

# KLX ENERGY SERVICES - ODESSA, TX

## Investment Offering Memorandum



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# EXECUTIVE SUMMARY

Nestled in the heart of Odessa, TX, this 39,580-square-foot industrial facility sits on a sprawling 28.63-acre site, serving as a mission-critical operational hub for KLX Energy Services, LLC (NYSE: KLXE). As a leading U.S. provider of oilfield services, KLX Energy Services specializes in completion, intervention, and production activities, supporting some of the most technically demanding wells in North America. KLX has occupied this facility since 2016, underscoring its long-term commitment to the site. The tenant recently renewed its lease post-COVID for an additional 7 years, a testament to the importance of this facility within their national operations. The tenant signed an extension with the lease now running through October 31, 2031, with 67 months remaining as of March 1, 2025. Additionally, KLX holds two 36-month renewal options, allowing for potential long-term stability and lease extension at Fair Market Value (FMV). This NNN lease structure minimizes landlord obligations, with the tenant fully responsible for operating expenses, including property taxes, insurance, and routine maintenance. The landlord's only responsibilities are roof replacement and structural maintenance, making this a low-maintenance, high-yield asset. The property's 9.5% cap rate and stable income stream of \$642,000 annually make it a turnkey industrial investment in one of the most sought-after energy markets in the U.S.

- Tenant Expansion Option provides opportunity to increase effective cap rate to over 10% with extension of term
- Newer construction – less than 12 years old
- Strong underlying real estate – 10-ton crane, utility upgrades allow for housing 50+ employees, wash-bay for equipment cleaning, & 28-acre yard
- Publicly traded tenant with diversified service offerings that has occupied the property since 2016 & exercised one renewal option
- Renewal options at FMV allow for owner to reset rents at higher market rates. Current Rent is 10%-15% below market

## INVESTMENT SUMMARY

Tenant	Property Type	Address	Building SF	Year(s) Built	Acres	Lease Expiration	Lease	Base Rent (per month)	Annual NOI	Base Rent PSF	Cap Rate	Investment Amount	Price PSF
<b>KLX Energy Services</b>	Industrial	2150-2170 S Dixie Blvd, Odessa, TX	39,580	'14, '17, '19	28.63	10/31/2031	NNN	\$53,500	\$642,000	\$16.22	<b>9.50%</b>	<b>\$6,757,895</b>	<b>\$170.74</b>

## CASH FLOW - AS OF 3/1/2026

Lease Dates	Current Rent	7/1/2026 – 6/30/2027	7/1/2027 – 6/30/2028	7/1/2028 – 6/30/2029	7/1/2029 – 6/30/2030	7/1/2030 – 6/30/2031	7/1/2031 – 10/31/2031
<b>Monthly Rent</b>	\$53,500/Mo	\$53,500/Mo	\$53,500/Mo	\$54,500/Mo	\$55,590/Mo	\$56,701/Mo	\$57,835.84/Mo
<b>NOI</b>	\$642,000.00	\$642,000.00	\$642,000.00	\$654,000.00	\$667,080.00	\$680,412.00	
<b>Cap Rate</b>		9.50%	9.50%	9.67%	9.87%	10.07%	



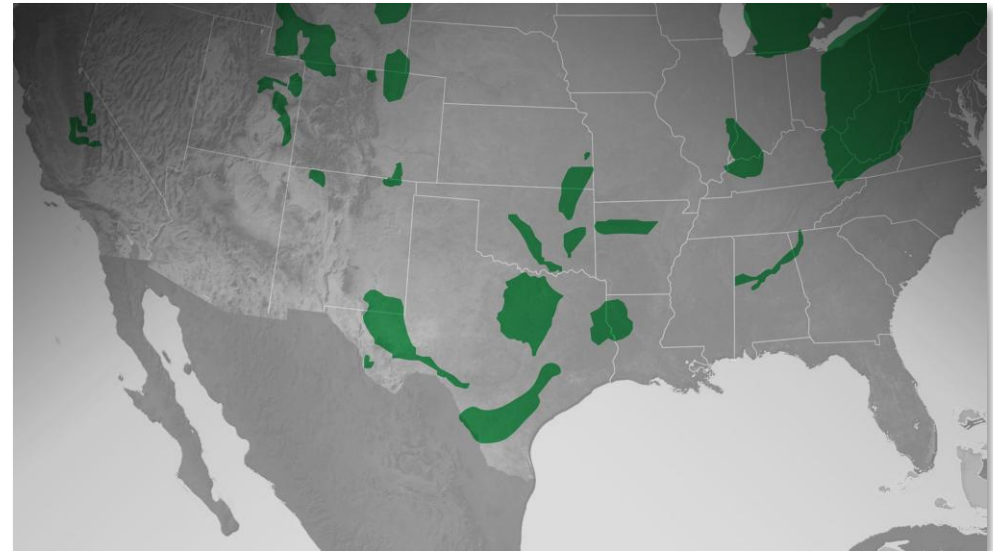
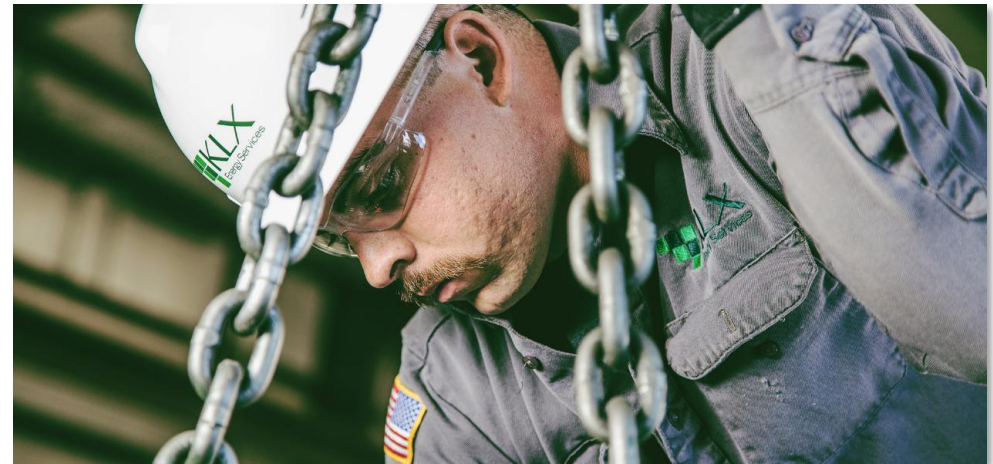
# TENANT OVERVIEW

## KLX Energy Services



KLX Energy Services is a leading U.S. onshore provider of mission critical oilfield services focused on completion, intervention and production activities for the most technically demanding wells. KLX Energy Services' experienced and technically skilled personnel are supported by a broad portfolio of specialized tools and equipment, including innovative proprietary tools developed by the Company's in-house R&D team. KLX Energy Services supports its customers on a 24/7 basis from over 60\* service facilities located in the major onshore oil and gas producing regions of the United States, including the Southwest Region (the Permian Basin and Eagle Ford Shale), the Rocky Mountains Region (the Bakken formation, Williston, DJ, Uinta and Piceance Basins and Niobrara Shale) and the Northeast Region (the Marcellus and Utica Shales as well as the Mid-Continent Stack and Scoop and Haynesville).

For more information, visit the KLX Energy Services website at [www.klxenergy.com](http://www.klxenergy.com).



### Tenant Highlights

Headquarters	Houston, TX
Website	<a href="http://www.klxenergy.com">www.klxenergy.com</a>

### Financial Profile – For nine months ending 9/30/25 (in millions)

Revenue	\$479.7
EBITDA	\$42.2
Total Assets	\$358.2
Current Assets	\$164.2



# PROPERTY OVERVIEW

2150-2170 S Dixie Blvd, Odessa, TX

## Lease Abstract

Tenant	KLX Energy Services, LLC
Stock	NYSE: KLXE
Building Use	Industrial
Rent Commencement	10/1/2016
Lease Expiration	10/31/2031
Term Remaining	67 months as of 3/1/2026
Current Annual Rent	\$642,000
Escalations	N/A
Renewal Options	(2) 36 Month Options
Renewal Rent	Fair Market
Estoppel	Upon Request
Operating Expenses:	Tenant
Landlord Obligations	Roof Replacement & Structural Maintenance
<b><u>New Construction Expansion Option</u></b> <b><u>(see next page for details)</u></b>	Landlord, at Tenant's request to construct new building at Prime + 5%, 8-year amortization period, provided at least 5 years remain on the Term



## Site Description

Property Type	Industrial
Total Square Feet	39,580 SF
Office Square Feet	13,160 SF
Parcel Size	28.63 Acres
Building to Land Ratio	3.17%
Parking	Surface, Paved
Year Built	2014
Years Expanded	2017, 2019
Number of Buildings	4
Employee Housing	Utility hookups for 10 man camp trailers that allow for housing up to 50 employees
Grade-Level Doors	10
Clear Heights	TBD
Wash-Bay	Yes – Drive-Through
Crane(s)	Multiple

## Construction

Basic Construction	Metal
Foundation	Slab
Floors	Stained Concrete
Exterior Walls	Metal
Roof Type	Metal



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# SUBJECT PROPERTY

2150-2170 S Dixie Blvd, Odessa, TX

## PROPERTY DESCRIPTION

This property includes multiple land parcels combined to include 39,580 SF of improvements on 28.63 Acres. There are multiple structures including 3 office/warehouses, 1 warehouse, a canopy and a storage shed. The first building is a 10,800 SF industrial building with 6,000 SF of warehouse and 4,800 SF of office built in 2014. Building 2 is 2,500 SF of warehouse space. Building 3 is a 18,480 SF industrial building with 7,560 SF of two-story office space and 10,920 SF of warehouse with (1) 10-ton crane built in 2017. The 4th building is a 7,800 SF industrial building containing 800 SF of office and 7,000 SF of warehouse also built in 2017. The canopy is 800 SF and the storage shed is 200 SF. Overall, the site is mainly stabilized caliche with some concrete aprons and paved parking. Outside city limits, no zoning.

## LOCATION DESCRIPTION

The subject property is located along the west line of South Dixie Boulevard, about 0.4 miles South of I-20 and 0.7 miles to US Hwy 385 in Odessa. Approximately 5 miles to SE Loop 338, 10 miles to FM 1788, and 13 miles to Midland International Airport.

## PROPERTY HIGHLIGHTS

- 4 Buildings totaling 39,580 SF on 28.63 Acres
- Building 1: 10,800 SF (4,800 SF Office/6,000 SF Warehouse)
- Building 2: 2,500 SF Warehouse
- Building 3: 18,480 SF (7,560 SF Office/10,920 SF Warehouse)
- Building 4: 7,800 SF (800 SF Office/7,000 SF Warehouse)
- 800 SF Canopy
- 200 SF Storage Shed
- Built in 2014, 2017, & 2019
- No Zoning, No Restrictions



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# PROPERTY PHOTOS

2150-2170 S Dixie Blvd, Odessa, TX



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2150-2170 S Dixie Blvd, Odessa, TX



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# PROPERTY PHOTOS

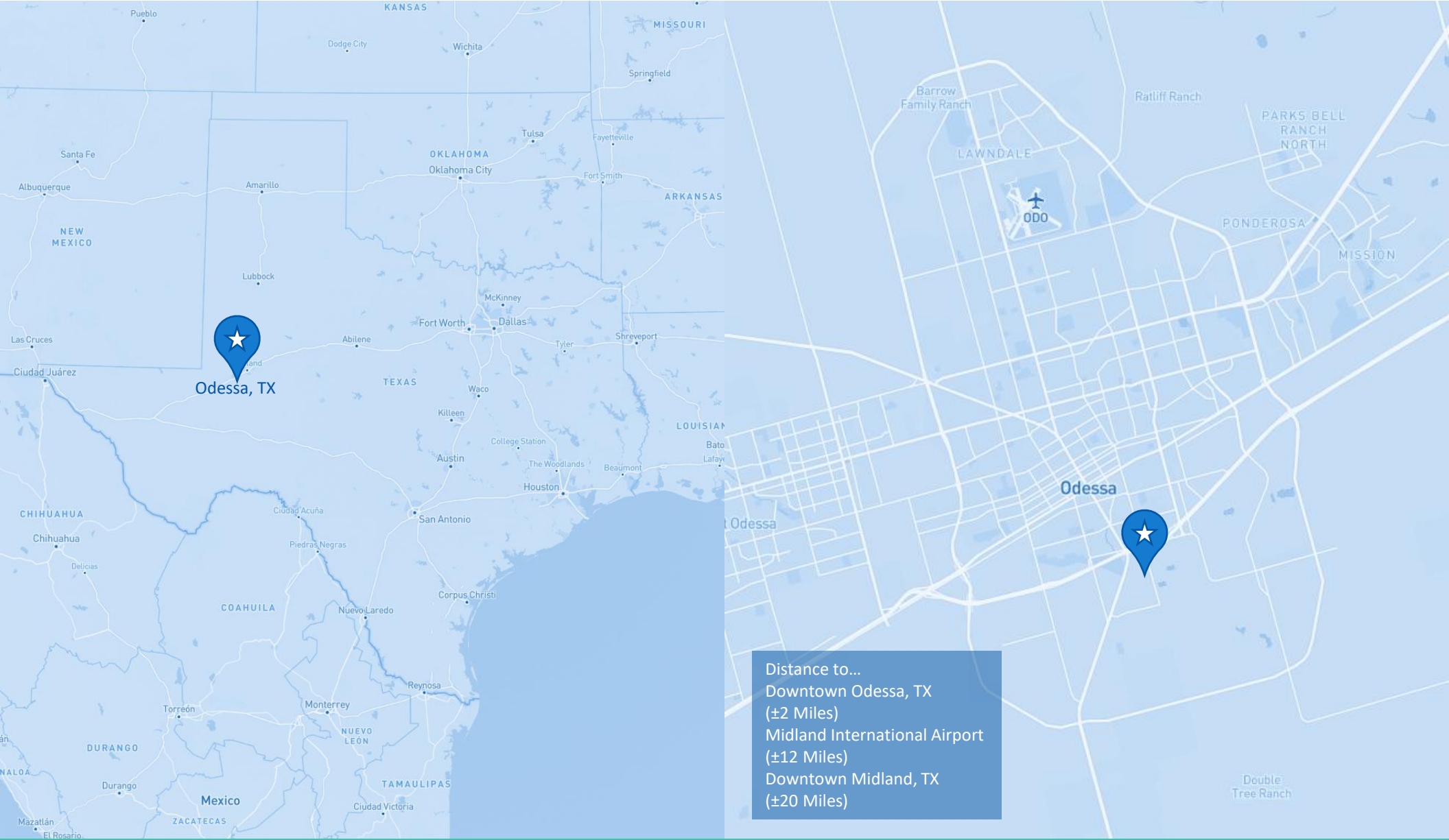
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# PROPERTY MAP

## 2150-2170 S Dixie Blvd, Odessa, TX



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# MARKET OVERVIEW

## Permian Basin

Named after the Permian Period 299-251 million years ago, the Permian Basin is one of the largest and most active shale plays in North America. It is approximately 250 miles wide and 300 miles long spanning across Western Texas and Southeastern New Mexico including bustling cities such as Midland, TX; Odessa, TX; Hobbs, NM; and Carlsbad, NM. The Permian Basin is comprised of multiple formations; the largest two being the Delaware and Midland Basin. This basin accounts for nearly 40% of oil production in the United States.

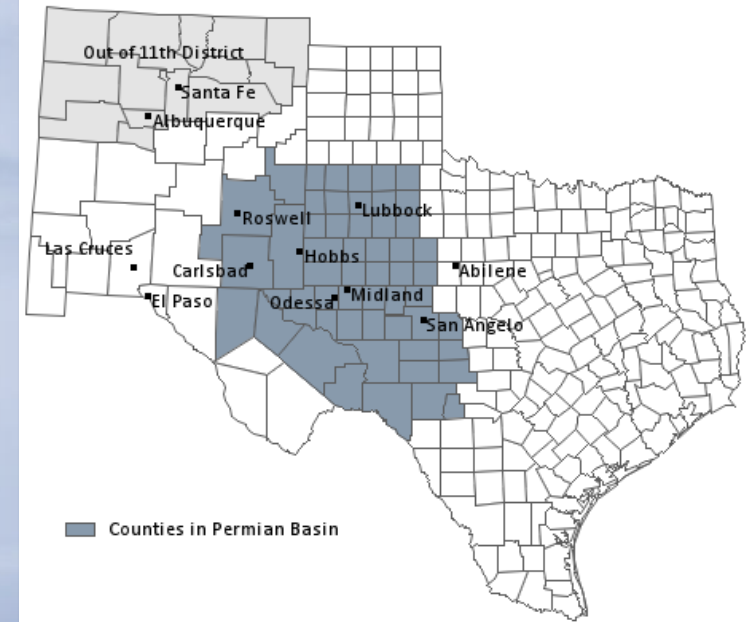
After reaching an annual record of 13.2 million b/d in 2024, U.S. Energy Information Administration (EIA) forecasts U.S. crude oil production will increase to 13.5 million b/d this year. The EIA expect crude oil production to grow less than 1% in 2026, averaging 13.6 million b/d as operators slow activity due to price pressures. WTI prices average \$62 per barrel in 2026 in the forecast, down from \$70 per barrel in 2025. The Permian region's share of U.S. production will continue to increase accounting for more than 50% of all U.S. crude oil production in 2026. The expected production growth in the Permian in 2026 will be offset by contraction in other regions.

The EIA continues to forecast the Permian region will be the largest source of U.S. production growth in both years and the only major source of production growth in 2026. Permian production will rise nearly 300,000 b/d in both years, averaging 6.6 million b/d in 2025 and 6.9 million b/d in 2026. The forecast for continued increase in production in the Permian region is supported by improving well productivity and added pipeline takeaway capacity.

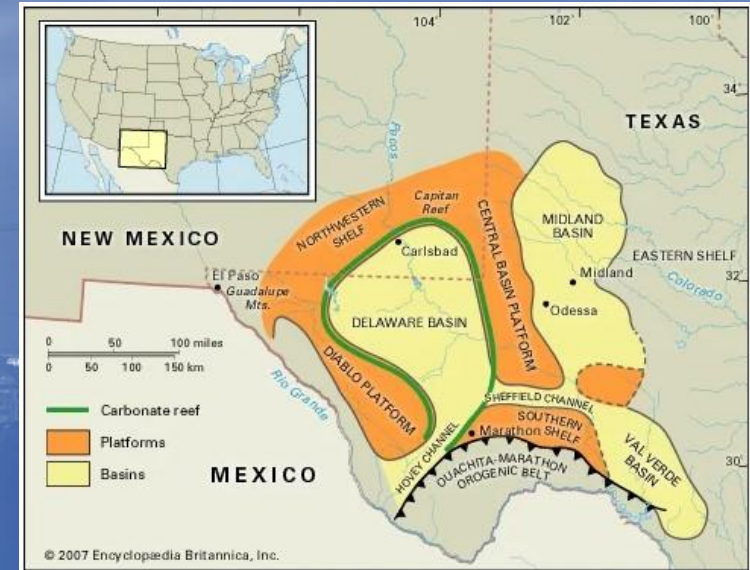
View the full report here:

[https://www.eia.gov/outlooks/steo/pdf/steo\\_full.pdf](https://www.eia.gov/outlooks/steo/pdf/steo_full.pdf)

Location of Permian Basin



SOURCE: Railroad Commission of Texas.



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# MARKET OVERVIEW

## Permian Basin – Activity & News

Chevron to boost Permian oil production as demand for reliable energy grows - [LINK](#)

Chevron's Permian Basin project overview - [LINK](#)

Rising Demand | Chevron's Permian Basin Ad - [LINK](#)

Net-Zero has Chevron investors laughing all the way to the bank - [LINK](#)

Upstream (drilling) oil investments are well below the required levels to satisfy our global oil demand. Chevron is one of the largest producers of oil and natural gas in the Permian, currently holding approximately 2.2 million net acres. Chevron has raised its 2022 production forecast in the Permian Basin to between 700,000 and 750,000 barrels of oil equivalent per day, a more than 15% year-over-year increase, and expects to reach 1 million barrels of oil equivalent per day in the region by 2025.

Warren Buffett's company has bet \$47B on the oil sector - [LINK](#)

Warren Buffett's Berkshire Hathaway Cleared to Buy as Much as Half of Occidental's Shares - [LINK](#)

Warren Buffett's company has bought up more than \$11 billion worth of Occidental Petroleum stock this year, giving Berkshire Hathaway control of more than 20% of the oil producer. The Warren Buffet position is unique in that OXY has such an enormous position in the Permian. For Warren Buffet to increase his position so aggressively, he's making a direct bet on the Permian.

Venezuela Halts Oil Shipments To Europe, Demands New Concessions - [LINK](#)

As seen in the above article, the world may run out of pumping capacity, something that has never occurred in the 160 years of oil history. A shortage of pumping capacity means that demand exceeds the total capacity of the world to pump oil. With natural gas imports from Russia [cut by 80%](#) along with the majority of oil shipments, the rest of the world will be seeking other outlets such as the US and the Permian Basin, the highest producing oil field in the world.

The Permian Basin produces more oil per day, in both quantity and marginal profitability, than all but two countries outside of the United States (Saudi Arabia & Russia). New technologies have transformed the region in the last decade, and its oil production has grown from less than one million barrels per day in 2011, and is forecasted to average 5.3 million barrels per day in 2022 and 5.7 million in 2023 ([eia.gov](#)).

Given current geo-political tensions and threats of disruption to supplies - global oil markets are exceptionally tight. In line with the wider increased energy production of the Permian Basin, The Portfolio stands to benefit significantly from these market dynamics. In-place rents are approximately 20% below market across the Portfolio. NOI across the Portfolio is anticipated to increase by approximately 24% over the next 3 years and 43% over the next 5 years.



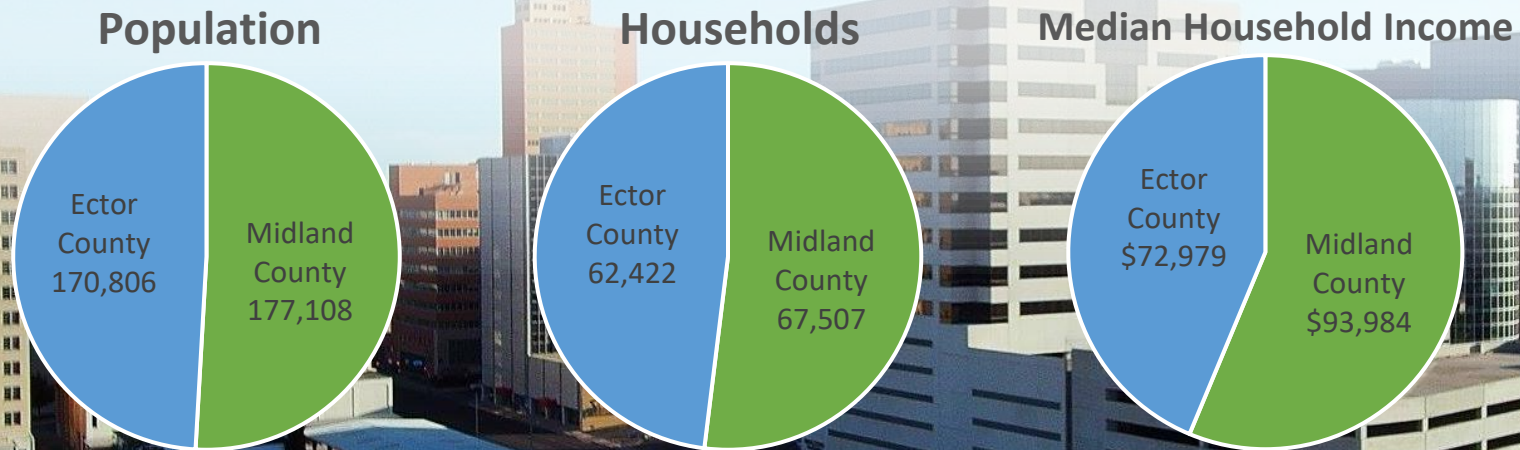
# MARKET OVERVIEW

## Midland-Odessa



Midland & Odessa are the heart of the Permian Basin. The major thoroughfare, Interstate 20, runs right through these cities providing great access throughout West Texas & Southeastern New Mexico. Midland & Odessa are a combined statistical area with an estimated population of 347,914. From April 2020 to July 2023, Midland County experienced a 4.4% increase in population reaching 177,108 total residents according to the [Midland MSA 2023](#) estimates. Odessa also experienced a population growth of 5.68% when comparing the 2020 census to [2024 ESRI data](#).

Midland, TX is the county seat of Midland County. Midland is known as “The Tall City” with the tallest buildings between Fort Worth, TX & Phoenix, AZ. Midland became an oil & gas hub through the multiple energy booms of the Permian Basin. Odessa, TX is the county seat of Ector County which borders Midland County. Odessa is known as the city that inspired *Friday Night Lights*.



	2024 Average Unemployment Rate	Labor Force (Dec 2024)	Employment (Dec 2024)
Midland County	2.65%	118,304	115,507
Ector County	3.57%	88,649	85,732



# BROKER PROFILE



Justin founded NRG Realty Group in February of 2015 to fill the need of a professional commercial real estate company that specializes in the shale play markets. Since founding NRG, Justin has brokered over 400 office and industrial deals for energy-related clients in every major US shale play valued at over \$300,000,000. Prior to NRG, he worked for a turnkey brokerage, development, and construction company that focused on the energy sector. His primary roles were business development and brokerage, but also managing client's projects through the acquisition, design, and construction scope.

Justin is a lifelong Texan whose experience in the oilfield started from day one. His father worked in exploration and production and would often take him to visit well sites during his youth. These trips to rural locations started the passion for the oil and gas industry that Justin carries with him today. He is a graduate of Baylor University with a degree in Real Estate & Finance (Sic'Em Bears!) and enjoys spending time with his wife and four kids.

## JUSTIN DODD

**President & Managing Broker**

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## ABOUT NRG

*“The Energy Focused Realty Group”*

NRG was formed to provide individuals and companies who operate in the tertiary shale plays a single point of contact for each of their real estate transactions and facility needs throughout the United States.

We have spent years building relationships with corporate real estate directors, energy executives, local brokers, developers, general contractors, municipalities, and investors in each of the major basins.

These relationships allow us to effectively provide a variety of transaction options based on our client's needs.

We have represented clients on existing office and industrial facilities for lease, purchase, build to suit, unimproved land for development, and direct sales, subletting existing space, sale-leaseback transactions, and sale of land for commercial purposes.



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EACH PARTY SHALL CONDUCT ITS OWN INDEPENDENT INVESTIGATION AND DUE DILIGENCE.

Any party contemplating or under contract or in escrow for a transaction is urged to verify all information and to conduct their own inspections and investigations including through appropriate third-party independent professionals selected by such party.

All financial data should be verified by the party including by obtaining and reading applicable documents and reports and consulting appropriate independent professionals. NRG Realty Group makes no warranties and/or representations regarding the veracity, completeness, or relevance of any financial data or assumptions. NRG Realty Group does not serve as a financial advisor to any party regarding any proposed transaction. All data and assumptions regarding financial performance, including that used for financial modeling purposes, may differ from actual data or performance. Any estimates of market rents and/or projected rents that may be provided to a party do not necessarily mean that rents can be established at or increased to that level. Parties must evaluate any applicable contractual and governmental limitations as well as market conditions, vacancy factors and other issues in order to determine rents from or for the property.

Legal questions should be discussed by the party with an attorney. Tax questions should be discussed by the party with a certified public accountant or tax attorney. Title questions should be discussed by the party with a title officer or attorney. Questions regarding the condition of the property and whether the property complies with applicable governmental requirements should be discussed by the party with appropriate engineers, architects, contractors, other consultants and governmental agencies. All properties and services are marketed by NRG Realty Group in compliance with all applicable fair housing and equal opportunity laws.



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# Information About Brokerage Services

Texas law requires all real estate license holders to give the following information about brokerage services to prospective buyers, tenants, sellers and landlords.

**TYPES OF REAL ESTATE LICENSE HOLDERS:**

- **A BROKER** is responsible for all brokerage activities, including acts performed by sales agents sponsored by the broker.
- **A SALES AGENT** must be sponsored by a broker and works with clients on behalf of the broker.

**A BROKER'S MINIMUM DUTIES REQUIRED BY LAW (A client is the person or party that the broker represents):**

- Put the interests of the client above all others, including the broker's own interests;
- Inform the client of any material information about the property or transaction received by the broker;
- Answer the client's questions and present any offer to or counter-offer from the client; and
- Treat all parties to a real estate transaction honestly and fairly.

**A LICENSE HOLDER CAN REPRESENT A PARTY IN A REAL ESTATE TRANSACTION:**

**AS AGENT FOR OWNER (SELLER/LANDLORD):** The broker becomes the property owner's agent through an agreement with the owner, usually in a written listing to sell or property management agreement. An owner's agent must perform the broker's minimum duties above and must inform the owner of any material information about the property or transaction known by the agent, including information disclosed to the agent or subagent by the buyer or buyer's agent.

**AS AGENT FOR BUYER/TENANT:** The broker becomes the buyer/tenant's agent by agreeing to represent the buyer, usually through a written representation agreement. A buyer's agent must perform the broker's minimum duties above and must inform the buyer of any material information about the property or transaction known by the agent, including information disclosed to the agent by the seller or seller's agent.

**AS AGENT FOR BOTH - INTERMEDIARY:** To act as an intermediary between the parties the broker must first obtain the written agreement of *each party* to the transaction. The written agreement must state who will pay the broker and, in conspicuous bold or underlined print, set forth the broker's obligations as an intermediary. A broker who acts as an intermediary:

- Must treat all parties to the transaction impartially and fairly;
- May, with the parties' written consent, appoint a different license holder associated with the broker to each party (owner and buyer) to communicate with, provide opinions and advice to, and carry out the instructions of each party to the transaction.
- Must not, unless specifically authorized in writing to do so by the party, disclose:
  - o that the owner will accept a price less than the written asking price;
  - o that the buyer/tenant will pay a price greater than the price submitted in a written offer; and
  - o any confidential information or any other information that a party specifically instructs the broker in writing not to disclose, unless required to do so by law.

**AS SUBAGENT:** A license holder acts as a subagent when aiding a buyer in a transaction without an agreement to represent the buyer. A subagent can assist the buyer but does not represent the buyer and must place the interests of the owner first.

**TO AVOID DISPUTES, ALL AGREEMENTS BETWEEN YOU AND A BROKER SHOULD BE IN WRITING AND CLEARLY ESTABLISH:**

- The broker's duties and responsibilities to you, and your obligations under the representation agreement.
- Who will pay the broker for services provided to you, when payment will be made and how the payment will be calculated.

**LICENSE HOLDER CONTACT INFORMATION:** This notice is being provided for information purposes. It does not create an obligation for you to use the broker's services. Please acknowledge receipt of this notice below and retain a copy for your records.

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\_\_\_\_\_  
Buyer/Tenant/Seller/Landlord Initials

\_\_\_\_\_  
Date



*The Energy Focused Real Estate Company*

**BROKERAGE & SITE SELECTION**

**DEVELOPMENT & DUE DILIGENCE**

**BUILD TO SUIT**

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