.2 Surface Maintenance					
6.2.1 Cover Maintenance	1	AC/yr	\$1,000	\$ 1,000	\$ 3,000
6.2.2 Vegetation	2	AC/yr	\$1,500	\$ 3,000	\$ 9,000
			Task Subtotals	\$ 4,000	\$ 12,000
6.3 Fencing					
6.3.1 Inspection/Repairs	2	events/yr	\$615	\$ 1,200	\$ 3,600
			Task Subtotals	\$ 1,200	\$ 3,600
TASK TOTAL				\$8,000	\$24,000
Independent Project Manager & Contract Administration Cost (10 % of Task Totals)				\$800	\$2,400
TOTAL COST				\$8,800	\$26,400

Notes:

1. Phase I post-closure maintenance costs are based on contracting with a qualified third party to conduct the activities outlined above. 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. Costs include taxes
3. AC = Acre

State of New Mexico
Energy, Minerals and Natural Resources Department

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Governor

Sarah Cottrell Propst
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Todd E. Leahy, JD, PhD
Deputy Secretary

Adrienne Sandoval
Director, Oil Conservation Division



April 22, 2022

Mr. Arif Mussani
Sundance Services West, Inc.
1006 6th Street
Eunice, New Mexico 88231
andy@wambsganss.com

**RE: 2020 Annual Report
Sundance Services West, Inc. (OGRID 371811)
Permit NM1-62
South 1 / 2 of Section 30, Township 21 South, Range 38 East NMPM,
Lea County, New Mexico**

Mr. Mussani:

The Oil Conservation Division (OCD) has completed its review of Sundance Services West, Inc.'s (SSWI) 2020 Annual Report, dated August 30, 2021, which addresses the permit conditions for the Sundance West surface waste management facility under permit NM1-62. The OCD has discovered a request to update the financial assurance.

Under Condition H1, Financial Assurance, SSWI informs OCD that based upon their reassessment of the initial closure and post-closure cost estimate of \$1,048,611.00, SSWI has determined it "will require financial assurance for closure and post-closure care in the amount of \$1,201,313.00." Provide an updated closure and post-closure cost estimate demonstration, like Attachment II.4.A in the June 16, 2014 permit application, that supports the reassessment. Also provide the replacement financial assurance mechanism or rider to the existing financial assurance mechanism.

If there are any questions regarding this matter, please do not hesitate to contact me at (505) 469-7486 or brad.a.jones@state.nm.us.

Respectfully,

Brad A. Jones
Environmental Specialist

Cc: Misty Pratt, Brown Pruitt Wambsganss Dean Forman & Moore, P.C., mpratt@brownpruitt.com

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State of New Mexico
Energy, Minerals and Natural Resources
Oil Conservation Division
1220 S. St Francis Dr.
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CONDITIONS

Action 125916

CONDITIONS

Operator: Sundance Services West, Inc. 1006 6th Street Eunice, NM 88231	OGRID: 371811
	Action Number: 125916
	Action Type: [C-137] Non-Fee SWMF Submittal (SWMF NON-FEE SUBMITTAL)

CONDITIONS

Created By	Condition	Condition Date
bjones	None	7/15/2022