Section 23.175 Price Escalatory Scenario Using
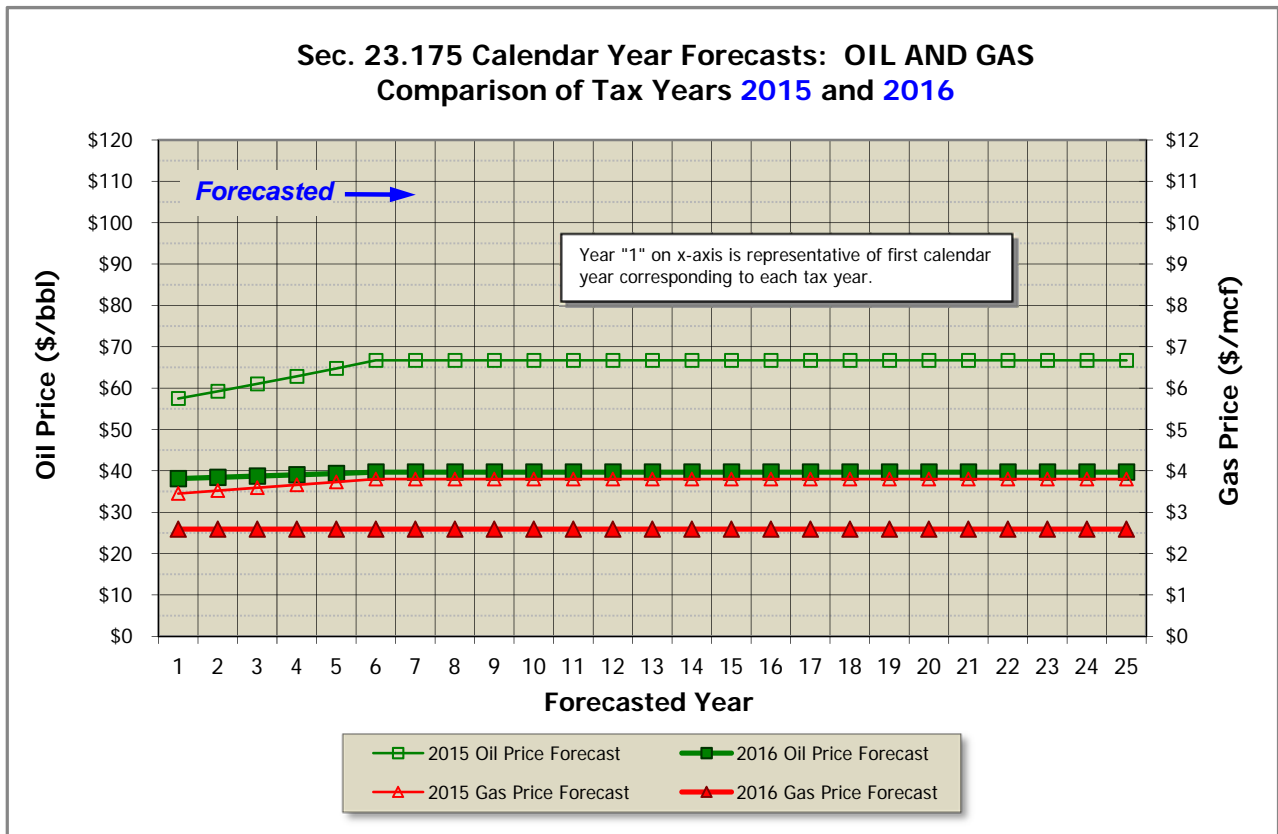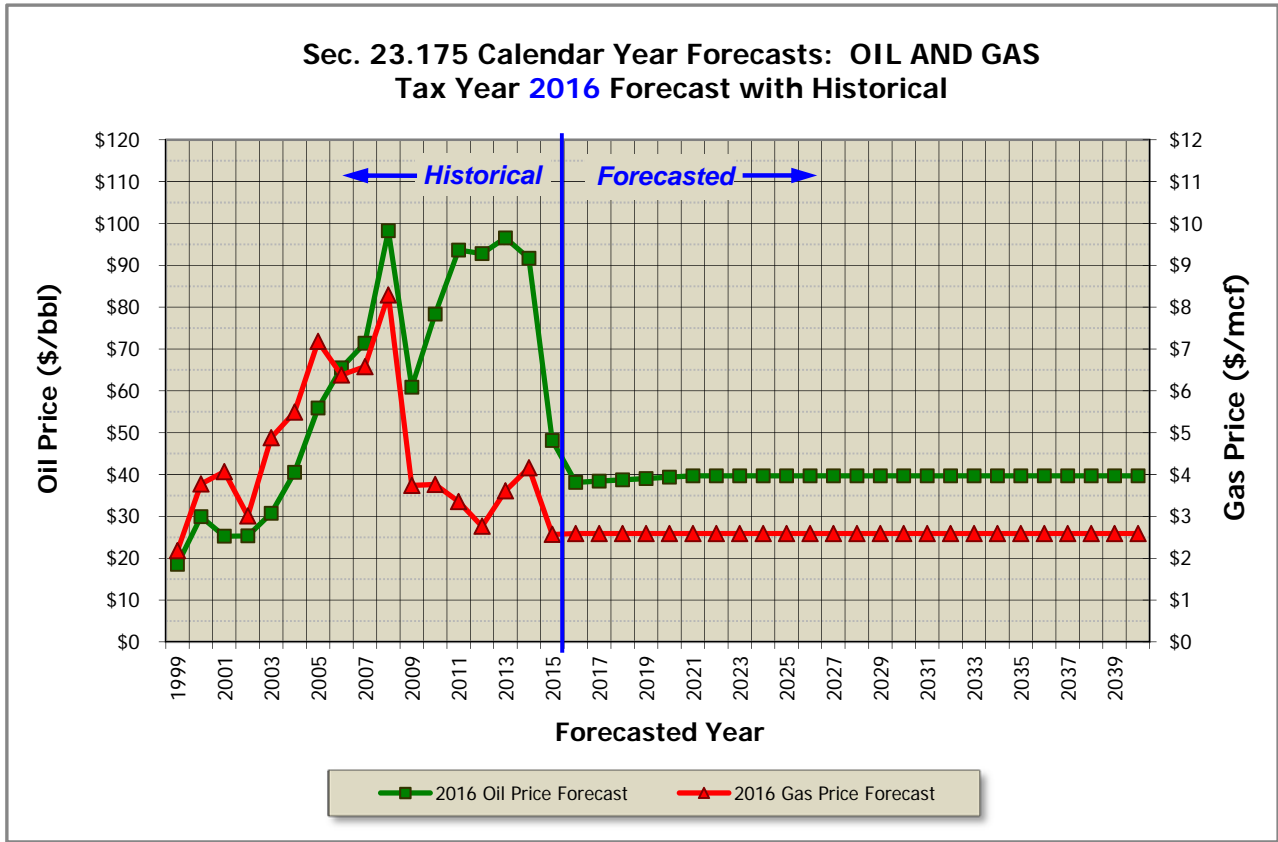# Energy Information Administration / Bureau of Labor Statistics
Tax Year 2016

	Calendar Year	WTI Reference Crude Oil Price ($/bbl)	Percent Change	Crude Oil Price Adjustment Factor	Statewide Taxable Natural Gas Price ($/mcf)	Percent Change	Nat. Gas Price Adjustment Factor
	Tax Year 2016						
	2015 avg.	48.14			2.57		
1	2016	38.12	-20.814%	**0.79186**	2.59	0.778%	**1.00760**
2	2017	38.43	0.808%		2.59	0.185%	
3	2018	38.74	0.808%		2.59	0.185%	
4	2019	39.05	0.808%		2.59	0.185%	
5	2020	39.37	0.808%		2.59	0.185%	
6	2021	39.69	0.808%		2.59	0.185%	
7	2022	39.69	0.000%		2.59	0.000%	
8	2023	39.69	0.000%		2.59	0.000%	
9	2024	39.69	0.000%		2.59	0.000%	
10	2025	39.69	0.000%		2.59	0.000%	
11	2026	39.69	0.000%		2.59	0.000%	
12	2027	39.69	0.000%		2.59	0.000%	
13	2028	39.69	0.000%		2.59	0.000%	
14	2029	39.69	0.000%		2.59	0.000%	
15	2030	39.69	0.000%		2.59	0.000%	
16	2031	39.69	0.000%		2.59	0.000%	
17	2032	39.69	0.000%		2.59	0.000%	
18	2033	39.69	0.000%		2.59	0.000%	
19	2034	39.69	0.000%		2.59	0.000%	
20	2035	39.69	0.000%		2.59	0.000%	
21	2036	39.69	0.000%		2.59	0.000%	
22	2037	39.69	0.000%		2.59	0.000%	
23	2038	39.69	0.000%		2.59	0.000%	
24	2039	39.69	0.000%		2.59	0.000%	
25	2040	39.69	0.000%		2.59	0.000%	

Appraisal districts should not use the actual crude oil and natural gas prices shown above to calculate taxable values, only the percentage changes between forecasted years. Section 23.175 of the Texas Property Tax Code requires appraisal districts to use the previous calendar year monthly average crude oil and natural gas price for each property multiplied by the Price Adjustment Factor (PAF) as the year 1 forecasted price for the property. The PAF is calculated by percentage increase or decrease projected for oil and gas prices for the next calendar year, compared to last year's average prices, by the United States Energy Information Administration (EIA) in their most recent Annual Energy Outlook. **Beginning tax year 2016, if by March 1 the most recent AEO was published before Dec. 1 of the previous year, the PAF will be calculated using prices contained in the EIA's Short-Term Economic Outlook (STEO) as published in January of the current year.** In the second through sixth years of an appraisal, the tax code requires appraisal districts to escalate prices with a rate not to exceed the average annual change in the Producer Price Index (PPI) for commodity data from 1982 to the most recent calendar year, as published by the United States Bureau of Labor Statistics (BLS). The forecasts above show the next twenty-five (25) calendar years as of January 1 of the current tax year; however, the appraisal of each property will forecast an economic life appropriate to that property. The economic life of any particular property can range from zero years to 25 or more years, depending on that property's ability to produce hydrocarbons in marketable quantities.

Section 23.175 Price Escalatory Scenario Using Energy Information Administration / Bureau of Labor Statistics Tax Year 2016

Sec. 23.175 Calendar Year Forecasts: OIL AND GAS
Tax Year 2016 Forecast with Historical

Legend: 2016 Oil Price Forecast, 2016 Gas Price Forecast

Sec. 23.175 Calendar Year Forecasts: OIL AND GAS
Comparison of Tax Years 2015 and 2016

Year "1" on x-axis is representative of first calendar year corresponding to each tax year.

Legend: 2015 Oil Price Forecast, 2016 Oil Price Forecast, 2015 Gas Price Forecast, 2016 Gas Price Forecast

Section 23.175 Price Escalatory Scenario Using
Energy Information Administration / Bureau of Labor Statistics
Tax Year 2016

Sec. 23.175 Calendar Year Forecasts: OIL ONLY
Comparison of Tax Years 2015 and 2016

Oil Price ($/bbl) — Forecasted Economic Life — Discounted Value Index

Legend: Value Index ◻ 2015 Oil Price Forecast ◼ 2016 Oil Price Forecast

Sec. 23.175 Calendar Year Forecasts: GAS ONLY
Comparison of Tax Years 2015 and 2016

Gas Price ($/mcf) — Forecasted Economic Life — Discounted Value Index

Legend: Value Index △ 2015 Gas Price Forecast ▲ 2016 Gas Price Forecast