Weatherford®

June 12, 2013

O'HANLON, McCOLLOM & DEMERATH
Attorneys-at-law
808 West Ave.
Austin, Texas 78701
Attn. Ms. Amalia Hanley

VIA FEDERAL EXPRESS

Re: Chapter 313 Annual Eligibility Report Form
1040 Schlipf Rd., Katy, Texas

Dear Ms. Hanley:

Enclosed please find one (1) signed original Chapter 313 Annual Eligibility Report Form for the year 2013 for the property referenced above. Please let me know if I need to provide any further documentation at this time.

Should you have any questions, please give me a call at (713) 836-4224.

Sincerely,

Anita Drydale

Anita Drydale
Real Estate Coordinator
U.S. – Gulf Coast Region

Enclosures (1)

C: Jo-Lynne Busic
Jeff Stringer

Weatherford
2000 St. James Place
Houston, Texas 77056
USA

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Chapter 313 Annual Eligibility Report Form

Form 50-772
(May 2010)

2013
Tax Year covered in this report

Katy ISD
School district name

I&S Tax Rate

M&O Tax Rate

Weatherford Manufacturing Facility
Project Name

Weatherford Artificial Lift Systems, Inc.
Company Name

2000 St James Place Houston TX 77056
Company Address

Jo-Lynne Busic, Director Global Real Estate
Company Contact Information

NOTE: This form must be completed by an authorized representative of each approved applicant and each entity with property subject to the limitation agreement. It must be submitted to the school district by May 15th of every year using information from the previous tax (calendar) year. For limitation agreements where there are multiple company entities that receive a part of the limitation provided by the agreement: 1) each business entity not having a full interest in the agreement should complete a separate form for their proportionate share of required employment and investment information; and, 2) separately, the school district is required to complete an Annual Eligibility Report that provides for each question in this form a sum of the individual answers from reports submitted by each entity so that there is a cumulative Annual Eligibility Report reflecting the entire agreement.

17522042500
Texas Taxpayer ID of Applicant

Texas Taxpayer ID Reporting Entity (if appropriate)

August 15, 2012
Date of Agreement Approval

Weatherford Artificial Lift Systems, LLC
Original Applicant Name

2013
First complete tax year of the qualifying time period

2022
Last tax year of the qualifying time period

2015
First tax year of the limitation

$30 million
Amount of the limitation at the time of application approval

QUALIFIED PROPERTY INFORMATION

5,479,520
Market Value

I&S Taxable Value

M&O Taxable Value

Is the business entity in good standing with respect to Tax Code, Chapter 171?
(Attach printout from Comptroller Web site: http://www.window.state.tx.us/taxinfo/coasintr.html) ☑ Yes ☐ No

Is the business entity current on all taxes due to the State of Texas? ☑ Yes ☐ No

Is the business activity of the project an eligible business activity under Section 313.024(b)? ☑ Yes ☐ No

Please identify business activity: Manufacturing

What was the application review start date for your application (the date your application was determined to be complete)? 06-18-12
(This question must only be answered for projects with applications approved after June 1, 2010.)

How many new jobs were based on the qualified property in the year covered by this report? (See note on page 3.) 50

What is the number of new jobs required for a project in this school district according to 313.021(2)(A)(iv)(b), 313.051(b), as appropriate? 245

If the applicant requested a waiver of minimum jobs requirement, how many new jobs must the approved applicant create under the waiver? N/A

80 percent of New Jobs (0.80 x number of new jobs based on the qualified property in the year covered by this report.) 196

What is the minimum required annual wage for each qualifying job in the year covered by the report? 56,102

For agreements executed prior to June 19, 2009, please identify which of the two Tax Code sections is used to determine the wage standard required by the agreement: §313.021(5)(A) or §313.051(b). For agreements executed after June 19, 2009, please identify which of the four Tax Code sections is used to determine the wage standard required by the agreement: §313.021(5)(A), §313.021(5)(B), §313.021(3)(E)(ii), or §313.051(b). 313.05

Attach calculations and cite (or attach) `exact Texas Workforce Commission data sources. ..... See attached

How many qualifying jobs (employees of this entity and employees of a contractor with this entity) were based on the qualified property in the year covered by the report? 40

Of the qualifying job-holders last year, how many were employees of the approved applicant? 0

Of the qualifying job-holders last year, how many were employees of an entity contracting with the approved applicant? ..... N/A

If any qualifying job-holders were employees of an entity contracting with the applicant, does the approved applicant or assignee have documentation from the contractor supporting the conclusion that those jobs are qualifying jobs? ..... ☑ NA ☐ Yes ☐ No

THE FOLLOWING QUESTIONS APPLY ONLY TO APPROVED APPLICANTS WITH AGREEMENTS THAT REQUIRE THE APPROVED APPLICANT TO PROVIDE A SPECIFIED NUMBER OF JOBS AT A SPECIFIED WAGE.

How many qualifying jobs did the approved applicant commit to create in the year covered by the report? 50

At what annual wage? 61,186

How many qualifying jobs were created at the specified wage? 50

ENTITIES ARE NOT REQUIRED TO ANSWER THE FOLLOWING FIVE QUESTIONS IF THE YEAR COVERED BY THE REPORT IS AFTER THE QUALIFYING TIME PERIOD OF THEIR AGREEMENT.

What is the qualified investment expended by this entity from the beginning of the qualifying time period through the end of the year covered by this report? 45,250,000

Was any of the land classified as qualified investment? ..... ☐ Yes ☑ No

Was any of the qualified Investment leased under a capitalized lease? ..... ☐ Yes ☑ No

Was any of the qualified Investment leased under and operating lease? ..... ☐ Yes ☑ No

Was any property not owned by the applicant part of the qualified investment? ..... ☐ Yes ☑ No

THE FOLLOWING QUESTIONS MUST BE ANSWERED BY ENTITIES HAVING A PARTIAL INTEREST IN AN AGREEMENT.

What was your limitation amount (or portion of original limitation amount) during the year covered by this report? ..... N/A

Please describe your interest in the agreement and identify all the documents creating that interest.

NOTE: For job definitions see TAC §9.1051(14) and Tax Code, §313.021(3). If the agreement includes a definition of "new job" other than TAC §9.1051(14)(C), then please provide the definition "new job" as used in the agreement.

Notwithstanding any waiver by the district of the requirement for the creation of a minimum number of new jobs, or any other job commitment in the agreement, Tax Code 313.024(d) requires that 80 percent of all new jobs be qualifying jobs.

APPROVAL

"I am the authorized representative for the Company submitting this Annual Eligibility Report. I understand that this Report is a government record as defined in Chapter 37 of the Texas Penal Code. The information I am providing on this Report is true and correct to the best of my knowledge and belief."

Signature

Jo-Lynne Busic

Printed name of authorized company representative

Director, Global Real Estate & Construction

Title

6/12/13

Date

CONTACT INFORMATION FOR AUTHORIZED REPRESENTATIVE

2000 St. James Place, Houston, TX 77056

Address

713-836-4000

Phone

j.busic@weatherford.com

E-mail

2010 Manufacturing Wages by Council of Government Region
Wages for All Occupations

COG	Wages Hourly	Wages Annual
Texas		
1. Panhandle Regional Planning Commission	$18.60	$38,683
2. South Plains Association of Governments	$16.21	$33,717
3. NORTEX Regional Planning Commission	$18.34	$38,153
4. North Central Texas Council of Governments	$23.45	$48,777
5. Ark-Tex Council of Governments	$15.49	$32,224
6. East Texas Council of Governments	$17.63	$36,672
7. West Central Texas Council of Governments	$17.48	$36,352
8. Rio Grande Council of Governments	$15.71	$32,683
9. Permian Basin Regional Planning Commission	$19.90	$41,398
10. Concho Valley Council of Governments	$15.33	$31,891
11. Heart of Texas Council of Governments	$17.91	$37,257
12. Capital Area Council of Governments	$25.37	$52,778
13. Brazos Valley Council of Governments	$15.24	$31,705
14. Deep East Texas Council of Governments	$15.71	$32,682
15. South East Texas Regional Planning Commission	$27.56	$57,333
16. Houston-Galveston Area Council	$24.52	$51,002
17. Golden Crescent Regional Planning Commission	$20.07	$41,738
18. Alamo Area Council of Governments	$17.28	$35,952
19. South Texas Development Council	$13.27	$27,601
20. Coastal Bend Council of Governments	$21.55	$44,822
21. Lower Rio Grande Valley Development Council	$14.35	$29,846
22. Texoma Council of Governments	$18.10	$37,651
23. Central Texas Council of Governments	$17.21	$35,788
24. Middle Rio Grande Development Council	$13.21	$27,471

Source: Texas Occupational Employment and Wages
Data published: June 2011
Data published annually, next update will be June 2012.

Note: Data is not supported by the Bureau of Labor Statistics (BLS).
Wage data is produced from Texas OES data, and is not to be compared to BLS estimates.
Data intended for TAC 313 purposes only.

110% of $51,002 = $56,102

Franchise Tax Account Status

As of: 06/15/2013 09:19:57 AM

This Page is Not Sufficient for Filings with the Secretary of State

WEATHERFORD ARTIFICIAL LIFT SYSTEMS, LLC	
Texas Taxpayer Number	17522042500
Mailing Address	2000 SAINT JAMES PL FL 3 ATTN: SALES TAX DEPT HOUSTON, TX 77056-4123
Right to Transact Business in Texas	ACTIVE
State of Formation	DE
Effective SOS Registration Date	10/05/1992
Texas SOS File Number	0009297006
Registered Agent Name	C T CORPORATION SYSTEM
Registered Office Street Address	350 N. ST. PAUL ST. STE. 2900 DALLAS, TX 75201