

SAMPLE · PROTOTYPE Screening estimate from public data only. Not engineering, title, legal, or financial advice, and not an RRC document. No title review or field inspection was performed. Identifiers anonymized; depths shown as ranges and figures rounded for this public version.

Lease C (unit): 5 oil wells

West Texas (Permian Basin), RRC District 08 · Operator of record: Sample Operator Co.

AT A GLANCE

WELLS

5 (5 producing)

Oil wells on 1 unit lease; all typed "Producing" on the RRC schedule

INACTIVE WELLS

0 of 5

None listed for this operator on the RRC Inactive Well Query; no Rule 15 extensions needed today

EST. PLUGGING (RRC COST CALC.)

\$770K

\$770K = ~25,700 ft × \$29.94/ft (FY2025, District 08). A future obligation, not due while wells produce

SCREENING RANGE INCL. RESTORATION

\$41K–\$468K

Plugging base \$139K (range \$41K–\$304K) + restoration \$0–\$164K; salvage not estimated.
Assumptions, p.2

BUYER CASH FOR RULE 15 TODAY

\$0

No inactive wells, so no W-3X security or escrow appears needed now. Buyer's own P-5 financial assurance still applies (p.2)

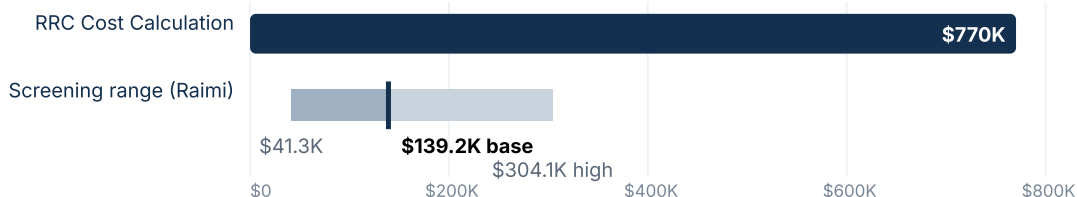
OUTSTANDING SEVERANCES (THIS LEASE)

0

Operator has 3 outstanding on other, off-schedule gas leases (another district). 4 record checks not yet run.

In short: 5 oil wells, all shown as producing, none on the inactive list, and no outstanding severance on this lease. Plugging is a long-term obligation the buyer would likely inherit: the RRC Cost Calculation is \$770K, while the plugging-only screening base is about \$139K. Production volumes, report filings, and inspections were not checked.

Plugging cost views (5 wells, plugging only)



The RRC Cost Calculation is depth × FY2025 District 08 average (\$29.94/ft), the figure used for Rule 15 / W-3X options if a well later goes inactive. The District 08 rate is volatile (\$10.29 in FY2019, \$46.48 in FY2024) and is far above the screening range here, so the screening range is likely the better guide to contractor cost. Both exclude surface restoration, equipment removal, and salvage (p.2).

Well inventory

Well	API	Lease	Depth (ft)	Status*	Inactive since	Yrs inactive	Rule 15 extension	10-yr surface equip. rule
Well 1	42-XXX-XXXX1	Lease C	5,000–5,500	Producing	n/a	0	Not needed	Does not apply
Well 2	42-XXX-XXXX2	Lease C	5,000–5,500	Producing	n/a	0	Not needed	Does not apply
Well 3	42-XXX-XXXX3	Lease C	5,000–5,500	Producing	n/a	0	Not needed	Does not apply
Well 4	42-XXX-XXXX4	Lease C	5,000–5,500	Producing	n/a	0	Not needed	Does not apply
Well 5	42-XXX-XXXX5	Lease C	5,000–5,500	Producing	n/a	0	Not needed	Does not apply
Total		1 lease	~25,700	5 producing			0 needed	0 of 5

*Well type "Producing" per the RRC Wellbore Query (current schedule); this is the RRC's well-type code, not a check of reported volumes (production history not run). None of the operator's wells appear on the RRC Inactive Well Query. Depths are shown as 500-ft ranges in this public version. API numbers are masked.

Screening estimate compiled from public Railroad Commission of Texas records as of Oct 20, 2026. Not legal, engineering, title, environmental or financial advice; verify independently before relying on it. Issued by Timberwolf Properties, LLC.

Plugging cost by well

Well	Depth (ft)	RRC Cost Calc. (depth × \$29.94)	Depth factor	Low (P10)	Base (median)	High (P90)
Well 1	5,000–5,500	\$155K	~1.1	\$8K	\$28K	\$61K
Well 2	5,000–5,500	\$153K	~1.1	\$8K	\$28K	\$60K
Well 3	5,000–5,500	\$154K	~1.1	\$8K	\$28K	\$61K
Well 4	5,000–5,500	\$153K	~1.1	\$8K	\$28K	\$60K
Well 5	5,000–5,500	\$155K	~1.1	\$8K	\$28K	\$61K
Total	~25,700	\$770K		\$41K	\$139K	\$304K

Low/Base/High = Raimi et al. Texas plugging-only P10 \$5,556 / median \$18,708 / P90 \$40,884 (2019\$; average depth 4,232 ft) × depth factor 1.2¹((depth – 4,232)/1,000) × CPI-U 2025/2019 (321.943 / 255.657 = 1.259). **ASSUMPTION:** applying the study's average +20%-per-1,000-ft depth effect to each percentile is a BoreTrail simplification, not a result reported by the study.

Cost components and total range

Component	Low	Base	High	Basis
Plugging only (5 wells)	\$41K	\$139K	\$304K	Table above
Surface restoration / equipment removal	\$0	not estimated	\$164K	ASSUMPTION: \$0 to 118% of base plugging. Raimi et al. report restoration raising decommissioning cost by 118% on average (multi-state). Not site-specific.
Salvage credit (tubulars, rods, units, tanks)		not estimated		No public source for equipment on site. Texas law permits salvage offsets (Nat. Res. Code §89.085).
Total screening range (before salvage)	\$41K	≥ \$139K	\$468K	Sum of rows; not a quote

Buyer cash items (regulatory)

Item	Amount	Basis
W-3X supplemental security or 10% escrow	\$0 today	No inactive wells found, so no Rule 15 extension appears needed now. If a well is idle more than 12 months, an extension would likely be required; at FY2025 rates the per-well Cost Calculation is about \$153K–\$155K (escrow about \$15K)
Other W-3X options (H-15 test, abeyance, EOR, 10% plugged/restored)	n/a	Not applicable while wells are active
Financial assurance tier, Option 2 (blanket)	\$25K / \$50K / \$250K	1–10 / 11–99 / 100+ wells. Adding 5 wells moves a buyer with 6–10 existing wells from \$25K to \$50K, and one with 95–99 from \$50K to \$250K.
Financial assurance, Option 1 (individual, wells only)	+\$51K	\$2/ft × ~25,700 ft aggregate depth added

Context only: the seller's P-5 financial assurance amount was not retrieved (not run). Whatever is on file covers all of the seller's wells and **does not transfer** to a buyer. After a P-4 change, the buyer's own financial assurance applies.

Record checks

Check	Status	Record value	Source
Inactive wells	Not found	0 of 5 (no inactive wells listed for the operator)	RRC Inactive Well Query
Well type	Found	Producing, 5 of 5 (operator: 21 of 21 on schedule)	RRC Wellbore Query
Outstanding severances	Not found on this lease	None on this lease. Operator has 3 outstanding on off-schedule gas leases in another district	RRC Severance Query (Outstanding All)
Severance history	Found	Resolved entry on this lease; details not retrieved	RRC Severance Query (All)
Operator P-5	Found	Active; renewal date and financial assurance not retrieved	RRC Organization Query
Production reports (PR) delinquency	Not run	n/a	RRC Online / PR records
Production history	Not run	n/a	RRC PDQ
Inspections / violations	Not run	n/a	RRC Inspection Lookup
Seller financial assurance amount	Not run	n/a	RRC P-5 detail

Aerial view (illustrative)



Illustrative only. Customer reports include a real-location aerial (USDA NAIP) with RRC well positions. This image is deliberately blurred and does not show the wells in this sample.

Items not available from public RRC data

Item	Status	Public sources that exist (not reviewed)
Surface ownership, mineral title, leases & assignments, easements, liens	Not reviewed	County clerk official public records; county appraisal district rolls; TxGIO/TNRIS land-parcel data; Texas GLO (state lands, if applicable). Consult a landman or title attorney.
Wellbore condition (casing, cement, obstructions)	Not available	RRC well files via Central Records (completion and plugging records); operator records
Surface equipment on site and its condition	Not available	RRC W-3C filings; site inspection
Production report filing history and stock on hand	Not run	RRC Online PR records; operator records
Open RRC notices, inspections, field operations letters	Not run	RRC Inspection Lookup; operator correspondence
Production volumes, decline, and lease operating costs	Not run	RRC PDQ (volumes); operator records (costs, revenue)
Contractor quotes for plugging and restoration	Not available	Licensed plugging contractors (District 08)

Methodology

- 1. RRC Cost Calculation (regulatory).** Statewide Rule 15 defines it as the per-foot cost based on average actual plugging costs for wells the Commission plugged in the preceding state fiscal year, by district, applied to well depth in Commission records [1]. FY2025 District 08: \$29.94/ft. The RRC rate is derived from state-plugged orphan wells and varies year to year (District 08 ranged \$6.52–\$46.48/ft over FY2010–FY2025) [1].
- 2. Screening range.** Raimi et al. (2021) Texas plugging-only contracts: 5,413 wells, mean \$25,055, median \$18,708, P10 \$5,556, P90 \$40,884 (2019\$), average depth 4,232 ft. The study's regression finds +20% cost per additional 1,000 ft of depth on average [2]. BoreTrail scales each percentile by $1.2^{((\text{depth} - 4,232)/1,000)}$ and inflates by CPI-U annual averages (2019: 255.657; 2025: 321.943) [3]. **ASSUMPTIONS:** percentile scaling by an average depth effect; CPI-U as a proxy for oilfield service costs. The source data are state orphan-well contracts, which may differ from operator-plugged wells in condition and contracting (bundled contracts cost about 3% less per additional well) [2].
- 3. Restoration and salvage.** The restoration high case applies the study's average +118% restoration effect to base plugging cost [2] **ASSUMPTION.** Salvage is not estimated; Texas law allows equipment salvage to offset plugging cost [4].
- 4. Buyer cash items.** W-3X options and financial-assurance tiers per RRC Rule 15 guidance and the Summary of Requirements [5][6][7]. The seller's financial assurance is shown for context only; blanket bonds cover all of an operator's wells [6][7].
- 5. Aerial.** USDA NAIP imagery (public domain) [8]; well locations from the RRC GIS well layer, approximate [9].

Sources (retrieved Oct 20, 2026)

1. RRC, Cost Calculation (HB 2259 / Rule 15). rrc.texas.gov/oil-and-gas/compliance-enforcement/hb-2259hb-3134-inactive-well-requirements/cost-calculation/
2. Raimi, Krupnick, Shih, Thompson (2021), "Decommissioning Orphaned and Abandoned Oil and Gas Wells: New Estimates and Cost Drivers," Environmental Science & Technology 55(15). doi:10.1021/acs.est.1c02234
3. U.S. BLS, CPI-U U.S. city average, all items, annual averages (series CUUR0000SA0). The 2025 average is based on 11 months (October 2025 not collected).
4. Texas Natural Resources Code §89.085 (disposal of well-site equipment). tcss.legis.texas.gov/resources/NR/htm/NR.89.htm
5. RRC, Statewide Rule 15 and Inactive Well Compliance (presentation). rrc.texas.gov/media/qz5fzb4m/
6. RRC, Summary of Requirements and Responsibilities: Financial Assurance. rrc.texas.gov/oil-and-gas/requirements-and-responsibilities/summary-of-requirements/
7. RRC, P-5 Financial Assurance Instructions. rrc.texas.gov/media/ev5hwofo/p-5-financial-assurance-instructions.pdf · 16 TAC §3.15 (surface equipment removal; inactive wells)
8. USDA FPAC-BC / USGS EROS, National Agriculture Imagery Program (public domain). usgs.gov/centers/eros/science/usgs-eros-archive-aerial-photography-national-agriculture-imagery-program-naip
9. RRC Public GIS Viewer and well layer; GIS data disclaimer. rrc.texas.gov/resource-center/research/gis-viewer/
10. RRC online queries: Wellbore, Inactive Well, Severance, Organization (P-5). webapps2.rrc.state.tx.us/EWA

Glossary

ARO	Asset Retirement Obligation: the cost to plug wells and restore sites at end of life, typically shown net of salvage in accounting and reserve reports.
P-5	RRC Organization Report. Required of operators, renewed annually, and carries financial assurance (Option 1 individual, or Option 2 blanket).
P-4	Certificate of Compliance and Transportation Authority. Filed to designate or change the operator of record for a lease or well.
Rule 14	Statewide Rule 14 (16 TAC §3.14): plugging requirements, including cement plug placement and reporting.
Rule 15	Statewide Rule 15 (16 TAC §3.15): inactive wells (no reported activity for more than 12 months) must be plugged unless an extension (W-3X) is approved. Surface-equipment duties apply to wells inactive 10+ years.
W-3X	Application for an extension of the deadline to plug an inactive well, supported by one qualifying option.
H-15	Test on an inactive well (fluid level or mechanical integrity) used as one W-3X qualifying option.
Severance	An RRC order cutting off a lease's authority to produce or transport. Reconnecting requires a P-4 reissue (fee applies).

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