



Biennial Progress Report for Texas Economic Development Act

Economic Development and Analysis
Form 50-773-A

INTRODUCTION

- You have been assigned an application number. Please verify this number on the website prior to completing the form. This form will indicate the sections you need to complete based on application number.
- This form must be filled out by each applicant that is party to a limitation agreement.
- If the original application was made by a group of two or more companies, each company must complete this form.
- If the original applicant split into two or more applicants after the original agreement, all current agreement holders must complete this form.
- Applicants should only complete the information for their years as an agreement holder, noting what year they were formed after the original agreement was approved.
- Each agreement holder should respond as a current agreement holder in Section 2.
- Applicants should report their proportionate share of required employment and investment information.
- In addition to the Biennial Progress Report required from each applicant that is a party to an agreement, a separate Biennial Progress Report summarizing the combined applicants' data for the entire agreement must be completed.
- If one of the applicants cannot provide this information, a summarization report must be completed by the school district and signed by the superintendent.
- Projects spanning more than one school district must complete forms for each school district.
- Please return signed hard copy forms and electronic spreadsheets to the school district before May 15 of each even-numbered year.

Note:

- The school district that is a party to the Chapter 313 agreement is collecting the data required by Chapter 313.032 on this form for the Comptroller of Public Accounts (CPA).
- The CPA requests companies complete the electronic spreadsheet version of the form. Please submit both an *electronic version* and a *signed hard copy version* of the spreadsheet (with any attachments) to the district. Please contact CPA if you have questions about the form. The spreadsheet version of this form can be downloaded at: www.texasahead.org/tax_programs/chapter313/forms.php.
- After ensuring that all forms are complete, the school district will forward that data to the CPA for inclusion in a statutorily required report to the Texas Legislature.

SECTION 1: Applicant Information

1. Application number 135
2. Name of school district Fort Stockton Independent School District
3. Name of central appraisal district (CAD) appraising the qualified property in this school district Pecos County Appraisal District
4. Name of project on original application (or short description of facility) Pikes Peak Grey Ranch
5. Name of applicant on original application SandRidge Energy, Inc. et. al. (Consolidated Form - See Section 2, 8)
6. Name of company entering into original agreement with district SandRidge Energy, Inc. (See Section 2, 8)
7. If you are one of two or more companies originally applying for a limitation, list all other applicants here and describe their relationships. (Use attachments if necessary.)

SandRidge Energy, Inc., SandRidge Midstream, Inc. and SandRidge Exploration and Production, LLC are all members of a combined group of companies of which SandRidge Energy, Inc. is the parent. Pinon Gathering Company, LLC is not an original applicant, but is a assignee of a portion of the agreement (See Section 2, 8 below).

SECTION 2: Current Agreement Information

1. Name of current agreement holder(s) See Attachment
2. Complete mailing address of current agreement holder 123 Robert S. Kerr Avenue Oklahoma City, OK
3. Company contact person for agreement holder:

<u>James L. Maxwell</u>	<u>Senior Tax Manager</u>
<small>Name</small>	<small>Title</small>
<u>(405) 429-6216</u>	<u>jmaxwell@sandridgeenergy.com</u>
<small>Phone</small>	<small>Email</small>
4. Texas franchise tax ID number of current agreement holder: 12080847937
5. If the current agreement holder does not report under the franchise tax law, please include name and tax ID of reporting entity:

<u>N/A</u>	
<small>Name</small>	<small>Tax ID</small>
6. NAICS Code of current agreement holder (6 Digit): 211110
7. If the authorized company representative is different from the contact person listed above:

<u>Clifford A. Dolton</u>	<u>Vice President - Tax</u>
<small>Name</small>	<small>Title</small>
<u>123 Robert S. Kerr Avenue Oklahoma City, OK 73102-6406</u>	
<small>Complete Mailing Address</small>	
<u>(405) 429-5834</u>	<u>cdolton@sandridgeenergy.com</u>
<small>Phone</small>	<small>Email</small>
8. If you are a current agreement holder who was not an original applicant, please list all other current agreement holders. Please describe the chain of ownership from the original applicant to the new entities. *(Use attachments if necessary.)*

SandRidge Energy, Inc., SandRidge Midstream, Inc. and SandRidge Exploration and Production, LLC were the original applicants and party to the agreement. Partial assignment of the agreement was made to Pinon Gathering Company, LLC pursuant to that certain Assignment and Notice and Acknowledgement of Assignment effective June 30, 2009.

SECTION 3: Project Timeline

1. Date original limitation agreement approved by school district December 22, 2008
2. First (complete) year of qualifying time period – after the date the application is approved. See Tax Code §313.021[4]. 2009
3. Date commercial operations began at the site of the project *
4. First year of property value limitation 2011

For more information, visit our website: www.TexasAhead.org/tax_programs/chapter313/

SECTION 4: Value Limitation Details

- 1 Minimum limitation amount per Agreement (for entire agreement): 20,000,000.00
- 2 Amount of qualified investment during the qualifying time period the recipient committed to spend or allocate for this project on application (not total investment): 229,375,000.00
- 3 Total qualified investment made from the beginning of the qualifying time period through the end of the qualifying time period or the last complete tax year, if still in the qualifying time period. 51,691,272.00
- 4 Has the size and/or scope of the project changed, resulting in a material change in qualified property from that in the application? Yes No
- 4a. If yes, please describe on an attachment how the actual qualified property — for which you are providing actual and estimated market values on subsequent pages — differs from that property described in the agreement. Include only property located in this school district.
- 5 What was the number of permanent existing jobs at this facility prior to application? 86
(See guidelines for definition of existing job.)

SECTION 5: Job Details

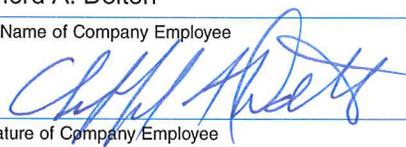
- 1 For agreements before Jan. 1, 2014, does the agreement includes a definition of "new job" other than TAC §9.1051(14)(C), as the rule existed at the time of application? Yes No
- 1a. If yes, please provide the definition of "new job" as used in the agreement. (Use attachments if needed.)

SECTION 6: Authorized Signature

After this report and charts are complete, they should be reviewed and certified to be complete by a company employee authorized to sign on behalf of the company listed in Section 2.

By signing below, I certify that I am an employee of SandRidge Energy, Inc., a current agreement holder of a limitation on appraised value who is authorized to sign on behalf of the company. I attest that the contents of this form and attachments are true and correct to the best of my knowledge and belief and have determined that the electronic copy is identical to the hard copy of this report.

print here ▶ Clifford A. Dolton Vice President - Tax (405) 429-5834
Print Name of Company Employee Title Phone

sign here ▶  May 15, 2014
Signature of Company Employee Date

NOTE: If you amend your report, you will need to resign and resubmit this section with your forms, charts or attachments.

Biennial Progress Report for Texas Economic Development Act
CHART A2: Investment and Market Values for Applications 1 through 999

Form 50-773A
 Revised May 2014

Date June 4, 2014
 Application Number 135
 Current Agreement Holder Name SandRidge Energy, Inc. et. al. (Consolidated Form)
 ISD Name Fort Stockton Independent School District

CHART A2 - Only complete this for applications 1 through 999.

Year	School Year (YYYY-YYYY)	Tax Year (actual tax year) YYYY	Total Investment ¹ (cumulative)	Market value of qualified property on Jan. 1 BEFORE any exemptions ²	Market value less any exemptions (such as pollution control) and before limitation ³	Taxable value of qualified property for purposes of M&O
Prior to start of value limitation period	1	2009-2010	2009	38,040,581	20,364,510	20,364,510
	2	2010-2011	2010	51,691,272	31,161,279	31,161,279
	3	2011-2012	2011	53,691,272	39,093,310	20,000,000
	4	2012-2013	2012	53,691,272	24,932,210	20,000,000
	5	2013-2014	2013	53,691,272	27,285,130	20,000,000
Value limitation period	6	2014-2015	2014	53,691,272	26,850,000	20,000,000
	7	2015-2016	2015	53,691,272	26,850,000	20,000,000
	8	2016-2017	2016	53,691,272	26,850,000	20,000,000
	9	2017-2018	2017	367,000,000	26,850,000	20,000,000
Viable presence period	10	2018-2019	2018	367,000,000	337,350,000	20,000,000
	11	2019-2020	2019	367,000,000	337,350,000	337,350,000
	12	2020-2021	2020	367,000,000	337,350,000	337,350,000
	13	2021-2022	2021	367,000,000	337,350,000	337,350,000

Actual and projected data. Use actual data for prior years. Estimates are required for current and future years.

Notes:

1. Total investment is all investment at original cost, including land acquired after filing of application. Investments made in a year should be reflected in the subsequent year's market value.
2. Use appraisal values from CAD as available. For future years, use market value that the entity estimates will approximate the market value for ad valorem tax purposes in that year.
3. This amount is typically the taxable value for the purpose of I&S fund or debt service reserve fund.

The CPA requests companies complete the electronic spreadsheet version of the form and submit identical electronic and hard copy versions of the spreadsheet (with any attachments) to the district.

Biennial Progress Report for Texas Economic Development Act
 CHART A1: Job Data for Applications 1 through 999

App Number 135

Project Name Pikes Peak - Grey Ranch
 1st Yr. of Qualifying Time Period 2009

Form 50-773A
 Revised May 2014

District Name Fort Stockton Independent School District

Company Name SandRidge Energy, Inc. et. al. (Consolidated Form)

	Tax year (YYYY)	Limitation Period										Viable Presence Period			
		Qualifying Time Period		Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7	Year 8	Year 9	Year 10	Year 11	Year 12
	Year 1 (First Complete Tax Year)	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	
1	Number of qualifying jobs ¹ applicant committed to create on application (cumulative)	8	16	16	16	16	16	16	16	16	16	16	16	16	16
2	Number of qualifying jobs ¹ applicant actually created (cumulative)	2	2	2	0	0	0	0	0	0	0	0	0	0	0
3	Number of new jobs ² created (cumulative)	3	3	3	0	0	0	0	0	0	0	0	0	0	0
4	Median annual wage of new jobs applicant created	\$40,362	\$40,352	\$56,856	\$0	\$0	\$0	\$0	\$0	\$56,856	\$56,856	\$56,856	\$56,856	\$56,856	\$56,856
5	Total wages for new jobs applicant created	\$181,167	\$181,167	\$113,712	\$0	\$0	\$0	\$0	\$0	\$909,696	\$909,696	\$909,696	\$909,696	\$909,696	\$909,696

Actual and projected data. Use actual data for prior years. Estimates are required for current and future years.

Notes:

- Jobs meeting all of the requirements of Tax Code §313.021(3) as the statute existed before Jan. 1, 2014. Do not include construction jobs in counts of qualifying jobs.
- For new job definition see TAC §9.1051(14) as rules existed before Jan. 1, 2014.

Footnote (1): A portion of the project qualified property has been constructed and placed in service. Construction of the remainder has been suspended. Qualified jobs are required once the entire project qualified property is placed in service.

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