

Formula for the Escalation and De-escalation of Crude Oil and Natural Gas Prices

TAX YEAR 2016
Previous Calendar Year 2015

X (oil) = 130.4 for Crude petroleum (domestic production) - WPU0561

X (gas) = 106.3 for Natural gas - WPU0531

$$Y = 2016 - 1982 = 33$$

$$1/Y = 0.030303$$

Escalation Factor for Crude petroleum (domestic production)

$$((X(\text{oil}) / 100)^{(1/Y)} - 1) * 100 = 0.808\%$$

Escalation Factor for Natural gas

$$((X(\text{gas}) / 100)^{(1/Y)} - 1) * 100 = 0.185\%$$