

# Application for Appraised Value Limitation on Qualified Property

## SECTION 9: Projected Timeline

1. Application approval by school board \_\_\_\_\_
  2. Commencement of construction \_\_\_\_\_
  3. Beginning of qualifying time period \_\_\_\_\_
  4. First year of limitation \_\_\_\_\_
  5. Begin hiring new employees \_\_\_\_\_
  6. Commencement of commercial operations \_\_\_\_\_
  7. Do you propose to construct a new building or to erect or affix a new improvement after your application review start date *(date your application is finally determined to be complete)*?  Yes  No
- Note:** Improvements made before that time may not be considered qualified property.
8. When do you anticipate the new buildings or improvements will be placed in service? \_\_\_\_\_

## SECTION 10: The Property

1. Identify county or counties in which the proposed project will be located \_\_\_\_\_
2. Identify Central Appraisal District (CAD) that will be responsible for appraising the property \_\_\_\_\_
3. Will this CAD be acting on behalf of another CAD to appraise this property?  Yes  No
4. List all taxing entities that have jurisdiction for the property, the portion of project within each entity and tax rates for each entity:
 

County: _____ <small>(Name, tax rate and percent of project)</small>	City: _____ <small>(Name, tax rate and percent of project)</small>
Hospital District: _____ <small>(Name, tax rate and percent of project)</small>	Water District: _____ <small>(Name, tax rate and percent of project)</small>
Other (describe): _____ <small>(Name, tax rate and percent of project)</small>	Other (describe): _____ <small>(Name, tax rate and percent of project)</small>
5. Is the project located entirely within the ISD listed in Section 1?  Yes  No
  - 5a. If no, attach in **Tab 6** additional information on the project scope and size to assist in the economic analysis.
6. Did you receive a determination from the Texas Economic Development and Tourism Office that this proposed project and at least one other project seeking a limitation agreement constitute a single unified project (SUP), as allowed in §313.024(d-2)?  Yes  No
  - 6a. If yes, attach in **Tab 6** supporting documentation from the Office of the Governor.

## SECTION 11: Investment

**NOTE:** The minimum amount of qualified investment required to qualify for an appraised value limitation and the minimum amount of appraised value limitation vary depending on whether the school district is classified as Subchapter B or Subchapter C, and the taxable value of the property within the school district. For assistance in determining estimates of these minimums, access the Comptroller's website at [www.texasahead.org/tax\\_programs/chapter313/](http://www.texasahead.org/tax_programs/chapter313/).

1. At the time of application, what is the estimated minimum qualified investment required for this school district? \_\_\_\_\_
2. What is the amount of appraised value limitation for which you are applying? \_\_\_\_\_
 

**Note:** The property value limitation amount is based on property values available at the time of application and may change prior to the execution of any final agreement.
3. Does the qualified investment meet the requirements of Tax Code §313.021(1)?  Yes  No
4. Attach a description of the qualified investment [See §313.021(1).] The description must include:
  - a. a specific and detailed description of the qualified investment you propose to make on the property for which you are requesting an appraised value limitation as defined by Tax Code §313.021 (**Tab 7**);
  - b. a description of any new buildings, proposed new improvements or personal property which you intend to include as part of your minimum qualified investment (**Tab 7**); and
  - c. a detailed map of the qualified investment showing location of tangible personal property to be placed in service during the qualifying time period and buildings to be constructed during the qualifying time period, with vicinity map (**Tab 11**).
5. Do you intend to make at least the minimum qualified investment required by Tax Code §313.023 (or §313.053 for Subchapter C school districts) for the relevant school district category during the qualifying time period?  Yes  No

**Application for Appraised Value Limitation on Qualified Property**

**SECTION 16. Authorized Signatures and Applicant Certification**

After the application and schedules are complete, an authorized representative from the school district and the business should review the application documents and complete this authorization page. Attach the completed authorization page in Tab 17. NOTE: If you amend your application, you will need to obtain new signatures and resubmit this page, Section 16, with the amendment request.

**1. Authorized School District Representative Signature**

I am the authorized representative for the school district to which this application is being submitted. I understand that this application is a government record as defined in Chapter 37 of the Texas Penal Code.

print here → Jim Haley Title Superintendent  
Print Name (Authorized School District Representative)

sign here → [Signature] Date 4/11/16  
Signature (Authorized School District Representative)

**2. Authorized Company Representative (Applicant) Signature and Notarization**

I am the authorized representative for the business entity for the purpose of filing this application. I understand that this application is a government record as defined in Chapter 37 of the Texas Penal Code. The information contained in this application and schedules is true and correct to the best of my knowledge and belief.

I hereby certify and affirm that the business entity I represent is in good standing under the laws of the state in which the business entity was organized and that no delinquent taxes are owed to the State of Texas.

print here → William Butler CFO  
Print Name (Authorized Company Representative (Applicant))

sign here → [Signature] Date 3/31/16  
Signature (Authorized Company Representative (Applicant))



(Notary Seal)

GIVEN under my hand and seal of office this, the  
31<sup>st</sup> day of March, 2016  
[Signature]  
 Notary Public in and for the State of Texas  
 My Commission expires: 9/28/2019

If you make a false statement on this application, you could be found guilty of a Class A misdemeanor or a state jail felony under Texas Penal Code Section 37.10.

William Butler

APPLICATION TAB ORDER FOR REQUESTED ATTACHMENTS

TAB	ATTACHMENT
1	Pages 1 through 11 of Application
2	Proof of Payment of Application Fee
3	Documentation of Combined Group membership under Texas Tax Code 171.0001(7), history of tax default, delinquencies and/or material litigation <i>(if applicable)</i>
4	Detailed description of the project
5	Documentation to assist in determining if limitation is a determining factor
6	Description of how project is located in more than one district, including list of percentage in each district and, if determined to be a single unified project, documentation from the Office of the Governor <i>(if applicable)</i>
7	Description of Qualified Investment
8	Description of Qualified Property
9	Description of Land
10	Description of all property not eligible to become qualified property <i>(if applicable)</i>
11	<p>Maps that clearly show:</p> <ul style="list-style-type: none"> <li>a) Project vicinity</li> <li>b) Qualified investment including location of tangible personal property to be placed in service during the qualifying time period and buildings to be constructed during the qualifying time period</li> <li>c) Qualified property including location of new buildings or new improvements</li> <li>d) Existing property</li> <li>e) Land location within vicinity map</li> <li>f) Reinvestment or Enterprise Zone within vicinity map, showing the actual or proposed boundaries and size</li> </ul> <p><b>Note:</b> Electronic maps should be high resolution files. Include map legends/markers.</p>
12	Request for Waiver of Job Creation Requirement and supporting information <i>(if applicable)</i>
13	Calculation of three possible wage requirements with TWC documentation
14	Schedules A1, A2, B, C and D completed and signed Economic Impact <i>(if applicable)</i>
15	Economic Impact Analysis, other payments made in the state or other economic information <i>(if applicable)</i>
16	<p>Description of Reinvestment or Enterprise Zone, including:</p> <ul style="list-style-type: none"> <li>a) evidence that the area qualifies as a enterprise zone as defined by the Governor's Office</li> <li>b) legal description of reinvestment zone*</li> <li>c) order, resolution or ordinance establishing the reinvestment zone*</li> <li>d) guidelines and criteria for creating the zone*</li> </ul> <p><b>* To be submitted with application or before date of final application approval by school board</b></p>
17	Signature and Certification page, signed and dated by Authorized School District Representative and Authorized Company Representative <i>(applicant)</i>

**DETAILED PROJECT DESCRIPTION OF QUALIFIED INVESTMENT**  
**PECOS-BARSTOW-TOYAH INDEPENDENT SCHOOL DISTRICT**

**Brazos Delaware, LLC (or “the Company”)** is a midstream energy company, whose primary activities include gas and crude gathering, treating, terminals and processing. With an initial focus on Texas and the adjoining states of New Mexico and Oklahoma, Brazos desires to ensure constrained producers reliable access to high value markets.

**Oklahoma**  
**New Mexico**  
**Texas**

**Proposed Project Description**

Brazos Delaware, LLC proposes to build a new (Phase I) 60 MMcf/d Gas Processing Plant and (Phase II) a 200MMcf/d Gas Processing Plant in Pecos-Barstow-Toyah ISD/Reeves County, Texas. Projected timeline for Brazos to start construction is July of 2016 and start hiring the new employees in August of 2016. This should allow for an estimated completion and commencement date of Phase I and Phase II by December 2017. The feedstock for our processing facility will be raw natural gas, which exists in mixtures with other hydrocarbons, brought directly from underground to wellheads and then gathered through pipeline systems to the inlet of our facility. Our facility will use cryogenic processes to manufacture various hydrocarbons and fluids from pure natural gas, to produce what is known as dry natural gas, which is both cleaner and purer. The “products” of the facility will therefore include natural gas liquids (“NGLs”), consisting of ethane, propane, butane, and pentanes, as well as a ‘pipeline quality’ dry natural gas stream.

**Cryogenic Natural Gas Processing Plants**

The Comanche Plant would include the installation of two (2) refrigerated cryogenic gas plants. (Phase I 60MMcf/d and Phase II 200MMcf/d) If completed, the Comanche Gas Processing Plant will be designed to process 260MMcf/d of gas and would include the following components, providing long-term processing, compression and residue gas takeaway:

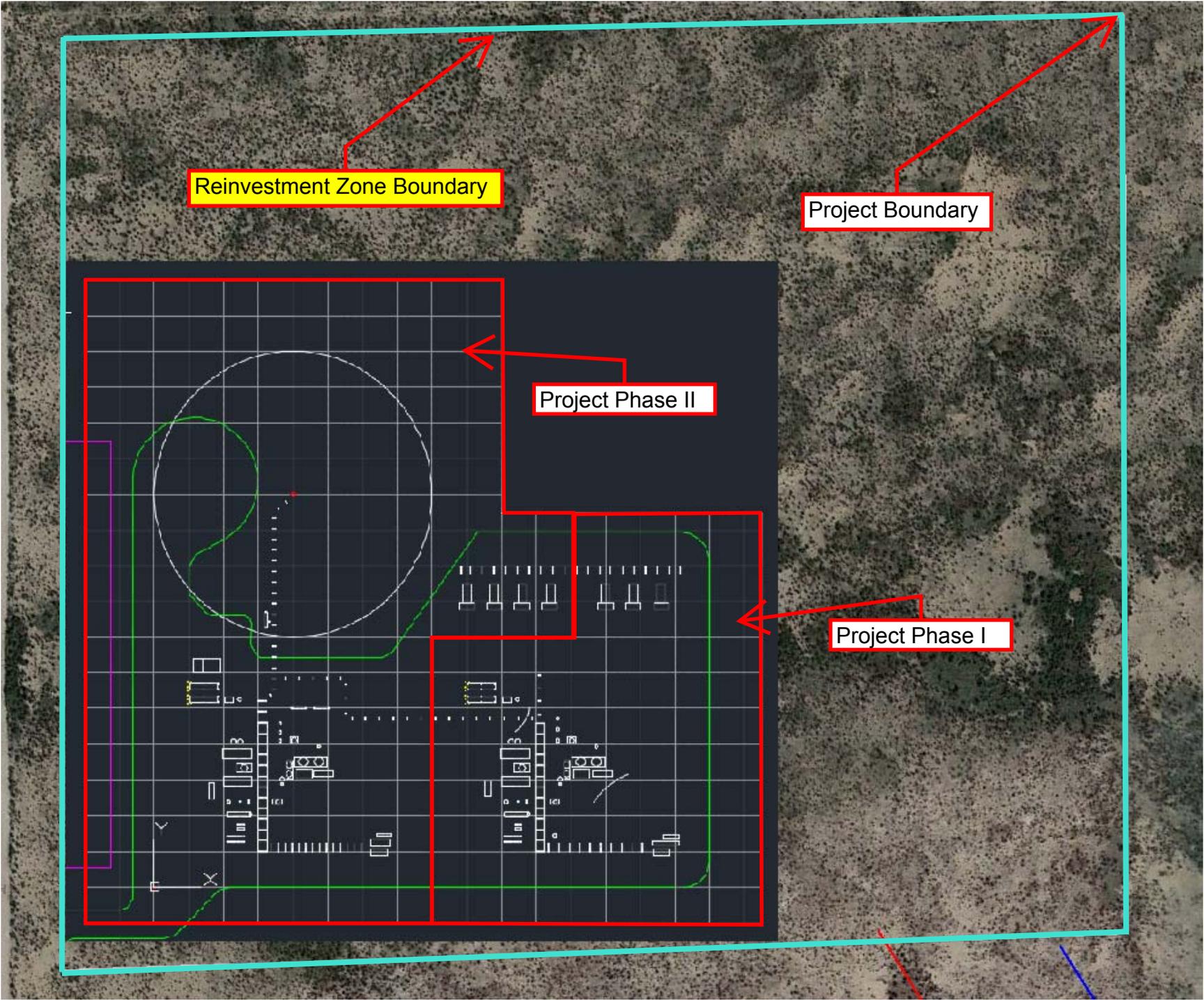
- Buildings, Foundations, Inlet Separator, Amine Unit, Boilers, Heat Exchangers, Natural Gas/Air/H2O Piping, Control
- Valves, Dehydration Units, Knock Out Drums, Slug Catcher, Compressors, Vessels, Heat Exchanger, SCADA plus Controls.
- Environmental: (A) Flare-Stack, Scrubber, and Leak Detection; (L) Liners, Containment.

**Limitation as Determining Factor w/ability to locate or relocate:**

**Brazos Delaware, LLC (or “the Company”)** Brazos Delaware, LLC provides gathering systems, and liquids handling and compressor stations. The company offers designs and operates natural gas or crude oil gathering facilities; low-pressure and high-pressure compression facilities; and processing and treating facilities, as well as condensate stabilization and vapor recovery systems. It serves producers in Texas and the adjoining states. Brazos Midstream currently operates a crude terminal and natural gas gathering systems in far West Texas soon to be expanding into Southern New Mexico.

Brazos Delaware is planning to construct and operate a regional gas manufacturing complex within the Delaware Basin. Based on the geologic boundaries of the Delaware Basin, this region includes large portions of SE New Mexico as well as far west Texas. We are in ongoing discussions oil and gas producers within the Basin, which have operations in either or both the Texas and NM portions of the Basin. We are therefore evaluating potential locations and within New Mexico as well that are geographically located within the Delaware Basin. We have not received any specific incentive offers from New Mexico as to a particular location as we have initiated the economic analysis of a 313 agreement in Texas first. As the primary available property tax incentive in Texas, a 313 agreement is vital to the proposed Comanche Plant economics just as potential customer response will be. Both factors will be considered before any determination is made.

Map of Qualified Property within Reinvestment Zone



Reinvestment Zone Boundary

Project Boundary

Project Phase II

Project Phase I