

# 2025 Annual Report Sundance Services, Inc. (Permit NM-01-003)

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Submitted to

Oil Conservation Division  
Energy, Minerals, and Natural Resources Department  
Santa Fe, New Mexico

Submitted by

Sundance Services, Inc.  
Lee County, New Mexico

Prepared by



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DB18.1209

February 13, 2026



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## 1. Introduction

This report summarizes activities undertaken in 2025 to meet the requirements of the Closure and Post-Closure Plan (CPC Plan) for Sundance Services, Inc. (SSI) (Commercial Surface Waste Management Facility Permit NM1-3).

The original CPC Plan for the site was submitted to the New Mexico Energy, Minerals and Natural Resources Division (EMNRD) Oil Conservation Division (OCD) on September 29, 2016 and approved on July 31, 2017 (Appendix A).

In December 2023, SSI submitted a Minor Modification Application and requested modification of the closure of the evaporation ponds and landfill. On March 8, 2024, OCD issued conditional approval of the minor modification permit application dated December 23, 2023. OCD approved the most recent submittal of the CPC Plan on August 11, 2025.

The SSI minor modification request in December 2023 consisted of the following:

- SSI requested to modify Condition 3 of the July 31, 2017 approval to extend the closure due date from December 31, 2022 to December 31, 2028.
- SSI also requested a modification to Milestone F (also referred to in the revised CPC Plan as Milestone 6). Milestone F required that Ponds 2, 3, and 9 be stabilized, all materials removed, the pond area appropriately remediated, and all remaining landfill slopes be at final grade on or before December 31, 2022. SSI sought to modify Milestone F to allow the dewatering of Ponds 2, 3, 4, and 9, the solidification and stabilization of pond sediments, in-place pond closures, and placement of the final landfill cover design over the ponds and landfill area.

The revised CPC approved in August 2025 addressed the Conditions 7 and 8 (regarding engineering drawings and the cost estimate), as well as the portion of Condition 6 that required a sampling locations figure. All of these edits have been incorporated into the final CPC Plan now approved by OCD. The remaining conditions (1 through 6 and 9) are addressed in the next section.



## 2. Status of Permit Conditions

The status of the conditions that modified permit NM1-3 and the approved closure plan as of December 31, 2022 were as follows:

*Condition 1: Closure of the facility must begin on or before December 31, 2017.*

Complete.

*Condition 2: Sundance Services, Inc. shall provide a critical path schedule for each phase of closure at least 30 days prior to the commencement of closure activities at the facility.*

Schedule is as agreed upon in milestones, current on or ahead of schedule for all items. Progress on individual milestones is discussed under Condition 7.

*Condition 3: Closure of the facility must be completed and commencement of the post-closure care period must begin on or before December 31, 2022.*

Closure has progressed and milestones have been met each year, given the approval of the revised schedule in the latest closure plan.

*Condition 4: Prior to the removal of existing sumps, Sundance Services, Inc. must identify the locations of each sump. Soil testing beneath each sump must be in accordance with provisions of 19.15.36 NMAC.*

Completed for produced water tanks and jet-out facilities.

*Condition 5: Sundance Services, Inc. must immediately begin abandonment of existing wells and the installation of the new vadose zone monitoring wells specified in the closure/post-closure plan. In addition to those wells specified in the plan, two additional vadose zone monitoring wells must be installed along the southern property boundary between VZ-2 and VZ-3 and between VZ-4 and VZ-5. These additional wells shall be subject to the same monitoring schedule and parameters as the other wells.*

The installation of the new vadose zone monitoring (VZM) wells was completed in 2017 and the piezometer abandonment was completed in 2018.

*Condition 6: At the beginning of the post-closure period, Sundance Services, Inc. shall undertake quarterly rather than annual monitoring events upon the vadose zone wells as well as after significant precipitation events (i.e. 24 hour, 25-year storms). This frequency may be reduced if it can be demonstrated there is a lack of recoverable groundwater in the wells, or the water quality data does not indicate contamination.*



Per OCD direction in an April 2018 meeting, SSI has discontinued quarterly sampling and is undertaking annual sampling due to lack of water in the wells. There is no evidence that the vadose zone will recover, but SSI will evaluate the conditions at closure.

*Condition 7: The cost estimate provided within the September 29, 2016 closure/post-closure plan is \$3,395,000.00. Based upon subsequent discussions between Sundance Services, Inc. and the OCD, replacement financial assurance in the amount in total of \$3,695,000.00 in a form acceptable to the OCD under the current regulations is required immediately. The additional financial assurance is required to further assure closure operations proceed in a timely fashion. Also, an additional \$50,000 in financial assurance was provided for each of the six agreed upon milestones. If and when each of the following closure milestones is achieved, the amount of required financial assurance shall be released in the amount of \$50,000.00 for each milestone reached.*

- Milestone 1: Complete
- Milestone 2: Complete
- Milestone 3: Complete
- Milestone 4: Complete
- Milestone 5: Complete
- Milestone 6: Discussion of this milestone is provided in Section 3.

### 3. Milestone F/6 Activities

Appendix I of the revised CPC Plan outlines the closure schedule. Year 1 (2024) and Year 2 (2025) projected earthwork volumes were as shown in Table 1.

**Table 1. Projected Earthwork Volumes from the CPC**

Area	Task	Year 1 Volume (cubic yards)	Year 2 Volume (cubic yards)
Area between Ponds 5, 7, and 8	Additional fill placed to achieve design grades for drainage	234,500	
	Final cover (6 inches) placement	17,500	
	Vegetative cover (24 inches) Placement	70,000	
	Cut volume	-23,000	
Pond 6	Additional fill placed to achieve design grades for drainage		185,500



Area	Task	Year 1 Volume (cubic yards)	Year 2 Volume (cubic yards)
	Final Cover (6 inches) Placement		15,500
	Vegetative cover (24 inches) Placement		62,000
	Cut Volume		-3,000
SE Stormwater Pond	Excavation		-86,500
	Fill Volume		6,500
Total Fill		322,000	269,500
Total Cut		-23,000	-89,500
Total Earthwork		345,000	359,000

In 2025, SSI completed the following related to the remaining Milestone F (Milestone 6 in CPC Plan) closure activities:

- 277,960 cubic yards (CY) of fill has been placed across the site, including Pond 6 and surrounding areas
- 100,592 CY of cut has been removed from across the site, including the SE Stormwater Pond.

To date, SSI has completed the following related to the remaining Milestone F closure activities:

- 494,478 CY of fill has been placed
- 278,878 CY of cut has been removed

SSI earthwork included areas outside of the Year 2 closure areas designated in the CPC Plan. While most soil placement occurred in the Year 2 target area, fill placement occurred in other areas across the site to catch up on Year 1 closure areas and improve stormwater management as closure activities progress.

Appendix A  
Closure Plan Approval  
from August 2025

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State of New Mexico  
Energy, Minerals and Natural Resources Department

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**Michelle Lujan-Grisham**  
Governor

**Melanie A. Kenderdine**  
Cabinet Secretary

**Ben Shelton**  
Deputy Secretary

**Erin Taylor**  
Deputy Secretary

**Albert Chang**  
Division Director  
Oil Conservation Division



**Electronic Mail Only**

August 11, 2025

Mr. Tariq Mussani  
Sundance Services Inc.  
42 Sundance Lane Eunice, New Mexico 88231  
[tmussani@hotmail.com](mailto:tmussani@hotmail.com)

RE: Review of updated Closure/Post Closure Plan for Sundance Services, Inc., Permit NM1-03

Dear Mr. Mussani:

The Oil Conservation Division (OCD) received revisions submitted by Sundance Services, Inc.(SSI), on August 8, 2025, to the Closure/Post Closure Plan (CPCP) that was conditionally approved as a minor modification to Permit NM-03 on March 8, 2024. The OCD has reviewed the revisions and grants approval of the CPCP.

SSI must submit replacement Financial Assurance (FA) in the amount of \$8,842,672, as reflected in this CPCP, in accordance with Permit NM1-03, Financial Assurance section, Condition 2. Upon receipt of the replacement FA, OCD will cancel the current Cash Bond 826621013.

Please be advised that this approval does not relieve SSI of liability should operations result in pollution of surface water, groundwater, or the environment. Nor does approval relieve SSI of its responsibility to comply with any other applicable governmental authority's rules and regulations.

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](mailto:Joseph.Kennedy@emnrd.nm.gov).

Respectfully,

**Joe Kennedy** • Environmental Scientist Specialist - Advanced

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

CONDITIONS

Action 553943

**CONDITIONS**

Operator: SUNDANCE SERVICES, INC. P.O. Box 1737 Eunice, NM 88231	OGRID: 149972
	Action Number: 553943
	Action Type: [C-137] Non-Fee SWMF Submittal (SWMF NON-FEE SUBMITTAL)

**CONDITIONS**

Created By	Condition	Condition Date
joseph.kennedy	Closure Cost Estimates were included in the 6/25/2025 Closure/Post-Closure Plan, approved 8/11/2025, and therefore not necessary for this Annual Report. Updated Closure Cost estimates must be updated in the 2026 Annual Report.	2/17/2026