

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

TAX YEAR 2021

Previous Calendar Year 2020

X (oil) = 102.4 for Crude petroleum (domestic production) - WPU0561

X (gas) : 67 for Natural gas - WPU0531

Y = 2020 - 1982 = 38

1/Y = 0.026316

**Escalation Factor for Crude petroleum (domestic production)**

$$((X(\text{oil}) / 100) ^ (1/Y) - 1) * 100 = 0.062\%$$

**Escalation Factor for Natural gas**

$$((X(\text{gas}) / 100) ^ (1/Y) - 1) * 100 = -1.048\%$$