

Expert liability report: excerpt

SAMPLE

Matter: illustrative; no real party | Subject: estimated plugging liability of 40 wells in New Mexico | Excerpt of pages 1 to 3 of a full report | Data through 2026-06-30

1. Scope and question

The engagement asks for a neutral estimate of the cost to plug a defined list of oil, gas and injection wells in New Mexico, for use in a restructuring or sale. The estimate covers plugging and abandonment of the wells listed in Appendix A only. It does not cover site remediation beyond what is reported inside the underlying plugging costs, third-party claims, or wells not listed.

2. Conclusion

Estimated plugging liability: \$5,306,940 (outer range \$3,012,834 to \$11,907,150) for 40 wells; 0 wells could not be estimated and are excluded from the figure (section 5). The figure is the sum of the median reported cost of comparable publicly funded plugging jobs; 0 wells carry high confidence and 40 moderate confidence.

3. Method in brief

Costs are taken from the Department of the Interior Orphaned Wells Program Office layer (public domain). Each well is matched to the most specific group of comparable wells (county and well type, county, depth band, well type, or state) that passed a test on wells left out of the calculation. High confidence means the group's estimate was typically within 25% of the held-out actual cost; moderate, within 40%. No threshold was relaxed for this engagement.

4. Assumptions

- The wells are as described in the list supplied: state, county, type and, where given, depth. Condition, casing integrity, access and any pending regulatory requirement are not known and are not assumed.
- Reported costs of publicly funded orphan-well plugging are a fair guide to the cost of comparable wells. Orphan wells are on average older and shallower than producing wells, so deep or complex wells are likely to cost more.
- Reporting agencies differ in what a reported cost includes (for example surface restoration), and about half of underlying records are contract averages, which hide the spread between wells.
- Costs are as reported through 2026-06-30; no inflation adjustment is applied unless stated in a schedule.

5. Limits of this report

- It is an estimate from published records, not a bid, an engineering or appraisal opinion, an audit, or legal advice.
- Wells without a group that passed testing are not estimated and no number is substituted. Here: 0 well(s).
- Sensitivity: because costs skew high, a total at the high end of the outer range is more plausible than one at the low end for a mixed list; section 6 of a full report quantifies this for the wells in question.
- Testing expert testimony or a sworn opinion needs a separate written agreement and is not included in the standard scope.

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6. Sensitivity and what would change the figure (excerpt)

Change	Effect on the estimate
Every well comes in at its 10th percentile	\$3,012,834
Every well at its median (the reported figure)	\$5,306,940
Every well at its 90th percentile	\$11,907,150

A full report adds: the wells that drive the total, results by county and well type, a comparison with any bond or reserve held against the wells, the data and code version used, and a signed statement of scope and limits. Delivery is by PDF with the underlying per-well table as a CSV.

Appendix A (first rows of the per-well table)

#	Well	County	Type	Estimate	Confidence
1	Well 01	Chaves	Oil well	\$125,064	Moderate
2	Well 02	Chaves	Oil well	\$125,064	Moderate
3	Well 03	Chaves	Oil well	\$125,064	Moderate
4	Well 04	Eddy	Oil well	\$140,684	Moderate
5	Well 05	Chaves	Injection or disposal well	\$116,054	Moderate
6	Well 06	San Juan	Oil well	\$140,684	Moderate
7	Well 07	Lea	Gas well	\$132,792	Moderate
8	Well 08	Chaves	Oil well	\$125,064	Moderate
9	Well 09	Eddy	Oil well	\$140,684	Moderate
10	Well 10	San Juan	Injection or disposal well	\$132,792	Moderate
11	Well 11	Chaves	Oil well	\$125,064	Moderate
12	Well 12	Lea	Gas well	\$132,792	Moderate