



Act 13 of 2012 Producer Fees for CY 2013

Average Annual Price of Natural Gas for calendar Year 2013:⁽¹⁾ \$ 3.652

Consumer Price Index, Urban Consumers, PA, NJ, DE and MD:⁽²⁾ 1.2%

Number of Spud Wells for Calendar Years, 2012 and 2013

	<u>2012</u>	<u>2013</u>
Number of wells spud:	1,347	1,205

CPI adjustment to spud well fees is not applicable in 2013 see §2302 (c)

Unconventional Gas Well Fees for Calendar 2013

<u>Year of Well⁽³⁾</u>	<u>Horizontal</u>	<u>Vertical - Producing</u>
Year 1	\$ 50,000	\$10,000
Year 2	\$ 40,000	\$ 8,000
Year 3	\$ 30,000	\$ 6,000

⁽¹⁾ Source: www.hessenergy.com

⁽²⁾ Source: www.bls.gov

⁽³⁾ Horizontal unconventional gas wells pay the yearly fee upon spudding plus 2 subsequent years. Fees after the first 3 years are based on production levels as defined in §2302 (b.1). Vertical well producing gas level above 90,000 CF average in any given month during the current year are subject to 20% of the applicable horizontal well fee.