

**TEMPLATE FOR DETERMINING "PRICE ADJUSTMENT FACTOR"**  
*asper SB 1505 in the 82nd Legislative Regular Session*

SB 1505

CAG, LLC

Sec. 23.175. OIL OR GAS INTEREST. (a) If a real property interest in oil or gas in place is appraised by a method that takes into account the future income from the sale of oil or gas to be produced from the interest, the method must use the average price of the oil or gas from the interest for the preceding calendar year multiplied by a price adjustment [market condition] factor as the price at which the oil or gas produced from the interest is projected to be sold in the current year of the appraisal. The average price for the preceding calendar year is calculated by dividing the sum of the monthly average prices for which oil and gas from the interest was selling during each month of the preceding calendar year by 12. If there was no production of oil or gas from the interest during any month of the preceding calendar year, the average price for which similar oil and gas from comparable interests was selling during that month is to be used. The chief appraiser shall calculate the price adjustment factor by dividing the price of imported low-sulfur light crude oil in nominal dollars or the spot price of natural gas at the Henry Hub in nominal dollars, as applicable, as projected for the current calendar year by the United States Energy Information Administration in the most recently published Early Release Overview of the Annual Energy Outlook by the price of imported low-sulfur light crude oil in nominal dollars or the spot price of natural gas at the Henry Hub in nominal dollars, as applicable, for the preceding calendar year as stated in the same report.

<b>2014 TAX YEAR</b>							
Price of imported low-sulfur light crude oil in nominal dollars asper the most recently published Early Release Overview of the Annual Energy Outlook (Dec 2013) of the Energy Information Administration (EIA) of the US DOE <a href="http://www.eia.gov/forecasts/aeo/er/tables_ref.cfm">http://www.eia.gov/forecasts/aeo/er/tables_ref.cfm</a>							2014 Projected Oil Price
							2013 Average Oil Price
							<span style="background-color: yellow;">\$ 96.2080</span> <span style="background-color: yellow;">\$ 98.5870</span>
<p align="center">Report Scenario: ref2014    Annual Energy Outlook 2014 Early Release    Reference case  Datekey: d102413a  Release Date: December 2013</p>							
<b>12. Petroleum Product Prices</b>							
<b>Sector and Fuel</b>	<b>2011</b>	<b>2012</b>	<b>2013</b>	<b>2014</b>	<b>2015</b>	<b>2016</b>	<b>2017</b>
<b>Prices in Nominal Dollars</b>							
Crude Oil Spot Prices (nominal dollars)							
Brent Spot	\$ 111.2600	\$ 111.6500	\$ 108.1100	\$ 102.2000	\$ 101.9539	\$ 99.5735	\$ 99.2967
West Texas Intermediate Spot	\$ 94.8590	\$ 94.1240	<span style="background-color: yellow;">\$ 98.5870</span>	<span style="background-color: yellow;">\$ 96.2080</span>	\$ 93.8728	\$ 93.5313	\$ 96.0530
Average Imported Refiners	\$ 102.6400	\$ 101.1000	\$ 103.0700	\$ 101.2700	\$ 93.3270	\$ 90.7509	\$ 90.5255
<b>2014 TAX YEAR CRUDE OIL "PRICE ADJUSTMENT FACTOR"</b>							<span style="background-color: orange;">0.9759</span>
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Spot Price of natural gas at the Henry Hub in nominal dollars asper the most recently published Early Release Overview of the Annual Energy Outlook (Dec 2013) of the Energy Information Administration (EIA) of the US DOE <a href="http://www.eia.gov/forecasts/aeo/er/tables_ref.cfm">http://www.eia.gov/forecasts/aeo/er/tables_ref.cfm</a>							2014 Projected NG Price
							2013 Average NG Price
							<span style="background-color: yellow;">\$3.8612</span> <span style="background-color: yellow;">\$3.6559</span>
<p align="center">Report Scenario: ref2014    Annual Energy Outlook 2014 Early Release    Reference case  Datekey: d102413a  Release Date: December 2013</p>							
<b>13. Natural Gas Supply, Disposition, and Prices</b> (trillion cubic feet, unless otherwise noted)							
<b>Supply, Disposition, and Prices</b>	<b>2011</b>	<b>2012</b>	<b>2013</b>	<b>2014</b>	<b>2015</b>	<b>2016</b>	<b>2017</b>
<b>Natural Gas Prices</b>							
<b>Henry Hub Spot Price</b>							
(2012 dollars per million Btu)	\$ 4.0712	\$ 2.7500	\$ 3.6022	\$ 3.7364	\$ 3.7438	\$ 4.1396	\$ 4.4024
(nominal dollars per million Btu)	\$ 4.0000	\$ 2.7500	<span style="background-color: yellow;">\$ 3.6559</span>	<span style="background-color: yellow;">\$ 3.8612</span>	\$ 3.9291	\$ 4.4113	\$ 4.7600
<b>2014 TAX YEAR NATURAL GAS "PRICE ADJUSTMENT FACTOR"</b>							<span style="background-color: orange;">1.0562</span>