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**REEVES COUNTY APPRAISAL DISTRICT**


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**OIL PRICE**


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Will follow Section 23.175 of the Texas Property Tax Code. The year 1 price is the 2020 monthly average price multiplied by the "price adjustment factor". The PAF determined by the Reeves County Appraisal District from the EIA Annual Energy Outlook is 1.15377. The price for the subsequent years 2 through 6 will be escalated using the Product Price Index (domestic produced petroleum) as published by the BLS. The PPI is .062%. The price from year 6 will be used in the subsequent years of the appraisal.

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**GAS PRICE**


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Will follow Section 23.175 of the Texas Property Tax Code. The year 1 price is the 2020 monthly average price multiplied by the "price adjustment factor". The PAF determined by the Reeves County Appraisal District from the EIA Annual Energy Outlook is 1.51208. The price for the subsequent years 2 through 6 will be de-escalated using the Product Price Index (natural gas) as published by the BLS. The PPI is -1.048%. The price from year 6 will be used in the subsequent years of the appraisal.

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**SEVERANCE TAXES**


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Current law.

Will apply HCG exemptions were applicable.

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**AD VALOREM TAXES**


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Ad Valorem Tax Rate added to the discount rate.

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**OPERATING COSTS**


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Default Scenario: 15,000 per well per month but will use actual LOE's if provided and adjust for anomalies.  
LOE year 2 - 6 will escalate at 2% for both oil & gas properties then held flat after reaching economic limit.

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**DISCOUNT RATES**


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Base Discount Rate – 15%

Gas – 15% + 2% Ad Valorem Tax Rate

Oil – 15% + 2% Ad Valorem Tax Rate

Total Discount Rate - 17%

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**END FACTOR**


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None.

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**EQUIPMENT**


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Salvage value

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**WHEN TO SETTLE, MISC.**

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RCAD website will be set up for public to download values and graphs from the website.

Please send all division orders to [sharlabaxter@reevescad.org](mailto:sharlabaxter@reevescad.org) and/or [danielletorres@reevescad.org](mailto:danielletorres@reevescad.org)

Will ask for all supporting data for any changes to LOE or decline curves as well as requested values for each lease.

Please send all lease value requests to [johnhuddleston@reevescad.org](mailto:johnhuddleston@reevescad.org)

2021 Informals and office visits will be limited to email and zoom meetings.

All notices of appraised value are planned to be mailed the first week of April