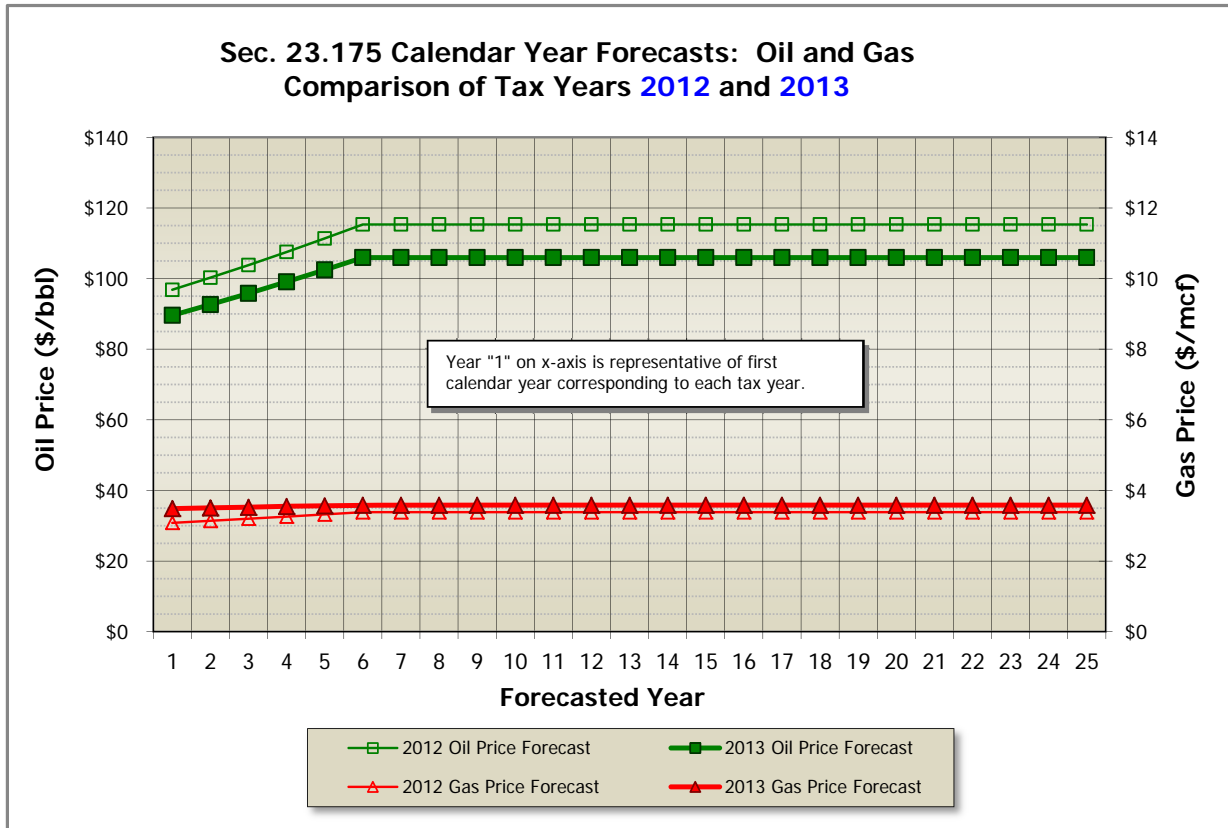
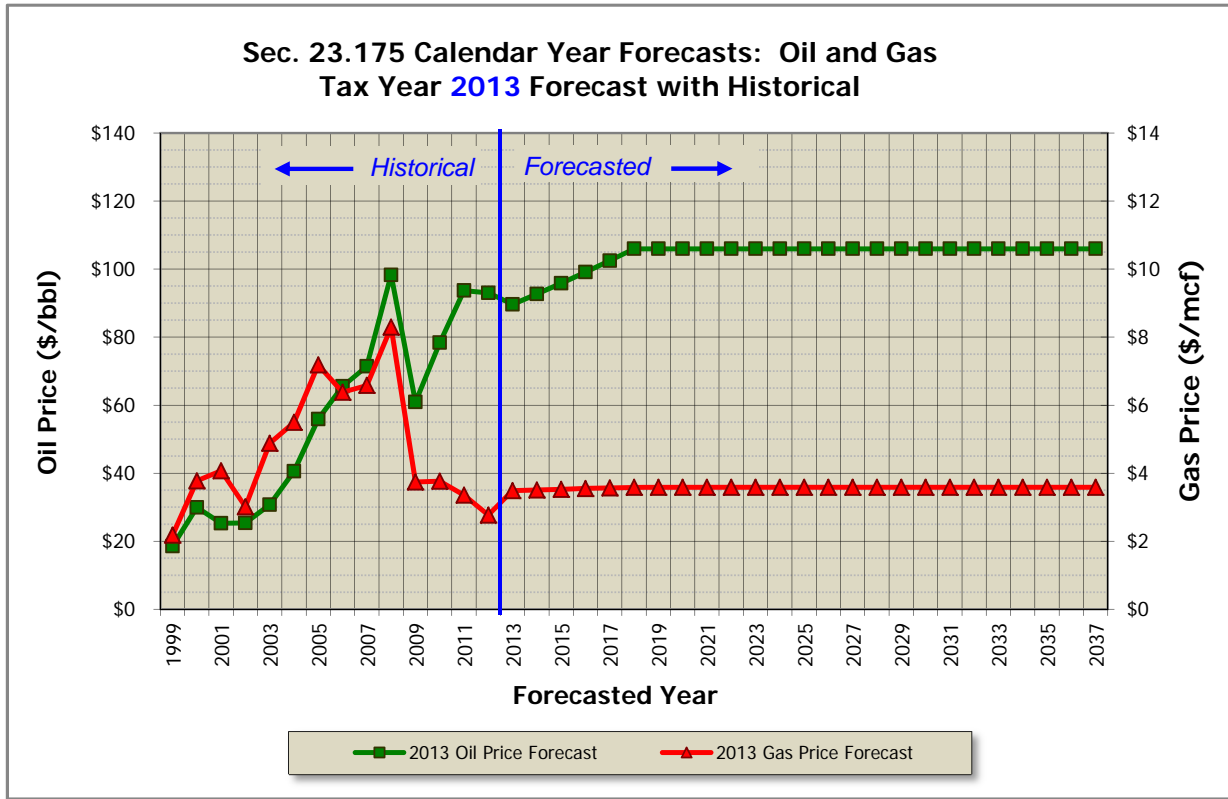


**Section 23.175 Price Escalatory Scenario Using
Energy Information Administration / Bureau of Labor Statistics
Tax Year 2013**

Tax Year 2013						
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
2012 avg.	92.80			2.76		
1 2013	89.60	-3.453%	0.96547	3.49	26.316%	1.26316
2 2014	92.65	3.409%		3.51	0.562%	
3 2015	95.81	3.409%		3.53	0.562%	
4 2016	99.07	3.409%		3.55	0.562%	
5 2017	102.45	3.409%		3.57	0.562%	
6 2018	105.94	3.409%		3.59	0.562%	
7 2019	105.94	0.000%		3.59	0.000%	
8 2020	105.94	0.000%		3.59	0.000%	
9 2021	105.94	0.000%		3.59	0.000%	
10 2022	105.94	0.000%		3.59	0.000%	
11 2023	105.94	0.000%		3.59	0.000%	
12 2024	105.94	0.000%		3.59	0.000%	
13 2025	105.94	0.000%		3.59	0.000%	
14 2026	105.94	0.000%		3.59	0.000%	
15 2027	105.94	0.000%		3.59	0.000%	
16 2028	105.94	0.000%		3.59	0.000%	
17 2029	105.94	0.000%		3.59	0.000%	
18 2030	105.94	0.000%		3.59	0.000%	
19 2031	105.94	0.000%		3.59	0.000%	
20 2032	105.94	0.000%		3.59	0.000%	
21 2033	105.94	0.000%		3.59	0.000%	
22 2034	105.94	0.000%		3.59	0.000%	
23 2035	105.94	0.000%		3.59	0.000%	
24 2036	105.94	0.000%		3.59	0.000%	
25 2037	105.94	0.000%		3.59	0.000%	

Appraisal districts should not use the actual crude oil and natural gas prices shown above to calculate taxable values, only the percentages and Price Adjustment Factor. 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 ("Early Release" version). In the second and subsequent years of an appraisal, the tax code requires appraisal districts to appraise oil and gas interests using a rate equal to 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 forecast shown above shows 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 profitability to operate and ability to produce hydrocarbons in marketable quantities.

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