



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. (See Section 2, 8)
6. Name of company entering into original agreement with district Pinon Gathering Company, LLC (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: 32039816593
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 - Vice President of SandRidge Midstream</u>	<u>Inc. as Agent for Pinon Gathering Company, LLC</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 | <u>December 22, 2008</u> |
| 2. First (complete) year of qualifying time period – after the date the application is approved. See Tax Code §313.021[4]. | <u>2009</u> |
| 3. Date commercial operations began at the site of the project | <u>*</u> |
| 4. First year of property value limitation | <u>2011</u> |

Page 2 • 50-773-A • 05-14/2
 * A portion of the project qualified property has been constructed and was placed in service at various times during the period 2008 thru 2011 as completed. Construction of the remainder has been suspended.

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 Pinon Gathering Company, LLC
 ISD Name Fort Stockton Independent School District

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	22,993,111	-	-
	2	2010-2011	2010	22,993,111	21,344,860	21,344,860
	3	2011-2012	2011	22,993,111	16,829,950	-
	4	2012-2013	2012	22,993,111	6,875,520	1,943,310
	5	2013-2014	2013	22,993,111	8,959,800	1,674,670
Value limitation period	6	2014-2015	2014	22,993,111	8,900,000	2,050,000
	7	2015-2016	2015	22,993,111	8,900,000	2,050,000
	8	2016-2017	2016	22,993,111	8,900,000	2,050,000
	9	2017-2018	2017	22,993,111	8,900,000	2,050,000
	10	2018-2019	2018	22,993,111	8,900,000	-
Viable presence period	11	2019-2020	2019	22,993,111	8,900,000	8,900,000
	12	2020-2021	2020	22,993,111	8,900,000	8,900,000
	13	2021-2022	2021	22,993,111	8,900,000	8,900,000

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

Notes:

- 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.
- 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.
- 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 District Name Fort Stockton Independent School District Project Name Pikes Peak - Grey Ranch Form 50-773A
 Company Name Pinon Gathering Company, LLC 1st Yr. of Qualifying Time Period 2009 Revised May 2014

	Tax year (YYYY)	Qualifying Time Period									Limitation Period				Viable Presence Period			
		Year 1 (First Complete Tax Year)	Year 2 2010	Year 3 2011	Year 4 2012	Year 5 2013	Year 6 2014	Year 7 2015	Year 8 2016	Year 9 2017	Year 10 2018	Year 11 2019	Year 12 2020	Year 13 2021				
1	Number of qualifying jobs ¹ applicant committed to create on application (cumulative)	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
2	Number of qualifying jobs ¹ applicant actually created (cumulative)	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
3	Number of new jobs ² created (cumulative)	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
4	Median annual wages of new jobs applicant created	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
5	Total wages for new jobs applicant created	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0

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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