



KE Andrews
1900 Dalrock Road
Rowlett, Texas 75088

October 2, 2018

Jose Cervantes, Superintendent
cc. Texas Comptroller of Public Accounts
1301 South Eddy Street
Pecos, Texas 79772

Re: Application for Texas Property Tax Code Section 313 Value Limitation Agreement

Dear Superintendent Cervantes:

Please find attached an application for a Section 313 Value Limitation Agreement. On behalf of our client, ETC Texas Pipeline, LTD, and in accordance with the guidelines and principles outlined in Section 313 of the Texas Property Tax Code, it is our request that Pecos-Barstow-Toyah Independent School District consider the approval of a Section 313 Value Limitation Agreement. The approval of this agreement would undoubtedly prove beneficial to the economic development of Reeves County, as well as the viability of Arrowhead III to be located within the state of Texas.

Arrowhead III is a gas processing plant expected to have a total capacity of 200 mmsef/day (million standard cubic feet). Construction is anticipated to commence in March 2019. During February 2019, the hiring of new employees as well as the purchase of equipment and machinery will also begin. Construction is projected to be complete by December 2019, when the plant will also be fully operational.

ETC Texas Pipeline, LTD is a leading midstream energy company whose primary activities include gathering, treating, processing, and transporting natural gas and natural gas liquids to a variety of markets and states. Energy Transfer currently operates over 17,500 miles of pipeline, 8 gas processing plants, 17 gas treating facilities and 10 gas conditioning plants. Locations for these operations include Arizona, New Mexico, Utah, Colorado, Kansas, Oklahoma, Texas, Arkansas, and Louisiana.

If you have any questions, please feel free to contact me at 469-298-1594 or mike@keatax.com. We look forward to working with you.

Sincerely,

Mike Fry
469-298-1618



ETC Texas Pipeline, LTD (Arrowhead III)

Chapter 313 Application for Appraised Value Limitation to Pecos-Barstow-Toyah Independent School District

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	Maps that clearly show: a) Project vicinity 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 c) Qualified property including location of new buildings or new improvements d) Existing property e) Land location within vicinity map f) Reinvestment or Enterprise Zone within vicinity map, showing the actual or proposed boundaries and size Note: Electronic maps should be high resolution files. Include map legends/markers.
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	Description of Reinvestment or Enterprise Zone, including: a) evidence that the area qualifies as a enterprise zone as defined by the Governor's Office b) legal description of reinvestment zone* c) order, resolution or ordinance establishing the reinvestment zone* d) guidelines and criteria for creating the zone*
17	Signature and Certification page, signed and dated by Authorized School District Representative and Authorized Company Representative <i>(applicant)</i>



Tab 1

Pages 1-9 of the application

Application for Appraised Value Limitation on Qualified Property

(Tax Code, Chapter 313, Subchapter B or C)

INSTRUCTIONS: This application must be completed and filed with the school district. In order for an application to be processed, the governing body (school board) must elect to consider an application, but — by Comptroller rule — the school board may elect to consider the application only after the school district has received a completed application. Texas Tax Code, Section 313.025 requires that any completed application and any supplemental materials received by the school district must be forwarded within seven days to the Comptroller of Public Accounts.

If the school board elects to consider the application, the school district must:

- notify the Comptroller that the school board has elected to consider the application. This notice must include:
 - the date on which the school district received the application;
 - the date the school district determined that the application was complete;
 - the date the school board decided to consider the application; and
 - a request that the Comptroller prepare an economic impact analysis of the application;
- provide a copy of the notice to the appraisal district;
- must complete the sections of the application reserved for the school district and provide information required in the Comptroller rules located at 34 Texas Administrative Code (TAC) Section 9.1054; and
- forward the original hard copy of the completed application to the Comptroller in a three-ring binder with tabs, as indicated on page 9 of this application, separating each section of the documents, in addition to an electronic copy on CD. See 34 TAC Chapter 9, Subchapter F.

The governing body may, at its discretion, allow the applicant to supplement or amend the application after the filing date, subject to the restrictions in 34 TAC Chapter 9, Subchapter F.

When the Comptroller receives the notice and required information from the school district, the Comptroller will publish all submitted application materials on its website. The Comptroller is authorized to treat some application information as confidential and withhold it from publication on the Internet. To do so, however, the information must be segregated and comply with the other requirements set out in the Comptroller rules. For more information, see guidelines on Comptroller's website.

The Comptroller will independently determine whether the application has been completed according to the Comptroller's rules (34 TAC Chapter 9, Subchapter F). If the Comptroller finds the application is not complete, the Comptroller will request additional materials from the school district. Pursuant to 9.1053(a)(1)(C), requested information shall be provided within 20 days of the date of the request. When the Comptroller determines that the application is complete, it will send the school district a notice indicating so. The Comptroller will determine the eligibility of the project, issue a certificate for a limitation on appraised value to the school board regarding the application and prepare an economic impact evaluation by the 90th day after the Comptroller receives a complete application—as determined by the Comptroller.

The school board must approve or disapprove the application not later than the 150th day after the application review start date (the date the application is finally determined to be complete), unless an extension is granted. The Comptroller and school district are authorized to request additional information from the applicant that is reasonably necessary to issue a certificate, complete the economic impact evaluation or consider the application at any time during the application review period.

Please visit the Comptroller's website to find out more about the program at comptroller.texas.gov/economy/local/ch313/. There are links to the Chapter 313 statute, rules, guidelines and forms. Information about minimum limitation values for particular districts and wage standards may also be found at that site.

SECTION 1: School District Information

1. Authorized School District Representative

October 18, 2018

Date Application Received by District

Jose

First Name

Cervantes

Last Name

Superintendent

Title

Pecos-Barstow-Toyah ISD

School District Name

1301 South Eddy Street, Pecos, Texas 79772

Street Address

1302 South Eddy Street, Pecos, Texas 79772

Mailing Address

Pecos

City

432-447-7201

Phone Number

TX

State

432-447-7262

Fax Number

jcervantes@pbtisd.esc18.net

Email Address

79772

ZIP

Mobile Number (optional)

2. Does the district authorize the consultant to provide and obtain information related to this application?

☒ Yes☐ No

SECTION 1: School District Information *(continued)*3. Authorized School District Consultant *(If Applicable)*

Kevin	O'Hanlon
First Name	Last Name
Partner	
Title	
O'Hanlon, Demerath, & Castillo	
Firm Name	
512-494-9949	512-494-9919
Phone Number	Fax Number
	kohanlon@808west.com
	Email Address
Mobile Number <i>(optional)</i>	

4. On what date did the district determine this application complete? October 30, 2018
5. Has the district determined that the electronic copy and hard copy are identical? ☒ Yes ☐ No

SECTION 2: Applicant Information

1. Authorized Company Representative *(Applicant)*

Megan	McKavanagh
First Name	Last Name
Assistant Controller	Energy Transfer Partners, L.P.
Title	Organization
800 E Sonterra Blvd., Suite 400 San Antonio, TX 78258-3941	
Street Address	
800 E Sonterra Blvd., Suite 400	
Mailing Address	
San Antonio	TX 78258-3941
City	State ZIP
210-572-0457	210-403-6664
Phone Number	Fax Number
	megan.mckavanagh@energytransfer.com
Mobile Number <i>(optional)</i>	Business Email Address

2. Will a company official other than the authorized company representative be responsible for responding to future information requests? ☐ Yes ☒ No
- 2a. If yes, please fill out contact information for that person.

First Name	Last Name
Title	Organization
Street Address	
Mailing Address	
City	State ZIP
Phone Number	Fax Number
Mobile Number <i>(optional)</i>	Business Email Address

3. Does the applicant authorize the consultant to provide and obtain information related to this application? ☒ Yes ☐ No

SECTION 2: Applicant Information (continued)

4. Authorized Company Consultant (If Applicable)

Mike	Fry
First Name	Last Name
Director (Energy Services)	
Title	
KE Andrews 1900 Dalrock Road; Rowlett, TX 75088	
Firm Name	
469-298-1594	469-298-1619
Phone Number	Fax Number
mike@keatax.com	
Business Email Address	

SECTION 3: Fees and Payments

1. Has an application fee been paid to the school district? ☒ Yes ☐ No
- The total fee shall be paid at time of the application is submitted to the school district. Any fees not accompanying the original application shall be considered supplemental payments.
- 1a. If yes, attach in **Tab 2** proof of application fee paid to the school district.
- For the purpose of questions 2 and 3, "payments to the school district" include any and all payments or transfers of things of value made to the school district or to any person or persons in any form if such payment or transfer of thing of value being provided is in recognition of, anticipation of, or consideration for the agreement for limitation on appraised value.
2. Will any "payments to the school district" that you may make in order to receive a property tax value limitation agreement result in payments that are not in compliance with Tax Code §313.027(i)? ☐ Yes ☒ No ☐ N/A
3. If "payments to the school district" will only be determined by a formula or methodology without a specific amount being specified, could such method result in "payments to the school district" that are not in compliance with Tax Code §313.027(i)? ☐ Yes ☒ No ☐ N/A

SECTION 4: Business Applicant Information

1. What is the legal name of the applicant under which this application is made? ETC Texas Pipeline, LTD
2. List the Texas Taxpayer I.D. number of entity subject to Tax Code, Chapter 171 (11 digits) 10505324664
3. List the NAICS code 325110
4. Is the applicant a party to any other pending or active Chapter 313 agreements? ☒ Yes ☐ No
- 4a. If yes, please list application number, name of school district and year of agreement
- #1240 Pecos-Barstow-Toyah (2019); #1080 Rankin (2016); #1044 Crockett (2016); #225 Ganado (2013)
- #379 Glasscock (2015); #1032 Glasscock (2015); #234 Kenedy (2013); #1160 Pecos-Barstow-Toyah (2018)

SECTION 5: Applicant Business Structure

1. Identify Business Organization of Applicant (corporation, limited liability corporation, etc) Texas Limited Partnership
2. Is applicant a combined group, or comprised of members of a combined group, as defined by Tax Code §171.0001(7)? ☒ Yes ☐ No
- 2a. If yes, attach in **Tab 3** a copy of Texas Comptroller Franchise Tax Form No. 05-165, No. 05-166, or any other documentation from the Franchise Tax Division to demonstrate the applicant's combined group membership and contact information.
3. Is the applicant current on all tax payments due to the State of Texas? ☒ Yes ☐ No
4. Are all applicant members of the combined group current on all tax payments due to the State of Texas? ☒ Yes ☐ No ☐ N/A
5. If the answer to question 3 or 4 is no, please explain and/or disclose any history of default, delinquencies and/or any material litigation, including litigation involving the State of Texas. (If necessary, attach explanation in **Tab 3**)

SECTION 6: Eligibility Under Tax Code Chapter 313.024

1. Are you an entity subject to the tax under Tax Code, Chapter 171? ☒ Yes ☐ No
2. The property will be used for one of the following activities:
 - (1) manufacturing ☒ Yes ☐ No
 - (2) research and development ☐ Yes ☒ No
 - (3) a clean coal project, as defined by Section 5.001, Water Code ☐ Yes ☒ No
 - (4) an advanced clean energy project, as defined by Section 382.003, Health and Safety Code ☐ Yes ☒ No
 - (5) renewable energy electric generation ☐ Yes ☒ No
 - (6) electric power generation using integrated gasification combined cycle technology ☐ Yes ☒ No
 - (7) nuclear electric power generation ☐ Yes ☒ No
 - (8) a computer center that is used as an integral part or as a necessary auxiliary part for the activity conducted by applicant in one or more activities described by Subdivisions (1) through (7) ☐ Yes ☒ No
 - (9) a Texas Priority Project, as defined by 313.024(e)(7) and TAC 9.1051 ☐ Yes ☒ No
3. Are you requesting that any of the land be classified as qualified investment? ☐ Yes ☒ No
4. Will any of the proposed qualified investment be leased under a capitalized lease? ☐ Yes ☒ No
5. Will any of the proposed qualified investment be leased under an operating lease? ☐ Yes ☒ No
6. Are you including property that is owned by a person other than the applicant? ☐ Yes ☒ No
7. Will any property be pooled or proposed to be pooled with property owned by the applicant in determining the amount of your qualified investment? ☐ Yes ☒ No

SECTION 7: Project Description

1. In **Tab 4**, attach a detailed description of the scope of the proposed project, including, at a minimum, the type and planned use of real and tangible personal property, the nature of the business, a timeline for property construction or installation, and any other relevant information.
2. Check the project characteristics that apply to the proposed project:

☒ Land has no existing improvements	☐ Land has existing improvements (<i>complete Section 13</i>)
☐ Expansion of existing operation on the land (<i>complete Section 13</i>)	☐ Relocation within Texas

SECTION 8: Limitation as Determining Factor

1. Does the applicant currently own the land on which the proposed project will occur? ☒ Yes ☐ No
2. Has the applicant entered into any agreements, contracts or letters of intent related to the proposed project? ☐ Yes ☒ No
3. Does the applicant have current business activities at the location where the proposed project will occur? ☐ Yes ☒ No
4. Has the applicant made public statements in SEC filings or other documents regarding its intentions regarding the proposed project location? ☐ Yes ☒ No
5. Has the applicant received any local or state permits for activities on the proposed project site? ☐ Yes ☒ No
6. Has the applicant received commitments for state or local incentives for activities at the proposed project site? ☐ Yes ☒ No
7. Is the applicant evaluating other locations not in Texas for the proposed project? ☒ Yes ☐ No
8. Has the applicant provided capital investment or return on investment information for the proposed project in comparison with other alternative investment opportunities? ☐ Yes ☒ No
9. Has the applicant provided information related to the applicant's inputs, transportation and markets for the proposed project? ☒ Yes ☐ No
10. Are you submitting information to assist in the determination as to whether the limitation on appraised value is a determining factor in the applicant's decision to invest capital and construct the project in Texas? ☒ Yes ☐ No

Chapter 313.026(e) states "the applicant may submit information to the Comptroller that would provide a basis for an affirmative determination under Subsection (c)(2)." If you answered "yes" to any of the questions in Section 8, attach supporting information in Tab 5.

SECTION 9: Projected Timeline

1. Application approval by school board TBD
2. Commencement of construction March 2019
3. Beginning of qualifying time period January 2, 2019
4. First year of limitation January 2020
5. Begin hiring new employees February 2019
6. Commencement of commercial operations December 2019
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? December 2019

SECTION 10: The Property

1. Identify county or counties in which the proposed project will be located Reeves County
2. Identify Central Appraisal District (CAD) that will be responsible for appraising the property Reeves County CAD
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: Reeves County, .49952 (100%) N/A
(Name, tax rate and percent of project)
 Hospital District: Reeves Cty. Hosp., .24(100%) Reeves County WCID #2 .1193459 (100%)
(Name, tax rate and percent of project)
 Other (describe): N/A N/A
(Name, tax rate and percent of project)
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 comptroller.texas.gov/economy/local/ch313/.

1. At the time of application, what is the estimated minimum qualified investment required for this school district? 30,000,000.00
2. What is the amount of appraised value limitation for which you are applying? 30,000,000.00
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

SECTION 12: Qualified Property

1. Attach a detailed description of the qualified property. [See §313.021(2)] (If qualified investment describes qualified property exactly, you may skip items a, b and c below.) The description must include:
- a specific and detailed description of the qualified property for which you are requesting an appraised value limitation as defined by Tax Code §313.021 (**Tab 8**);
 - a description of any new buildings, proposed new improvements or personal property which you intend to include as part of your qualified property (**Tab 8**); and
 - a map of the qualified property showing location of new buildings or new improvements with vicinity map (**Tab 11**).
2. Is the land upon which the new buildings or new improvements will be built part of the qualified property described by §313.021(2)(A)? ☐ Yes ☒ No
- 2a. If yes, attach complete documentation including:
- legal description of the land (**Tab 9**);
 - each existing appraisal parcel number of the land on which the new improvements will be constructed, regardless of whether or not all of the land described in the current parcel will become qualified property (**Tab 9**);
 - owner (**Tab 9**);
 - the current taxable value of the land. Attach estimate if land is part of larger parcel (**Tab 9**); and
 - a detailed map showing the location of the land with vicinity map (**Tab 11**).
3. Is the land on which you propose new construction or new improvements currently located in an area designated as a reinvestment zone under Tax Code Chapter 311 or 312 or as an enterprise zone under Government Code Chapter 2303? ☒ Yes ☐ No
- 3a. If yes, attach the applicable supporting documentation:
- evidence that the area qualifies as a enterprise zone as defined by the Governor's Office (**Tab 16**);
 - legal description of reinvestment zone (**Tab 16**);
 - order, resolution or ordinance establishing the reinvestment zone (**Tab 16**);
 - guidelines and criteria for creating the zone (**Tab 16**); and
 - a map of the reinvestment zone or enterprise zone boundaries with vicinity map (**Tab 11**).
- 3b. If no, submit detailed description of proposed reinvestment zone or enterprise zone with a map indicating the boundaries of the zone on which you propose new construction or new improvements to the Comptroller's office within 30 days of the application date. What is the anticipated date on which you will submit final proof of a reinvestment zone or enterprise zone? NA

SECTION 13: Information on Property Not Eligible to Become Qualified Property

1. In **Tab 10**, attach a specific and detailed description of all **existing property**. This includes buildings and improvements existing as of the application review start date (the date the application is determined to be complete by the Comptroller). The description must provide sufficient detail to locate all existing property on the land that will be subject to the agreement and distinguish existing property from future proposed property.
2. In **Tab 10**, attach a specific and detailed description of all **proposed new property that will not become new improvements** as defined by TAC 9.1051. This includes proposed property that: functionally replaces existing or demolished/removed property; is used to maintain, refurbish, renovate, modify or upgrade existing property; or is affixed to existing property; or is otherwise ineligible to become qualified property. The description must provide sufficient detail to distinguish existing property (question 1) and all proposed new property that cannot become qualified property from proposed qualified property that will be subject to the agreement (as described in Section 12 of this application).
3. For the property not eligible to become qualified property listed in response to questions 1 and 2 of this section, provide the following supporting information in **Tab 10**:
- maps and/or detailed site plan;
 - surveys;
 - appraisal district values and parcel numbers;
 - inventory lists;
 - existing and proposed property lists;
 - model and serial numbers of existing property; or
 - other information of sufficient detail and description.
4. Total estimated market value of existing property (that property described in response to question 1): \$ 0.00
5. In **Tab 10**, include an appraisal value by the CAD of all the buildings and improvements existing as of a date within 15 days of the date the application is received by the school district.
6. Total estimated market value of proposed property not eligible to become qualified property
(that property described in response to question 2): \$ 0.00

Note: Investment for the property listed in question 2 may count towards qualified investment in Column C of Schedules A-1 and A-2, if it meets the requirements of 313.021(1). Such property cannot become qualified property on Schedule B.



Tab 2

Proof of Payment Application Fee

Proof of payment of filing fee received by the
Comptroller of Public Accounts per TAC Rule
§9.1054 (b)(5)

*(Page Inserted by Office of Texas Comptroller of
Public Accounts)*



Tab 3

Documentation of Combined Group Membership

***Attached*

**Documentation of combined
group received by the
Texas Comptroller
of Public Accounts**



Tab 4

Detailed Description of the Project

Attach a detailed description of the scope of the proposed project, including, at a minimum, the type and planned use of real and tangible personal property, the nature of the business, a timeline for property construction or installation, and any other relevant information.

In compliance with the criteria and guidelines set forth in Title 3, Chapter 313 of the Texas Property Tax Code, ETC Texas Pipeline, LTD requests an appraised value limitation from Pecos-Barstow-Toyah Independent School District for Arrowhead III. ETC Texas Pipeline, LTD is proposing to construct Arrowhead III, a gas processing facility in Reeves County, Texas. The facility will be located in the eastern portion of the county. Additionally, the entirety of the project will be within Pecos-Barstow-Toyah Independent School District. Please find attached in Tab 11 maps that further define the location of the facility.

The facility itself is expected to have a total capacity of 200 mmscf/day (million standard cubic feet). Construction is anticipated to commence in March 2019. During February 2019, the hiring of new employees as well as the purchase of equipment and machinery will also begin. Construction is projected to be complete by December 2019, when the plant will also be fully operational.

ETC Texas Pipeline, LTD requests that this application includes but is not limited to the following components of this project:

- | | |
|---|---|
| • Maintenance & Operations Buildings | • Foundations |
| • Inlet Separator | • Amine Unit |
| • Boilers | • Heat Exchangers |
| • Natural Gas/Air/H ₂ O Piping | • Control Valves |
| • Dehydration Units | • Knock Out Drums |
| • Slug Catcher | • Compressors |
| • Vessels | • Heat Exchanger |
| • Liners & Containment | • Flare Stack, Scrubber, Leak Detection |
| • SCADA (monitoring software) plus Controls | |

ETC Texas Pipeline, LTD is a leading midstream energy company whose primary activities include gathering, treating, processing, and transporting natural gas and natural gas liquids to a variety of markets and states. Energy Transfer currently operates over 17,500 miles of pipeline, 8 gas processing plants, 17 gas treating facilities and 10 gas conditioning plants. Locations for these operations include Arizona, New Mexico, Utah, Colorado, Kansas, Oklahoma, Texas, Arkansas, and Louisiana.



Summary of Production Process

The initial stages of production will begin with raw natural gas produced at the well-head from various sources throughout the Permian Basin. This raw natural gas is then transported through gathering systems where it is either further process into natural gas or natural gas liquids. Upon processing, the products are delivered to the market through newly constructed pipelines.

Throughout this process there are a variety of components used including the following:

- Inlet Slug Catcher
- Inlet Separation and Filtration
- Amine Treating for CO₂ Removal
- TEG Dehydration for H₂O Removal
- Thermal Oxidizers
- Molecular Sieve Dehydration
- GSP Cryogenic Gas Plants
- Residue Recompression Units
- Heat Medium Systems
- Flare System
- Water Systems (supply, drain, waste)
- Utilities

Natural gas, as it is used by consumers, is much different from the natural gas that is brought from underground up to the wellhead. Although the processing of natural gas is in many respects less complicated than the processing and refining of crude oil, it is equally necessary before its used by end users.

Natural gas is composed almost entirely of methane. However, natural gas found at the wellhead, although still composed primarily of methane is by no means as pure. Raw natural gas comes from three types of wells: oil wells, gas wells, and condensate wells. Natural gas that comes from oil wells is typically termed 'associated gas.' This gas can exist separate from oil in the formation (free gas), or dissolved in the crude oil (dissolved gas). Natural gas from gas and condensate wells, in which there is little or no crude oil, is termed 'non-associated gas.' Gas wells typically produce raw natural gas by itself, while condensate wells produce free natural gas along with a semi-liquid hydrocarbon condensate. Whatever the source of the natural gas, once separated from crude oil (if present) it commonly exists in mixtures with other hydrocarbons; principally ethane, propane, butane, and pentanes. In addition, raw natural gas contains water vapor, hydrogen sulfide, carbon dioxide, helium, nitrogen, and other compounds.

Natural gas processing consists of separating all the various hydrocarbons and fluids from the pure natural gas, the produce what is known as 'pipeline quality' dry natural gas. Major transportation pipelines usually impose restrictions on the make-up of the natural gas that is allowed into the pipeline. That means that before the natural gas can be transported it must be purified. While the ethane, propane, butane, and pentanes must be removed from natural gas, this does not mean they are all 'waste products.'



In fact, associated hydrocarbons, known as 'natural gas liquids' (NGLs) can be very valuable by products of natural gas processing. NGLs include ethane, propane, butane, iso-butane, and natural gasoline. These NGLs are sold separately and have a variety of different uses; including enhancing oil recovery in oil wells, providing raw materials for oil refineries or petrochemical plants, and as sources of energy.

While some of the needed processing can be accomplished at or near the wellhead (field processing), the complete processing of natural gas takes place at a processing plant, usually located in a natural gas producing region. The extracted natural gas is transported to these processing plants through a network of gathering pipelines, which are small diameter, low pressure pipes. A complex gathering system can consist of thousands of miles of pipes, interconnecting the processing plant to upwards of 100 wells in the area. According to the American Gas Association's Gas Facts 2000, there was an estimated 36,100 miles of gathering system pipeline in the U.S. in 1999.

The actual practice of processing natural gas to pipeline dry gas quality levels can be quite complex, but usually involves four main processes to remove the various impurities:

- Oil and Condensate Removal
- Water Removal
- Separation of Natural Gas Liquids
- Sulfur and Carbon Dioxide Removal

Oil and Condensate Removal

The actual process used to separate oil from natural gas, as well as the equipment that is used, can vary widely. Although dry pipeline quality natural gas is virtually identical across different geographic areas, raw natural gas from different regions may have different compositions and separation requirements. In many instances, natural gas is dissolved in oil underground primarily due to the pressure that the formation is under. When this natural gas and oil is produced, it is possible that it will separate on its own, simply due to decreased pressure. In these cases, separation of oil and gas is relatively easy, and the two hydrocarbons are sent separate ways for further processing. The most basic type of separator is known as a conventional separator. It consists of a simple closed tank, where the force of gravity serves to separate the heavier liquids like oil, and the lighter gases, like natural gas.

Water Removal

In addition to separating oil and some condensate from the wet gas stream, it is necessary to remove most of the associated water. Most of the liquid, free water associated with extracted natural gas is removed by simple separation methods at or near the wellhead. However, the removal of the water vapor that exists in solution in natural gas requires a more complex



treatment. This treatment consists of 'dehydrating' the natural gas, which usually involves one of two processes: either absorption or adsorption.

Absorption occurs when the water vapor is taken out by a dehydrating agent.

Adsorption occurs when the water vapor is condensed and collected on the surface.

Glycol Dehydration

An example of absorption dehydration is known as Glycol Dehydration. In this process, a liquid desiccant dehydrator serves to absorb water vapor from the gas stream. Glycol, the principal agent in this process, has a chemical affinity for water. This means that, when in contact with a stream of natural gas that contains water, glycol will serve to 'steal' the water out of the gas stream. Essentially, glycol dehydration involves using a glycol solution, usually either diethylene glycol (DEG) or triethylene glycol (TEG), which is brought into contact with the wet gas stream in what is called the 'contactor'. The glycol solution will absorb water from the wet gas. Once absorbed, the glycol particles become heavier and sink to the bottom of the contactor where they are removed. The natural gas, having been stripped of most of its water content, is then transported out of the dehydrator. The glycol solution, bearing all of the water stripped from the natural gas, is put through a specialized boiler designed to vaporize only the water out of the solution. While water has a boiling point of 212 degrees Fahrenheit, glycol does not boil until 400 degrees Fahrenheit. This boiling point differential makes it relatively easy to remove water from the glycol solution, allowing it to be reused in the dehydration process. An innovation in this process has been the addition of flash tank separator condensers. As well as absorbing water from the wet gas stream, the glycol solution occasionally carries with it small amounts of methane and other compounds found in the wet gas. In the past, this methane was simply vented out of the boiler. In addition to losing a portion of the natural gas that was extracted, this venting contributes to air pollution and the greenhouse effect. To decrease the amount of methane and other compounds that are lost, flash tank separator-condensers work to remove these compounds before the glycol solution reaches the boiler. Essentially, a flash tank separator consists of a device that reduces the pressure of the glycol solution stream, allowing the methane and other hydrocarbons to vaporize ('flash'). The glycol solution then travels to the boiler, which may also be fitted with air or water-cooled condensers, which serve to capture any remaining organic compounds that may remain in the glycol solution. In practice, according to the Department of Energy's Office of Fossil Energy, these systems have been shown to recover 90 to 99 percent of methane that would otherwise be flared into the atmosphere.

Solid-Desiccant Dehydration

Solid-desiccant dehydration is the primary form of dehydrating natural gas using adsorption, and usually consists of two or more adsorption towers, which are filled



with a solid desiccant. Typical desiccants include activated alumina or a granular silica gel material. Wet natural gas is passed through these towers, from top to bottom. As the wet gas passes around the particles of desiccant material, water is retained on the surface of these desiccant particles. Passing through the entire desiccant bed, almost all of the water is adsorbed onto the desiccant material, leaving the dry gas to exit the bottom of the tower.

Separation of Natural Gas Liquids

Natural gas coming directly from a well contains many natural gas liquids that are commonly removed. In most instances, natural gas liquids (NGLs) have higher value as separate products, and it is thus economical to remove them from the gas stream. The removal of natural gas liquids usually takes place in a relatively centralized processing plant, and uses techniques like those used to dehydrate natural gas.

The Cryogenic Expansion Process

Cryogenic processes are used to extract NGLs from natural gas. Lighter hydrocarbons, such as ethane, are often more difficult to recover from the natural gas stream. In certain instances, it is economic to simply leave the lighter NGLs in the natural gas stream. However, if it is economic to extract ethane and other lighter hydrocarbons, cryogenic processes are required for high recovery rates. Essentially, cryogenic processes consist of dropping the temperature of the gas stream to around -120 degrees Fahrenheit.

There are many ways of chilling the gas to these temperatures, but one of the most effective is known as the turbo expander process. In this process, external refrigerants are used to cool the natural gas stream. Then, an expansion turbine is used to rapidly expand the chilled gases, which causes the temperature to drop significantly. This rapid temperature drop condenses ethane and other hydrocarbons in the gas stream, while maintaining methane in gaseous form. This process allows for the recovery of about 90 to 95 percent of the ethane originally in the gas stream. In addition, the expansion turbine can convert some of the energy released when the natural gas stream is expanded into recompressing the gaseous methane effluent, thus saving energy costs associated with extracting ethane. The extraction of NGLs from the natural gas stream produces both cleaner, purer natural gas, as well as the valuable hydrocarbons that are the NGLs themselves.

Sulfur and Carbon Dioxide Removal

In addition to water, oil, and NGL removal, one of the most important parts of gas processing involves the removal of sulfur and carbon dioxide. Natural gas from some wells contains significant amounts of sulfur and carbon dioxide. This natural gas, because of the rotten smell provided by its sulfur content, is commonly called 'sour gas'. Sour gas is undesirable because the sulfur compounds it contains can be extremely harmful, even lethal, to breathe. Sour gas can also be extremely

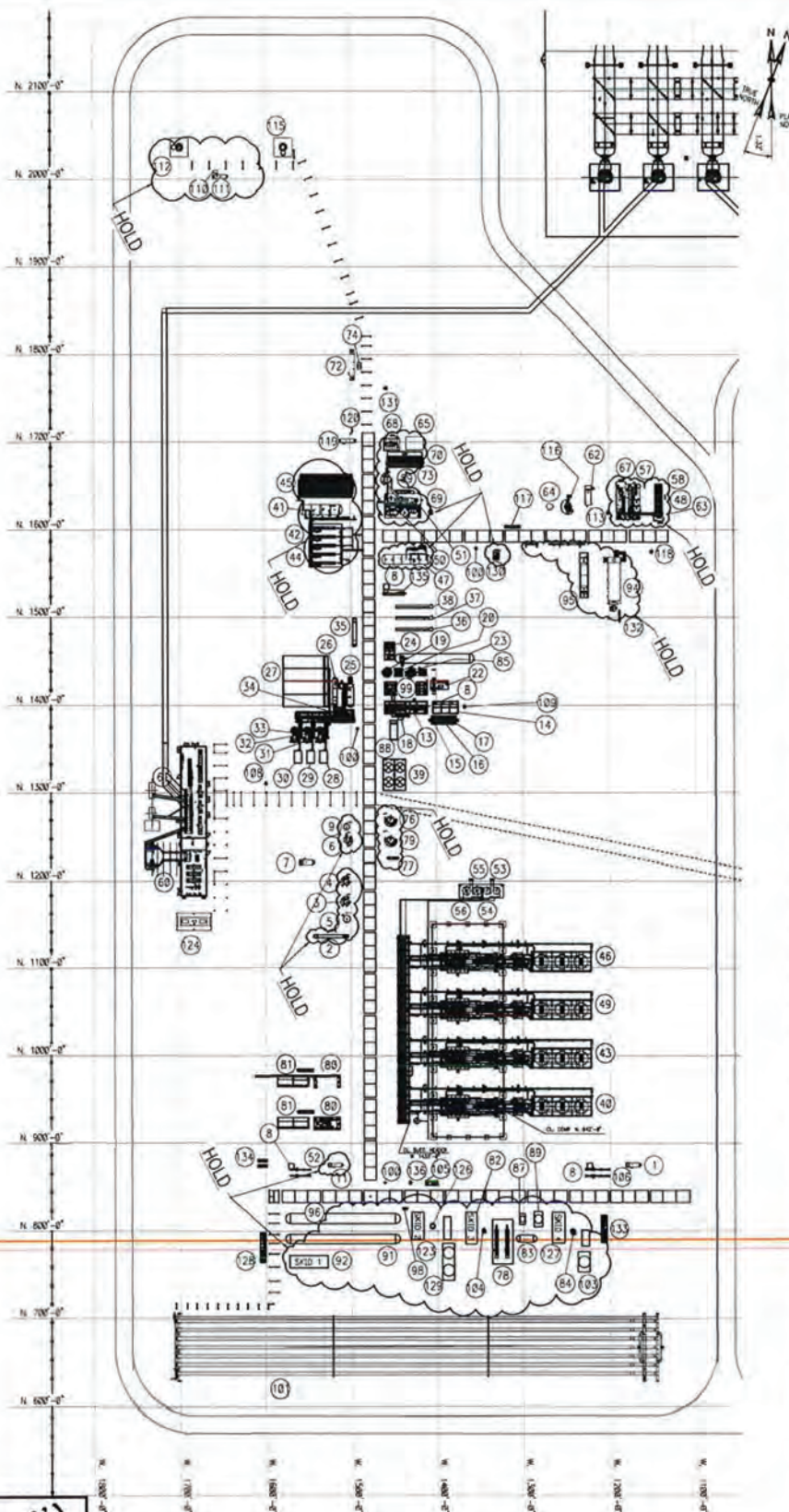


corrosive. In addition, the sulfur that exists in the natural gas stream can be extracted and marketed on its own. In fact, according to the USGS, U.S. sulfur production from gas processing plants accounts for about 15 percent of the total U.S. production of sulfur.

Sulfur exists in natural gas as hydrogen sulfide (H_2S), and the gas is usually considered sour if the hydrogen sulfide content exceeds 5.7 milligrams of H_2S per cubic meter of natural gas. The process for removing hydrogen sulfide from sour gas is commonly referred to as 'sweetening' the gas.

The primary process for sweetening sour natural gas is quite like the processes of glycol dehydration in this case, however, amine solutions are used to remove the hydrogen sulfide. This process is known simply as the 'amine process', or alternatively as the Girdler process, and is used in 95 percent of U.S. gas sweetening operations. The sour gas is run through a tower, which contains the amine solution. This solution has an affinity for sulfur, and absorbs it much like glycol absorbing water. There are two principle amine solutions used, monoethanolamine (MEA) and diethanolamine (DEA). Either of these compounds, in liquid form, will absorb sulfur compounds from natural gas as it passes through. The effluent gas is virtually free of sulfur compounds, and thus loses its sour gas status. Like the process for NGL extraction and glycol dehydration, the amine solution used can be regenerated (that is, the absorbed sulfur is removed), allowing it to be reused to treat more sour gas.

Gas processing is an instrumental piece of the natural gas value chain. It is instrumental in ensuring that the natural gas intended for use is as clean and pure as possible, making it the clean burning and environmentally sound energy choice. Once the natural gas has been fully processed, and is ready to be consumed, it must be transported from those areas that produce natural gas, to those areas that require it.



TAG NUMBER	DESCRIPTION
1-101-2	INLET FILTER COALESCE SEPARATOR
C-1330-2	INLET GAS/GAS EXCHANGER
T-1103-2	INLET GAS AMINE CONTACTOR
T-1104-2	INLET GAS AMINE CONTACTOR
V-1106-2	AMINE AFTER SCRUBBER
T-1400-2	GLYCOL CONTACTOR
T-2422-2	GLYCOL CONTACTOR INLET FILTER SEPARATOR
V-1401-2	GLYCOL AFTERSCRUBBER
F-2210-2	RESIDUE GAS FILTER/COALESCE
-	UPPER LEVEL INLET SKID #6
-	DENY SWITCHING VALVE SKID #2
V-442-2	MOL SIEVE DEHIDRATOR
V-443-2	MOL SIEVE DEHIDRATOR
V-444-2	MOL SIEVE DEHIDRATOR
-	INLET FILTER SKID #1
V-402-2	COLD SEPARATOR
E-201-2	WARM GAS/GAS EXCHANGER
EC-101-2	EXPANDER/COMPRESSOR
V-404-2	PRODUCT SURGE TANK
-	PRODUCT PUMP SKID #5
E-203-2	CHILLER
V-403-2	REFRIGERANT ACCUMULATOR
A-361-2	REFRIGERANT CONDENSER
A-161-2	LUBE OIL COOLER
A-162-2	LUBE OIL COOLER
A-163-2	LUBE OIL COOLER
C-161-2	REFRIGERANT COMPRESSOR
C-162-2	REFRIGERANT COMPRESSOR
C-163-2	REFRIGERANT COMPRESSOR
-	REFRIGERATION SKID #7
V-403-2	COLD DRAIN TANK
P-1505A-2	NGL PIPELINE PUMP
P-1505B-2	NGL PIPELINE PUMP
P-1505C-2	NGL PIPELINE PUMP
A-301-2	EXPANDER COMPRESSOR AFTERCOOLER
CR-201-2	RESIDUE GAS COMPRESSOR
V-1119-2	AMINE SURGE TANK
P-1105A/B/C-2	AMINE SOLUTION PUMPS (GAS)
CR-202-2	RESIDUE GAS COMPRESSOR
P-1504A/B-2	AMINE SOLUTION PUMPS (NGL)
AC-1111A/B-2	AMINE SOLUTION COOLERS
CR-204-2	RESIDUE GAS COMPRESSOR
V-1109-2	AMINE FLASH TANK
AC-1415-2	BIEN CONDENSER
CR-203-2	RESIDUE GAS COMPRESSOR
-	AMINE FILTER SKID #1
-	AMINE LEAN/RIICH EXCHANGER SKID #2
FE-2210A/B-2	RESIDUE GAS METER
TK-3003-2	LUBE OIL TANK
TK-3002-2	WASTE LUBE OIL TANK
TK-3000-2	COOLANT STORAGE TANK
TK-3001-2	WASTE COOLANT STORAGE TANK
-	GLYCOL REGEN SKID #48
AC-1411-2	GLYCOL COOLER
T-1114-2	AMINE REGEN STILL
-	LOW VOLTAGE MCC
-	MEDIUM VOLTAGE MCC
H-741-2	REGEN GAS HEATER
-	BIEN BLOWER PLATFORM #4C
V-1910-2	CO2 MIST SCRUBBER
-	SULFA GUARD
-	GLYCOL REGEN SKID #4A
-	REFLUX ACCUMULATOR/PUMP SKID #3
TK-1115-2	AMINE SUMP TANK
AC-1115-2	REFLUX CONDENSER
V-1810-2	FLARE WISGKOUT DRAIN
P-1850-2	ANTI-FOAM INJECTION PUMP
P-1820A/B-2	FLARE WISGKOUT PUMP
T-1500-2	NGL AMINE CONTACTOR
F-1503-2	TREATED NGL COALESCE
-	PIPELINE PUMPS
T-1501-2	NGL AMINE CONTACTOR
C-3200A/B-2	STABILIZER OVERHEAD COMPRESSORS
AC-3200A/B-2	OVERHEAD COMPRESSOR AFTERCOOLERS
-	Y-GRADE SKID #1
-	STABILIZED NGL SURGE TANK
-	SAVBOLT STABILIZER TOWER
T-501-2	DEMETHANIZER
Y-501-2	Y-GRADE BOTTOMS COOLER
A-341-2	REGEN GAS COOLER
V-1601-2	STABILIZED NGL COOLER
-	L.P. FLASH DRAIN
H-1705-2	CONDENSATE FEED SKID #1
V-1705-2	STABILIZER HMD HEATER
-	STABILIZER HMD PUMP SKID #5
V-2510-2	CONDENSATE REHEAT TANK
P-2550-2	RE-HEAT PUMP
-	PROCESS SKID #1 & #4
V-4015A/B/C-2	INSTRUMENT AIR SURGE TANK
V-100-2	SLUG CATCHER
-	SAVBOLT OVERHEAD CONDENSER
-	Y-GRADE STABILIZER TOWER
FE-1601-2	L.P. FLASH DRAIN LIQUIDS METER SKID
FE-1161A/B-2	DILUT METER
TK-730-2	REFRIGERATION SUMP TANK
TK-750-2	CRYO SUMP TANK
P-1942-2	ACID GAS FLARE K.O. PUMP
V-1941-2	ACID GAS FLARE K.O. DRAIN
FL-1940-2	ACID GAS FLARE
TK-2424-2	GLYCOL SUMP TANK
FL-1800-2	FLARE
TO-1900-2	THERMAL OXIDIZER
-	THERMAL OXIDIZER CONTROL PACK
TK-2810-2	OPEN DRAIN SUMP TANK
V-2810-2	CLOSED DRAIN DRAIN
P-2820-2	CLOSED DRAIN OIL PUMP
-	PMP STABILIZER SKID #2
C-4000-2	INSTRUMENT AIR COMPRESSOR
-	PMP STABILIZER TOWER
-	SAVBOLT STABILIZER SKID #4
FE-1000-2	SLUG CATCHER LIQUIDS METER SKID
-	PMP OVERHEAD CONDENSER
V-1600-2	WET FUEL GAS SCRUBBER SKID #6
TK-2850-2	OPEN DRAIN SUMP
-	SKID #7 HMD FG TRAIN
FE-1502-2	Y-GRADE METER SKID
FE-2211A-2	BUY BACK METER SKID
FE-1501-2	NGL PRODUCT METER
TK-2850-2	OPEN DRAIN SUMP TANK

55070001-000-1003

ENERGY TRANSFER

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PROCESS AREA PLOT PLAN



MATRIX PDM
ENGINEERING

CONFIDENTIALITY STATEMENT

Reinvestment Zone

With Proposed Project Boundary

Legend

 Reinvestment Zone

Reinvestment Zone
(red boundary)

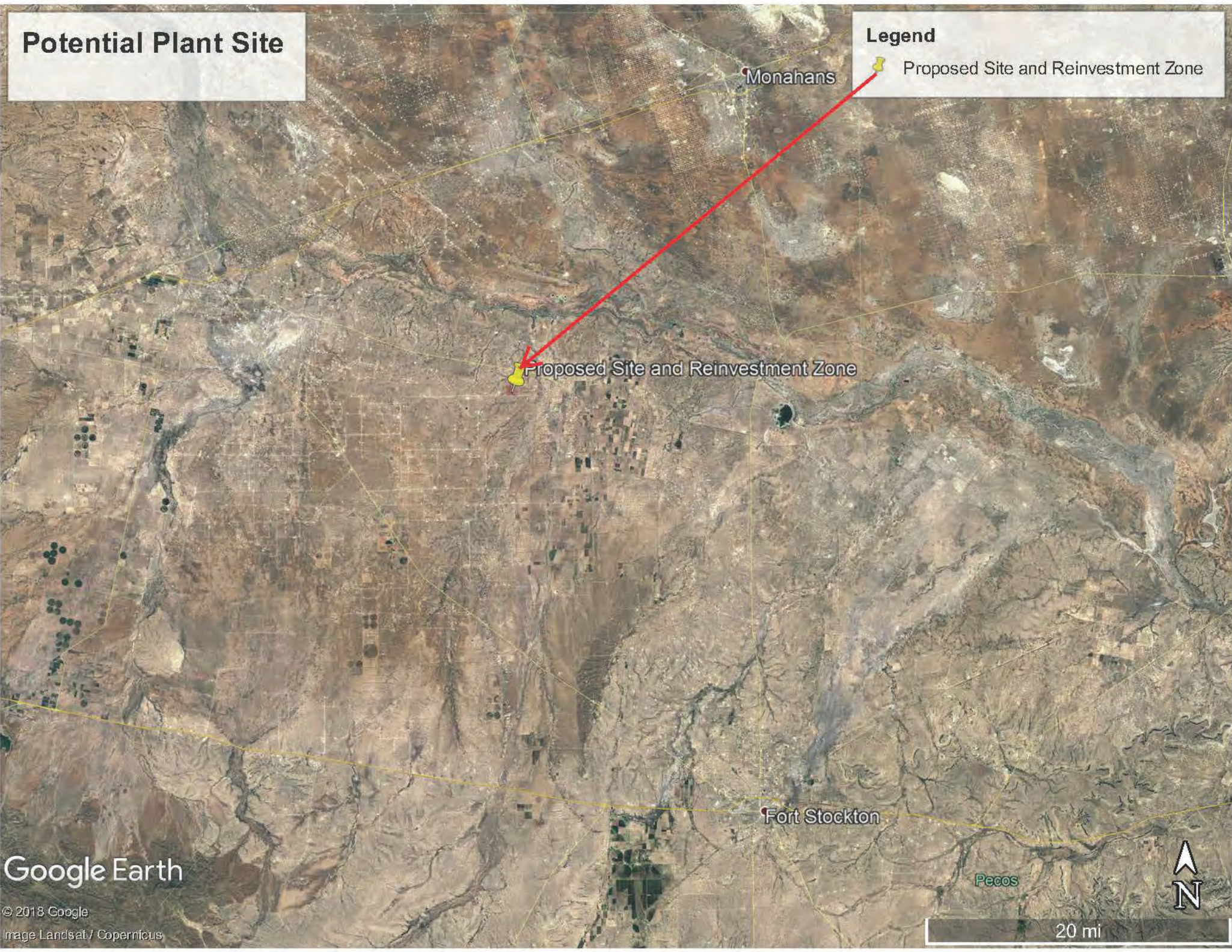
Proposed Project Location
(yellow boundary)



Potential Plant Site

Legend

 Proposed Site and Reinvestment Zone



Google Earth

© 2018 Google
Image Landsat / Copernicus

20 mi

Potential Plant Site

Legend

 Proposed Site and Reinvestment Zone

 Proposed Site and Reinvestment Zone

Google Earth

© 2013 Google



2 mi

Potential Plant Site and Reinvestment Zone

Legend

 Proposed Site and Reinvestment Zone

 Proposed Site and Reinvestment Zone



Pecos-Barstow-Toyah ISD Map

Legend

-  Pecos-Barstow-Toyah Independent School District
-  Reinvestment Zone

Pecos-Barstow-Toyah ISD Boundary
(yellow outline)

Reinvestment
Zone Boundary
(red outline)

Google Earth

Image Landsat / Copernicus

40 mi



Reinvestment Zone

With Proposed Project Boundary

Legend

 Reinvestment Zone

Reinvestment Zone
(red boundary)

Proposed Project Location
(yellow boundary)



Reinvestment Zone

Legend

 Reinvestment Zone

Reinvestment Zone
Boundary

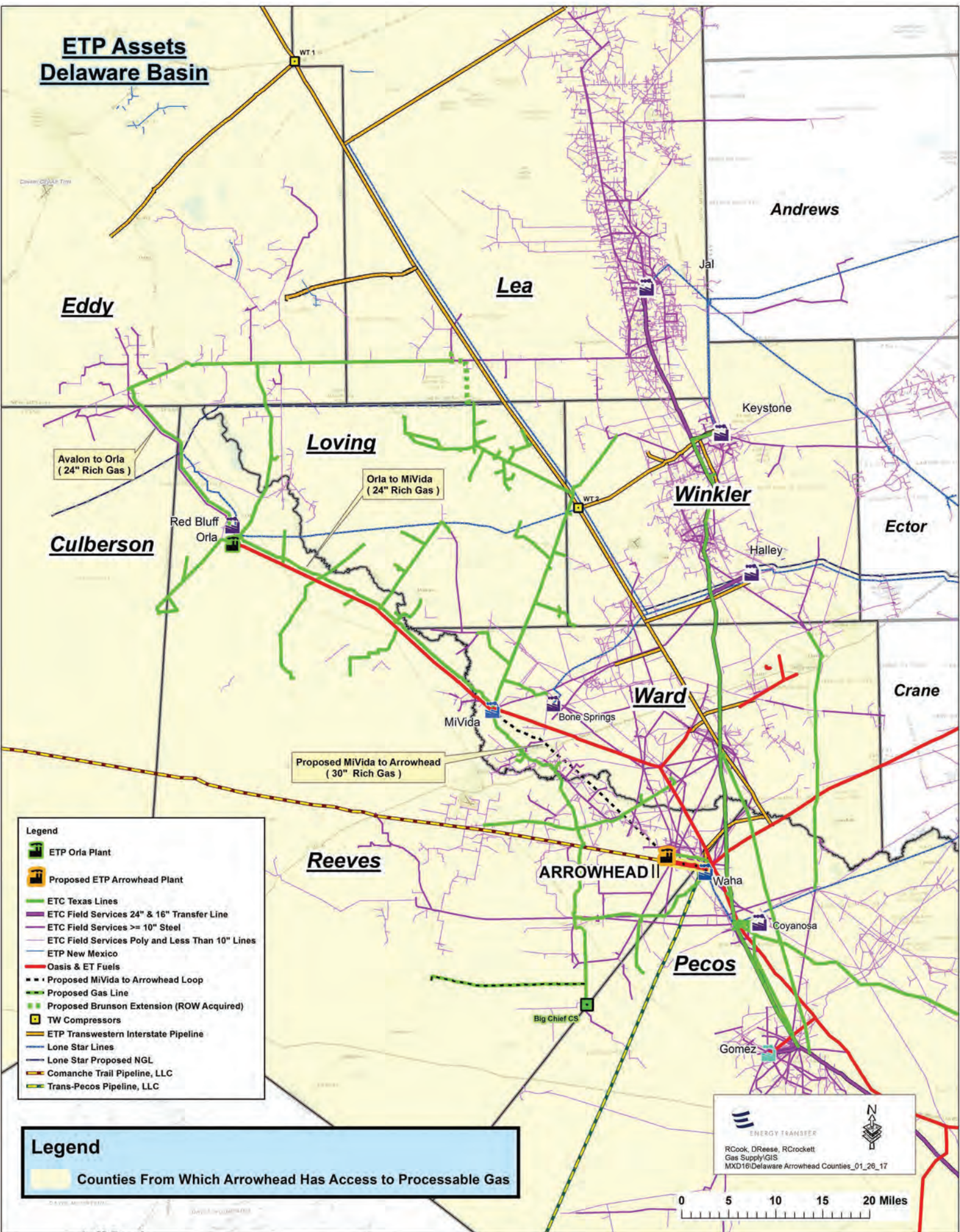
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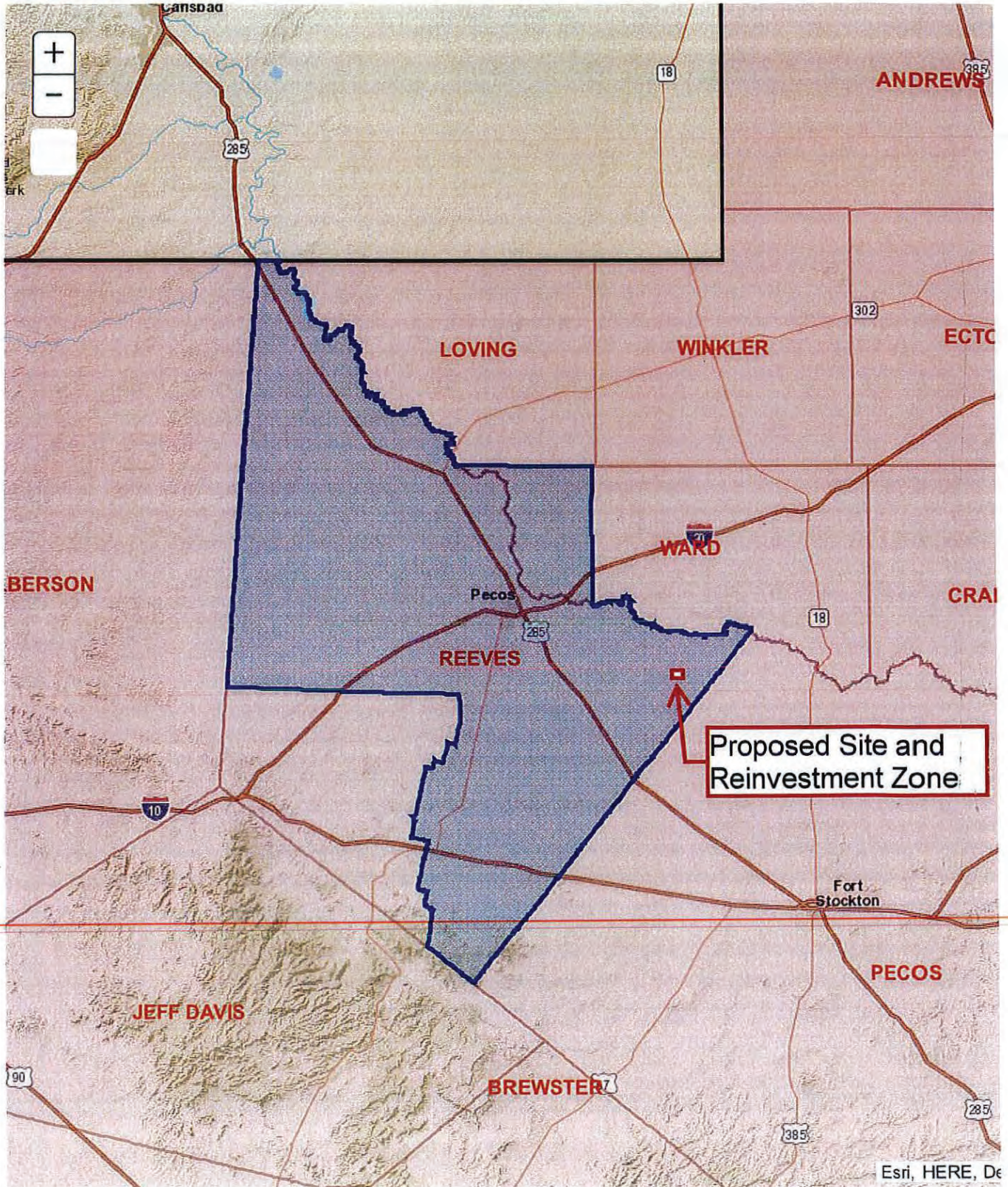
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2000 ft

ETP Assets Delaware Basin







Tab 5

Limitation as a Determining Factor

ETC Texas Pipeline, LTD is a leading midstream energy company whose primary activities include gathering, treating, processing, and transporting natural gas and natural gas liquids to a variety of markets and states. In the states mentioned below, Energy Transfer currently operates over 34,050 miles of pipeline, 32 gas processing plants, 19 gas treating facilities and 3 gas conditioning plants. The states where these operations are located include Arizona, New Mexico, Utah, Colorado, Kansas, Oklahoma, Texas, Arkansas and Louisiana.

As the primary available property tax incentive in Texas, a 313 agreement is vital to the proposed Arrowhead III Plant economics. Multiple other potential projects are presently competing for the same capital expenditures by the company, including possible plants in Louisiana and in New Mexico.

- Louisiana offers a 10-year, 100% property tax abatement under that state's Industrial Tax Exemption program as well as additional state sales tax incentives.
- New Mexico offers Industrial Revenue Bonds and Job Training incentive programs.

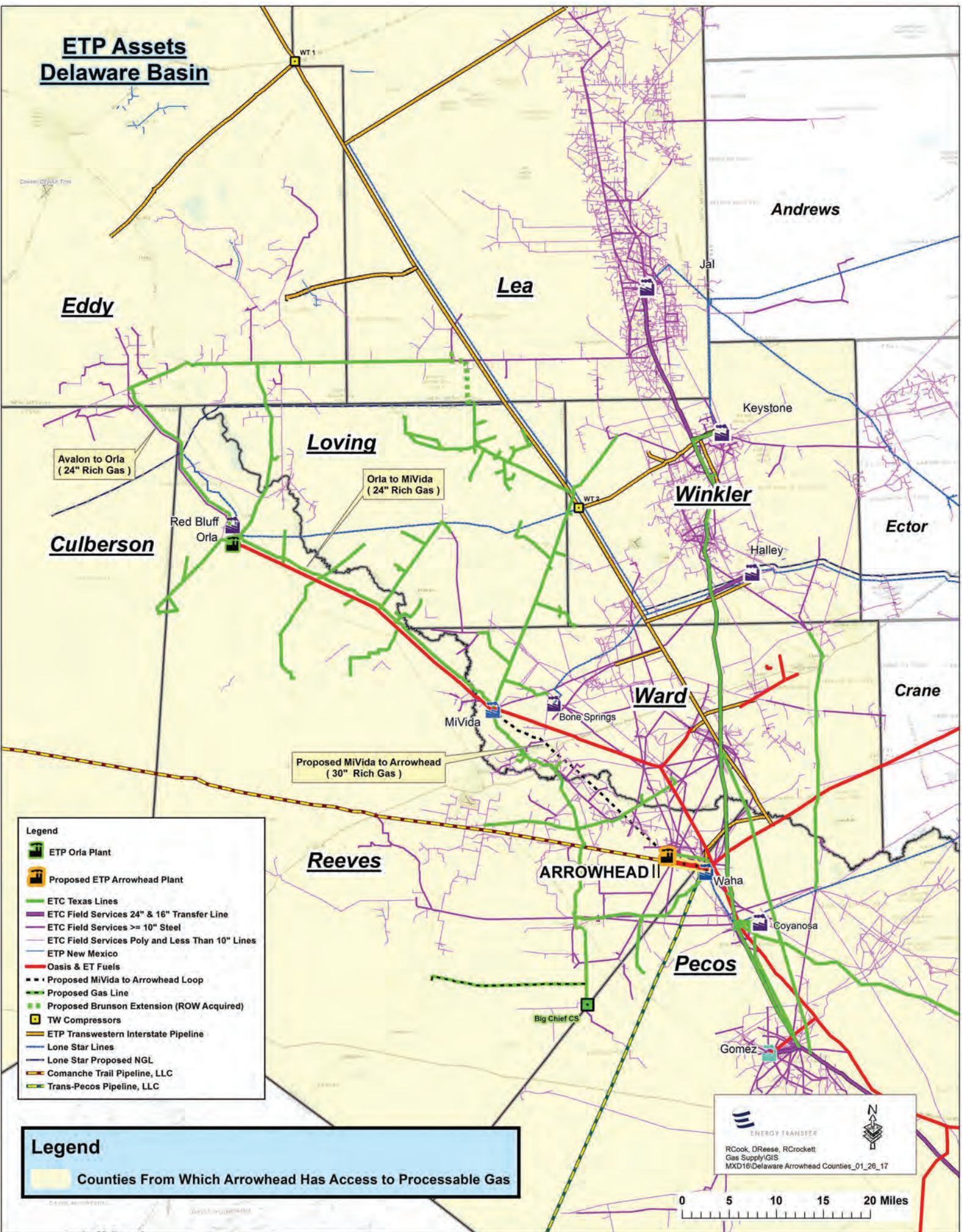
In the Delaware/Permian Basin alone, the company owns 7,820 miles of natural gas pipeline, 7 processing facilities with aggregate capacity of 815 MMcf/d (*Waha, Cayanosa, Red Bluff, Halley, Jal, Keystone, and Tippet*) and two treating facilities with aggregate capacity of 200 MMcf/d.

The Delaware/Permian Basin assets offer wellhead-to-market services to produces not only in the Texas counties, but also in the New Mexico counties of Eddy and Lee which surround Waha Hub.

Because of the proximity of the system to the Waha Hub, the syste, has a variety of market outlets for the natural gas that is gathered and processed, including several major interstate and intrastate pipelines serving California, the mid-continent region of the United States and the Texas/New Mexico natural gas markets.

Because of existing and new pipeline infrastructure that is now present in New Mexico, ETC has ample freedom to choose where the proposed project can be built. The economic differences outside of tax treatment are considered miniscule because of the Waha's proximity to the NM/TX border. Because of this, the proposed 313 is considered a major determining factor in whether or not the Arrowhead III is completed in Texas.

ETP Assets Delaware Basin



Legend

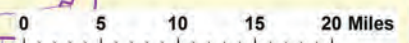
- ETP Orla Plant
- Proposed ETP Arrowhead Plant
- ETC Texas Lines
- ETC Field Services 24" & 16" Transfer Line
- ETC Field Services >= 10" Steel
- ETC Field Services Poly and Less Than 10" Lines
- ETP New Mexico
- Oasis & ET Fuels
- Proposed MiVida to Arrowhead Loop
- Proposed Gas Line
- Proposed Brunson Extension (ROW Acquired)
- TW Compressors
- ETP Transwestern Interstate Pipeline
- Lone Star Lines
- Lone Star Proposed NGL
- Comanche Trail Pipeline, LLC
- Trans-Pecos Pipeline, LLC

Legend

Counties From Which Arrowhead Has Access to Processable Gas

ENERGY TRANSFER

RCook, DReese, RCrockett
Gas Supply/GIS
MXD16:Delaware Arrowhead Counties_01_26_17



Reinvestment Zone

With Proposed Project Boundary

Legend

 Reinvestment Zone

Reinvestment Zone
(red boundary)

Proposed Project Location
(yellow boundary)



Potential Plant Site

Legend

 Proposed Site and Reinvestment Zone

Monahans

 Proposed Site and Reinvestment Zone

Fort Stockton

Pecos

Google Earth

© 2018 Google
Image Landsat / Copernicus

20 mi



Potential Plant Site

Legend

Proposed Site and Reinvestment Zone

Proposed Site and Reinvestment Zone

Google Earth

© 2013 Google

2 mi



Potential Plant Site and Reinvestment Zone

Legend

 Proposed Site and Reinvestment Zone

 Proposed Site and Reinvestment Zone



Pecos-Barstow-Toyah ISD Map

Legend

-  Pecos-Barstow-Toyah Independent School District
-  Reinvestment Zone

Pecos-Barstow-Toyah ISD Boundary
(yellow outline)

Reinvestment
Zone Boundary
(red outline)

Google Earth

Image Landsat / Copernicus

40 mi



Reinvestment Zone

With Proposed Project Boundary

Legend

 Reinvestment Zone

Reinvestment Zone
(red boundary)

Proposed Project Location
(yellow boundary)



Reinvestment Zone

Legend

 Reinvestment Zone

Reinvestment Zone
Boundary

Google Earth

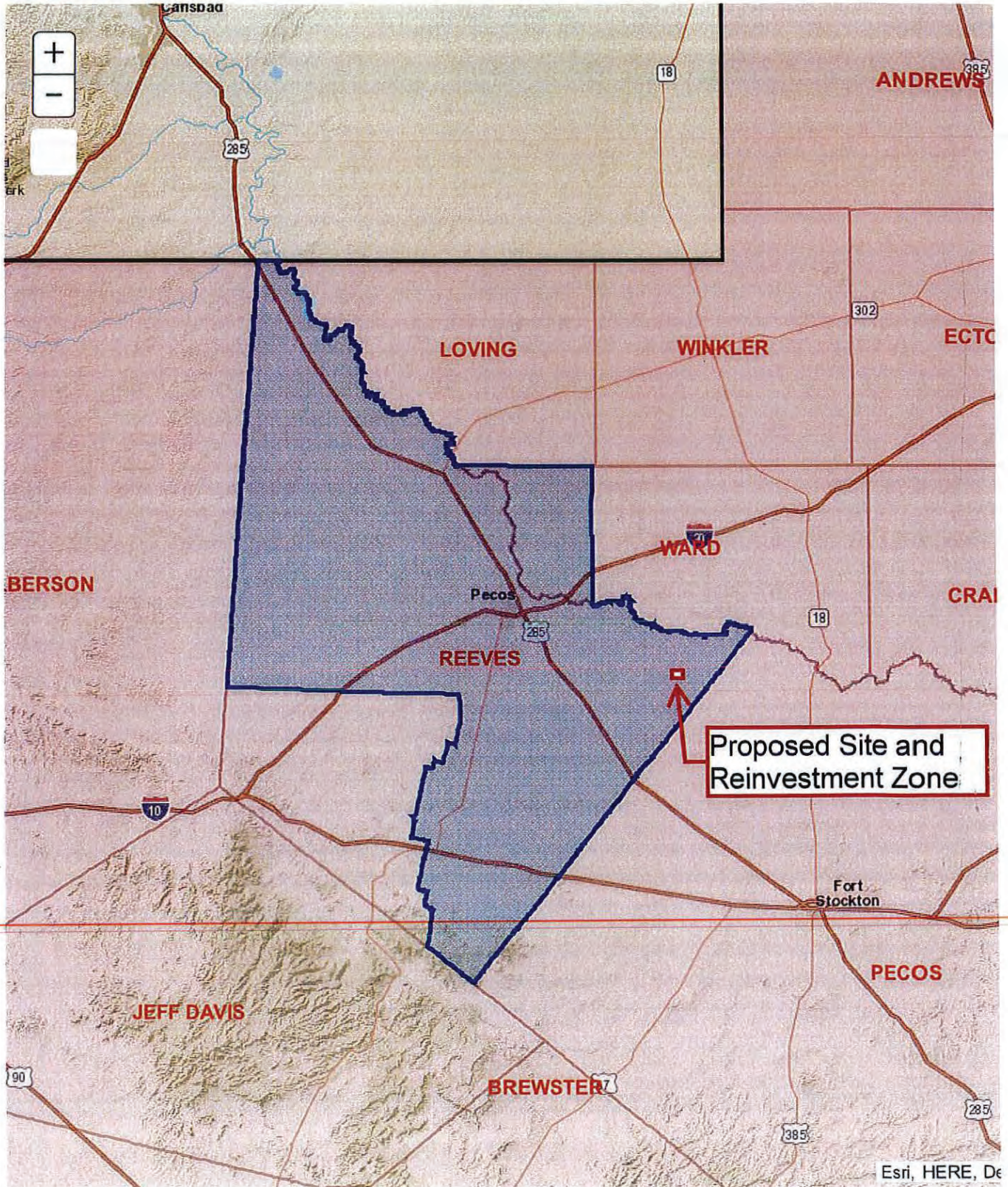
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2000 ft



Texas School District Locator





Tab 6

Arrowhead III is located 100 % in Pecos-Barstow-Toyah Independent School District in Reeves County

Taxing Jurisdiction	Percentage of Project located within Jurisdiction	Tax Rate
Reeves County	100%	.49952
Reeves County WCID #2	100%	.1193459
Reeves County Hospital District	100%	.24
Pecos-Barstow-Toyah ISD	100%	.9457



Tab 7

Description of Qualified Investment

ETC Texas Pipeline, LTD is proposing to construct Arrowhead III, a gas processing facility in Reeves County, Texas. The facility will be located in the eastern portion of the county. Additionally, the entirety of the project will be within Pecos-Barstow-Toyah Independent School District. Please find attached in Tab 11 maps that further define the location of the facility.

The facility itself is expected to have a total capacity of 200 mmscf/day (million standard cubic feet). Construction is anticipated to commence in March 2019. During February 2019, the hiring of new employees as well as the purchase of equipment and machinery will also begin. Construction is projected to be complete by December 2019, when the plant will also be fully operational.

ETC Texas Pipeline, LTD requests that this application includes but is not limited to the following components of this project:

- Maintenance & Operations Buildings
- Inlet Separator
- Boilers
- Natural Gas/Air/H₂O Piping
- Dehydration Units
- Slug Catcher
- Vessels
- Liners & Containment
- SCADA (monitoring software) plus Controls
- Foundations
- Amine Unit
- Heat Exchangers
- Control Valves
- Knock Out Drums
- Compressors
- Heat Exchanger
- Flare Stack, Scrubber, Leak Detection

Summary of Production Process

The initial stages of production will begin with raw natural gas produced at the well-head from various sources throughout the Permian Basin. This raw natural gas is then transported through gathering systems where it is either further process into natural gas or natural gas liquids. Upon processing, the products are delivered to the market through newly constructed pipelines. Throughout this process there are a variety of components used including the following:

- Inlet Slug Catcher
- Inlet Separation and Filtration
- Amine Treating for CO₂ Removal
- TEG Dehydration for H₂O Removal
- Thermal Oxidizers
- Molecular Sieve Dehydration
- GSP Cryogenic Gas Plants
- Residue Recompression Units
- Heat Medium Systems
- Flare System
- Water Systems (supply, drain, waste)
- Utilities

Reinvestment Zone

With Proposed Project Boundary

Legend

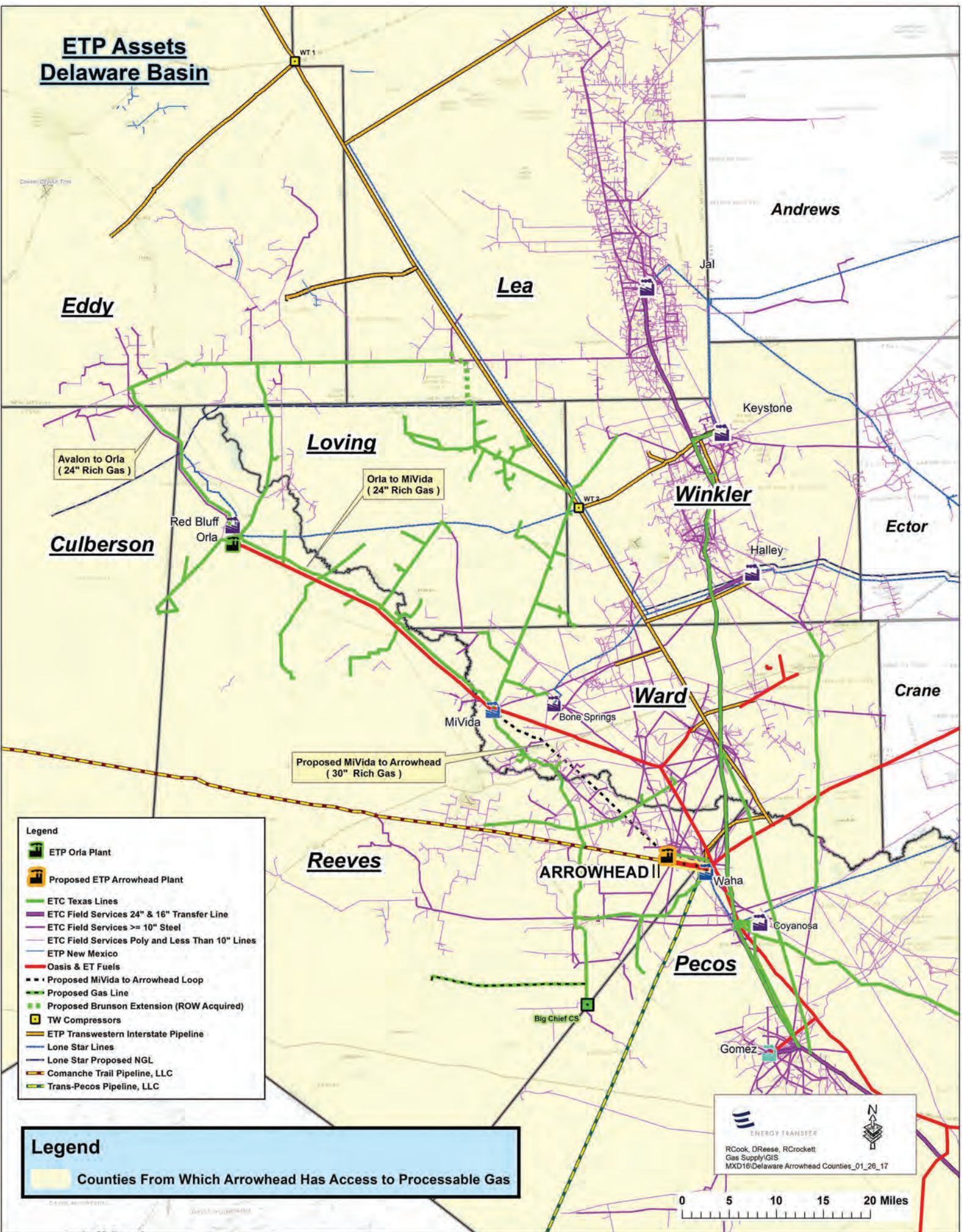
 Reinvestment Zone

Reinvestment Zone
(red boundary)

Proposed Project Location
(yellow boundary)



ETP Assets Delaware Basin



Legend

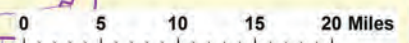
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Monahans

Proposed Site and Reinvestment Zone

Fort Stockton

Pecos

Google Earth

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Image Landsat / Copernicus

20 mi



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Proposed Site and Reinvestment Zone

Google Earth

© 2013 Google

2 mi



Potential Plant Site and Reinvestment Zone

Legend

 Proposed Site and Reinvestment Zone

 Proposed Site and Reinvestment Zone



Pecos-Barstow-Toyah ISD Map

Legend

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-  Reinvestment Zone

Pecos-Barstow-Toyah ISD Boundary
(yellow outline)

Reinvestment
Zone Boundary
(red outline)

Google Earth

Image Landsat / Copernicus

40 mi



Reinvestment Zone

With Proposed Project Boundary

Legend

 Reinvestment Zone

Reinvestment Zone
(red boundary)

Proposed Project Location
(yellow boundary)



Reinvestment Zone

Legend

 Reinvestment Zone

Reinvestment Zone
Boundary

Google Earth

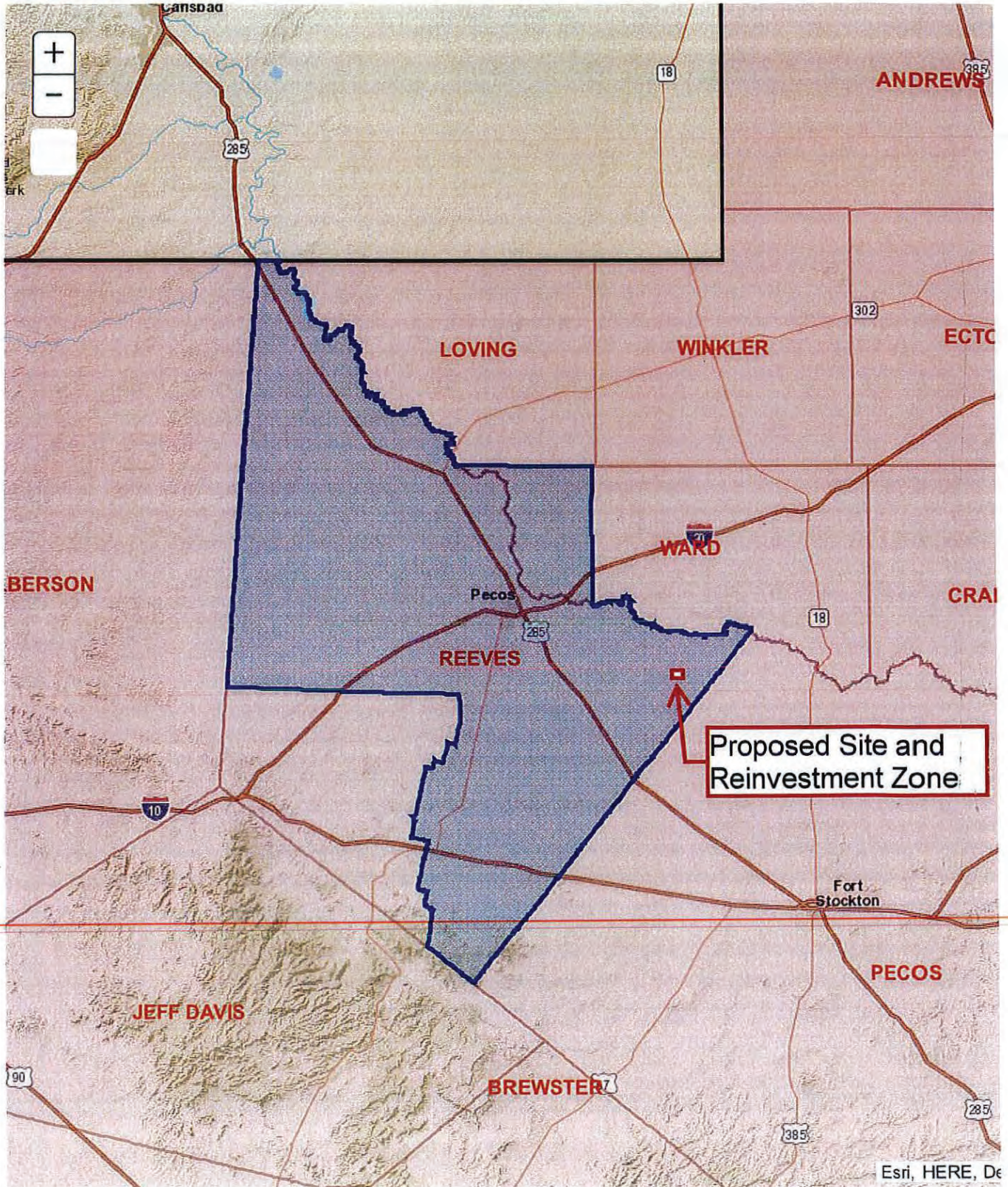
© 2018 Google



2000 ft



Texas School District Locator





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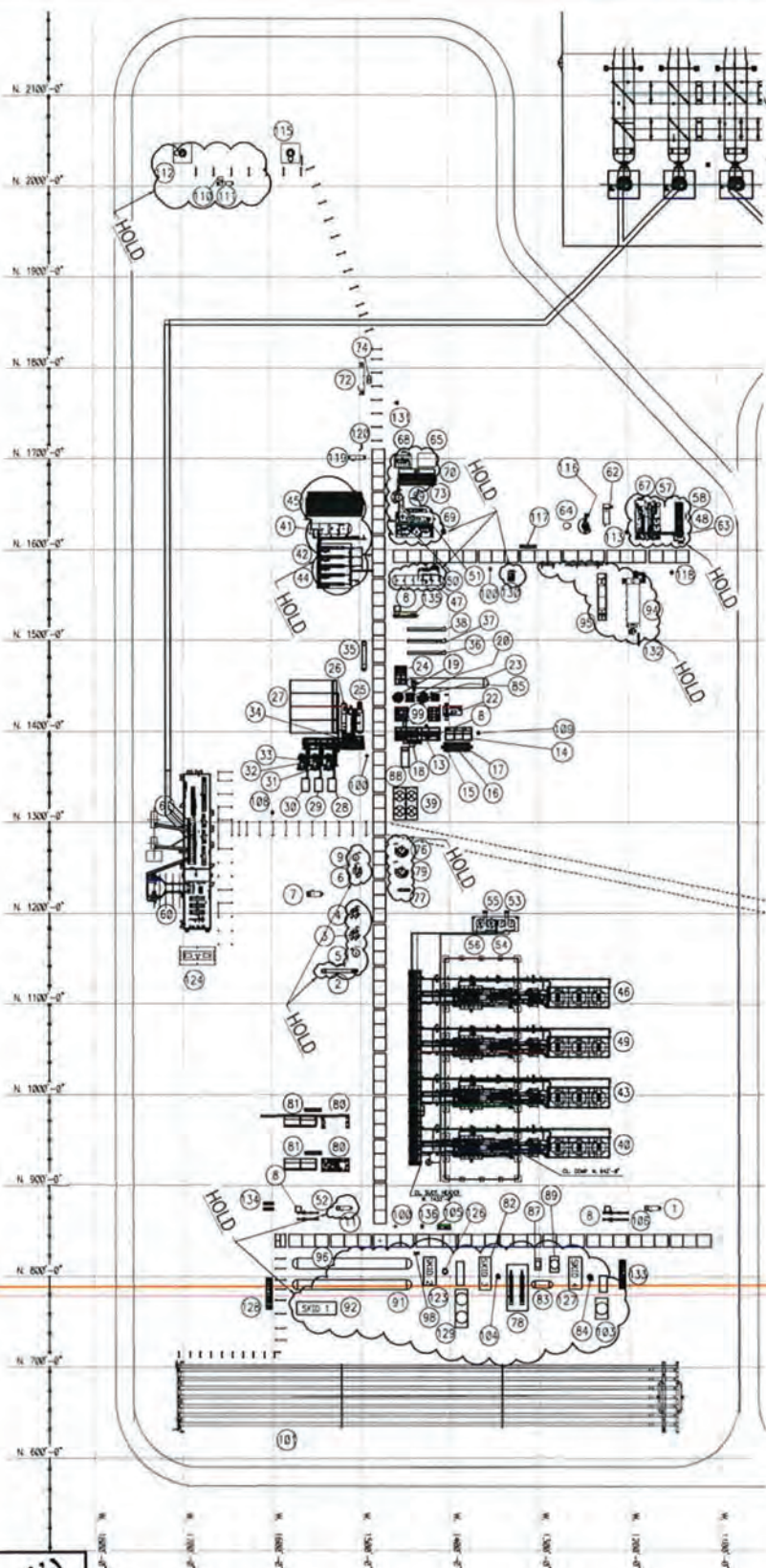
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- Flare Stack, Scrubber, Leak Detection

Summary of Production Process

The initial stages of production will begin with raw natural gas produced at the well-head from various sources throughout the Permian Basin. This raw natural gas is then transported through gathering systems where it is either further process into natural gas or natural gas liquids. Upon processing, the products are delivered to the market through newly constructed pipelines. Throughout this process there are a variety of components used including the following:

- Inlet Slug Catcher
- Inlet Separation and Filtration
- Amine Treating for CO2 Removal
- TEG Dehydration for H2O Removal
- Thermal Oxidizers
- Molecular Sieve Dehydration
- GSP Cryogenic Gas Plants
- Residue Recompression Units
- Heat Medium Systems
- Flare System
- Water Systems (supply, drain, waste)
- Utilities



TAG NUMBER	DESCRIPTION
1	INLET FILTER COALESCER SEPARATOR
2	INLET GAS/GAS EXCHANGER
3	INLET GAS AMINE CONTACTOR
4	INLET GAS AMINE CONTACTOR
5	AMINE AFTER SCRUBBER
6	GLYCOL CONTACTOR
7	GLYCOL CONTACTOR INLET FILTER SEPARATOR
8	GLYCOL AFTER SCRUBBER
9	RESIDUE GAS FILTER/COALESCER
10	UPPER LEVEL INLET SKID #6
11	DEHYDRATION VALVE SKID #2
12	MO. SIEVE DEHYDRATOR
13	MO. SIEVE DEHYDRATOR
14	MO. SIEVE DEHYDRATOR
15	INLET FILTER SKID #1
16	COLD SEPARATOR
17	WARM GAS/GAS EXCHANGER
18	EXPANDER/COMPRESSOR
19	PRODUCT SURGE TANK
20	PRODUCT PUMP SKID #3
21	CHILLER
22	REFRIGERANT ACCUMULATOR
23	REFRIGERANT CONDENSER
24	LUBE OIL COOLER
25	LUBE OIL COOLER
26	LUBE OIL COOLER
27	REFRIGERANT COMPRESSOR
28	REFRIGERANT COMPRESSOR
29	REFRIGERANT COMPRESSOR
30	REFRIGERANT COMPRESSOR
31	COLD DRAIN TANK
32	NGL PIPELINE PUMP
33	NGL PIPELINE PUMP
34	NGL PIPELINE PUMP
35	EXPANDER COMPRESSOR AFTERCOOLER
36	RESIDUE GAS COMPRESSOR
37	AMINE SURGE TANK
38	AMINE SOLUTION PUMPS (GAS)
39	RESIDUE GAS COMPRESSOR
40	AMINE SOLUTION PUMPS (WGL)
41	AMINE SOLUTION COOLERS
42	RESIDUE GAS COMPRESSOR
43	AMINE FLASH TANK
44	BITER CONDENSER
45	RESIDUE GAS COMPRESSOR
46	AMINE FILTER SKID #1
47	AMINE LEAN/RICH EXCHANGER SKID #2
48	RESIDUE GAS METER
49	LUBE OIL TANK
50	WASTE LUBE OIL TANK
51	COOLANT STORAGE TANK
52	WHITE COOLANT STORAGE TANK
53	GLYCOL REGEN SKID #4B
54	GLYCOL COOLER
55	AMINE REGEN STILL
56	LOW VOLTAGE MCC
57	MEDIUM VOLTAGE MCC
58	REGEN GAS HEATER
59	BITER SCRUBBER PLATFORM #4C
60	CO2 MIST SCRUBBER
61	SULFA GUARD
62	GLYCOL REGEN SKID #4A
63	REFLUX ACCUMULATOR/PUMP SKID #3
64	AMINE SUMP TANK
65	REFLUX CONDENSER
66	FLARE PHOSPHOR DRYER
67	ANTI-FOAM INJECTION PUMP
68	FLARE WHISKEY PUMP
69	NGL AMINE CONTACTOR
70	TREATED NGL COALESCER
71	PIPELINE PUMPS
72	NGL AMINE CONTACTOR
73	STABILIZER OVERHEAD COMPRESSORS
74	OVERHEAD COMPRESSOR AFTERCOOLERS
75	Y-GRADE SKID #3
76	STABILIZED NGL SURGE TANK
77	SAYBOLT STABILIZER TOWER
78	DEHYDRATOR
79	Y-GRADE BOTTOMS COOLER
80	REGEN GAS COOLER
81	STABILIZED NGL COOLER
82	L.P. FLASH DRYER
83	CONDENSATE FLEED SKID #1
84	STABILIZER HMD HEATER
85	STABILIZER HMD PUMP SKID #5
86	CONDENSATE REHEAT TANK
87	RE-RUN PUMP
88	PROCESSOR SKID #1 & #2
89	INSTRUMENT AIR SURGE TANK
90	SLUG CATCHER
91	SAYBOLT DRYER CONDENSER
92	Y-GRADE STABILIZER TOWER
93	L.P. FLASH DRYER LIQUIDS METER SKID
94	INLET METER
95	REFRIGERATION SUMP TANK
96	CYTO SUMP TANK
97	ACID GAS FLARE K.D. PUMP
98	ACID GAS FLARE K.D. DRYER
99	ACID GAS FLARE
100	GLYCOL SUMP TANK
101	FLARE
102	THERMAL OXIDIZER
103	THERMAL OXIDIZER CONTROL PACK
104	OPEN DRAIN SUMP TANK
105	CLOSED DRAIN DRYER
106	CLOSED DRAIN OIL PUMP
107	PMP STABILIZER SKID #2
108	INSTRUMENT AIR COMPRESSOR
109	PMP STABILIZER TOWER
110	SAYBOLT STABILIZER SKID #4
111	SLUG CATCHER LIQUID METER SKID
112	PMP OVERHEAD CONDENSER
113	WET FUEL GAS SCRUBBER SKID #6
114	OPEN DRAIN SUMP
115	SKID #7 HMD FG TANK
116	Y-GRADE METER SKID
117	BUY BACK METER SKID
118	NGL PRODUCT METER
119	OPEN DRAIN SUMP TANK

55070001-000-1003

ENERGY TRANSFER

55070001

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PROCESS AREA PLOT PLAN

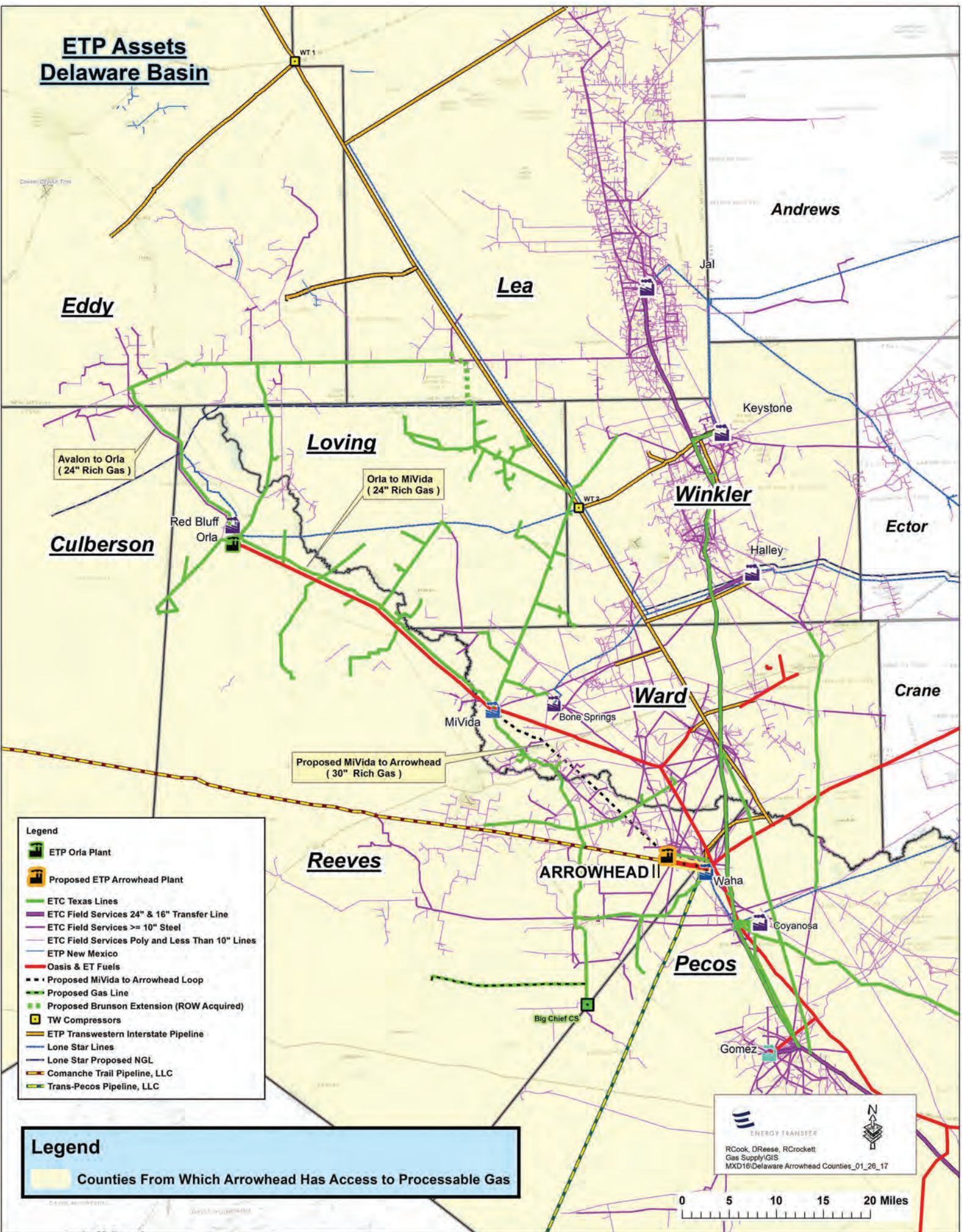


MATRIX PDM
ENGINEERING

CONFIDENTIALITY
STATEMENT

THE DESIGN OF THE NGL AND AMINE
SYSTEMS SHOWN HEREIN ARE THE
PROPERTY OF MATRIX PDM ENGINEERING
AND ARE NOT TO BE REPRODUCED OR
TRANSMITTED IN ANY FORM OR BY ANY
MEANS, ELECTRONIC OR MECHANICAL,
INCLUDING PHOTOCOPYING, RECORDING,
OR BY ANY INFORMATION STORAGE AND
RETRIEVAL SYSTEM, WITHOUT THE
WRITTEN PERMISSION OF MATRIX PDM
ENGINEERING.

ETP Assets Delaware Basin



Legend

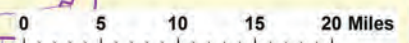
- ETP Orla Plant
- Proposed ETP Arrowhead Plant
- ETC Texas Lines
- ETC Field Services 24" & 16" Transfer Line
- ETC Field Services >= 10" Steel
- ETC Field Services Poly and Less Than 10" Lines
- ETP New Mexico
- Oasis & ET Fuels
- Proposed MiVida to Arrowhead Loop
- Proposed Gas Line
- Proposed Brunson Extension (ROW Acquired)
- TW Compressors
- ETP Transwestern Interstate Pipeline
- Lone Star Lines
- Lone Star Proposed NGL
- Comanche Trail Pipeline, LLC
- Trans-Pecos Pipeline, LLC

Legend

Counties From Which Arrowhead Has Access to Processable Gas

ENERGY TRANSFER

RCook, DReese, RCrockett
Gas Supply/GIS
MXD16:Delaware Arrowhead Counties_01_26_17



Potential Plant Site

Legend

Proposed Site and Reinvestment Zone

Monahans

Proposed Site and Reinvestment Zone

Fort Stockton

Pecos

Google Earth

© 2018 Google
Image Landsat / Copernicus

20 mi



Potential Plant Site

Legend

Proposed Site and Reinvestment Zone

Proposed Site and Reinvestment Zone

Google Earth

© 2013 Google

2 mi



Potential Plant Site and Reinvestment Zone

Legend

 Proposed Site and Reinvestment Zone

 Proposed Site and Reinvestment Zone



Pecos-Barstow-Toyah ISD Map

Legend

-  Pecos-Barstow-Toyah Independent School District
-  Reinvestment Zone

Pecos-Barstow-Toyah ISD Boundary
(yellow outline)

Reinvestment
Zone Boundary
(red outline)

Google Earth

Image Landsat / Copernicus

40 mi



Reinvestment Zone

With Proposed Project Boundary

Legend

 Reinvestment Zone

Reinvestment Zone
(red boundary)

Proposed Project Location
(yellow boundary)



Reinvestment Zone

Legend

 Reinvestment Zone

Reinvestment Zone
Boundary

Google Earth

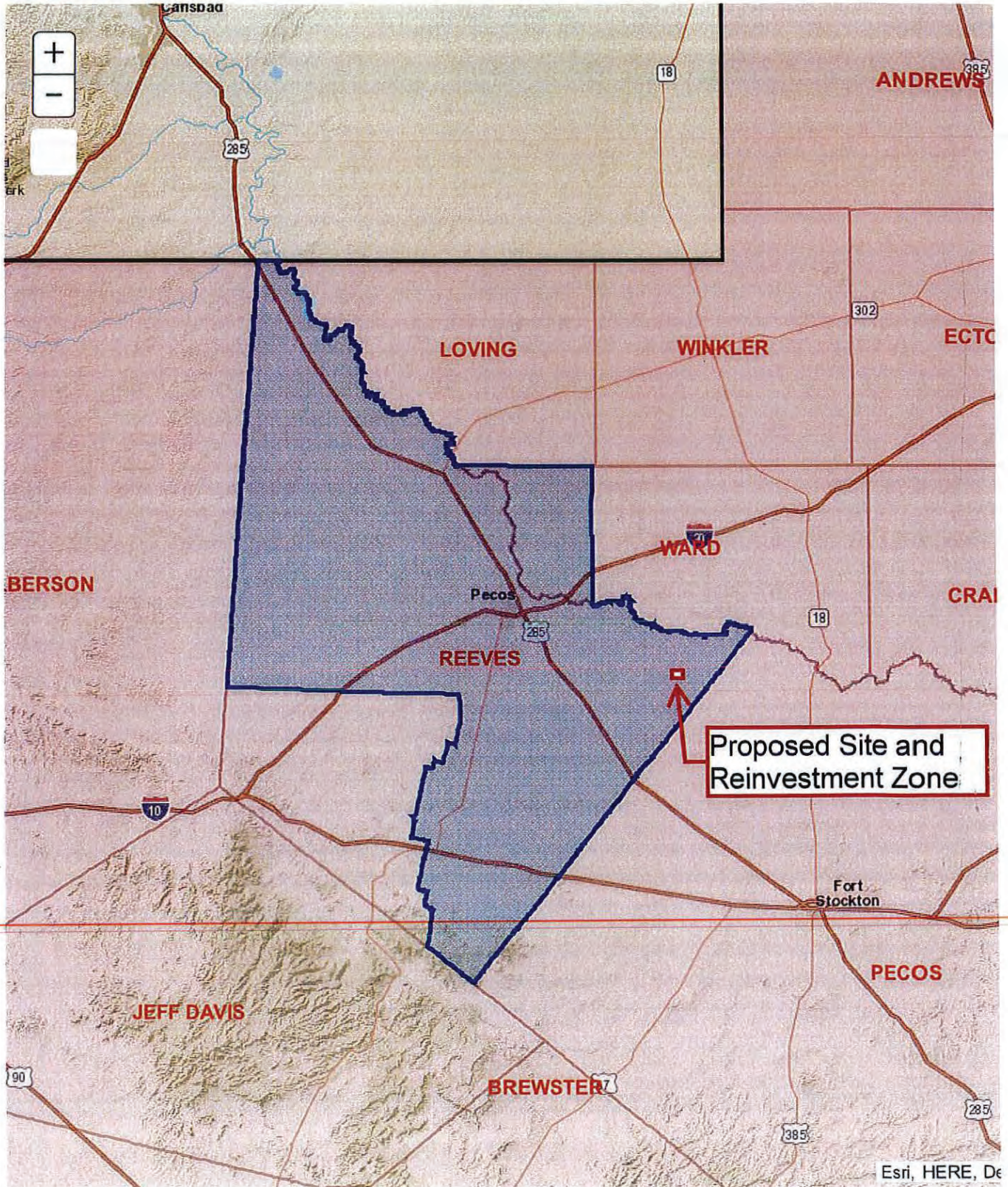
© 2018 Google



2000 ft



Texas School District Locator





Tab 9

Description of Land: the proceeding chart is a description of the parcels for Arrowhead III.

Parcel ID	Size (approximate acreage)	Owner	Property Address
R000011828	379.22	Wolf Bone Ranch Partners, LLC	BLK C-3, Tract 13, AB 1294 BLK C-3 SEC 13 PSL
R000011829	379.22	Wolf Bone Ranch Partners, LLC	BLK C-3, Tract 14, AB 1293 BLK C-3 SEC 14PSL

Reeves CAD Property Search

Property ID: R000011828 For Year 2018

Property Details

Account	
Property ID:	R000011828
Legal Description:	Acres 379.220, Blk C-3, Tract 13, AB 1294 BLK C-3 SEC 13PSL
Geographic ID:	01150-00140-000000-000000
Agent Code:	
Type:	Real
Location	
Address:	
Map ID:	
Neighborhood CD:	R11828
Owner	
Owner ID:	GMNI20170329092733080
Name:	WOLF BONE RANCH PARTNERS LLC
Mailing Address:	110 W Louisiana Ave Ste 500 Midland, TX 79701-3414
% Ownership:	100.0%
Exemptions:	For privacy reasons not all exemptions are shown online.

Property Values

Improvement Homesite Value:	\$0
Improvement Non-Homesite Value:	\$0
Land Homesite Value:	\$0
Land Non-Homesite Value:	\$0
Agricultural Market Valuation:	\$17,070
Market Value:	\$17,070
Ag Use Value:	\$1,140
Appraised Value:	\$17,070
Homestead Cap Loss: ⓘ	\$0
Assessed Value:	\$1,140

Information provided for research purposes only. Legal descriptions and acreage amounts are for appraisal district use only and should be verified prior to using for legal purpose and or documents. Please contact the Appraisal District to verify all information for accuracy.

Property Taxing Jurisdiction

Entity	Description	Tax Rate	Market Value	Taxable Value	Estimated Tax	Freeze Ceiling
00	REEVES CO APPR DIST	0.000000	\$17,070	\$1,140	\$0.00	
01	REEVES COUNTY	0.499520	\$17,070	\$1,140	\$5.69	
15	RCGWCD	0.004000	\$17,070	\$1,140	\$0.05	
30	P-B-T I.S.D	1.125000	\$17,070	\$1,140	\$12.83	
65	REEVES CO HOSP DIST	0.240000	\$17,070	\$1,140	\$2.74	

Total Tax Rate: 1.868520 Estimated Taxes With Exemptions: \$21.30 Estimated Taxes Without Exemptions: \$318.96

Property Improvement - Building

Property Land

Type	Description	Acres	Sqft	Eff Front	Eff Depth	Market Value	Prod. Value
RG4		379.22	16,518,823.00	0.00	0.00	\$17,065	\$1,138

Reeves CAD Property Search

Property ID: R000011829 For Year 2018

Property Details

Account	
Property ID:	R000011829
Legal Description:	Acres 379.220, Blk C-3, Tract 14, AB 1293 BLK C-3 SEC 14PSL
Geographic ID:	01150-00150-00000-000000
Agent Code:	
Type:	Real
Location	
Address:	
Map ID:	
Neighborhood CD:	R11829
Owner	
Owner ID:	GMNI20170329092733080
Name:	WOLF BONE RANCH PARTNERS LLC
Mailing Address:	110 W Louisiana Ave Ste 500 Midland, TX 79701-3414
% Ownership:	100.0%
Exemptions:	For privacy reasons not all exemptions are shown online.

Property Values

Improvement Homesite Value:	\$0
Improvement Non-Homesite Value:	\$0
Land Homesite Value:	\$0
Land Non-Homesite Value:	\$0
Agricultural Market Valuation:	\$17,070
Market Value:	\$17,070
Ag Use Value:	\$1,140
Appraised Value:	\$17,070
Homestead Cap Loss: ⓘ	\$0
Assessed Value:	\$1,140

Information provided for research purposes only. Legal descriptions and acreage amounts are for appraisal district use only and should be verified prior to using for legal purpose and or documents. Please contact the Appraisal District to verify all information for accuracy.

Property Taxing Jurisdiction

Entity	Description	Tax Rate	Market Value	Taxable Value	Estimated Tax	Freeze Ceiling
00	REEVES CO APPR DIST	0.000000	\$17,070	\$1,140	\$0.00	
01	REEVES COUNTY	0.499520	\$17,070	\$1,140	\$5.69	
15	RCGWCD	0.004000	\$17,070	\$1,140	\$0.05	
30	P-B-T I.S.D	1.125000	\$17,070	\$1,140	\$12.83	
65	REEVES CO HOSP DIST	0.240000	\$17,070	\$1,140	\$2.74	

Total Tax Rate: 1.868520 Estimated Taxes With Exemptions: \$21.30 Estimated Taxes Without Exemptions: \$318.96

Property Improvement - Building

Property Land

Type	Description	Acres	Sqft	Eff Front	Eff Depth	Market Value	Prod. Value
RG4		379.22	16,518,823.00	0.00	0.00	\$17,065	\$1,138

NOTICE OF CONFIDENTIALITY RIGHTS: IF YOU ARE A NATURAL PERSON, YOU MAY REMOVE OR STRIKE ANY OR ALL OF THE FOLLOWING INFORMATION FROM ANY INSTRUMENT THAT TRANSFERS AN INTEREST IN REAL PROPERTY BEFORE IT IS FILED FOR RECORD IN THE PUBLIC RECORDS: YOUR SOCIAL SECURITY NUMBER OR YOUR DRIVER'S LICENSE NUMBER.

SPECIAL WARRANTY DEED

STATE OF TEXAS)
) KNOW ALL MEN BY THESE PRESENTS:
COUNTY OF REEVES)

THAT, WOLF BONE RANCH PARTNERS LLC, (herein referred to as "Grantor"), whose address is 110 W. Louisiana, Suite 500, Midland, Texas 79701, for and in consideration of the sum of Ten and no/100 Dollars (\$10.00) and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, has GRANTED, SOLD AND CONVEYED, and by these presents does GRANT, SELL AND CONVEY to ETC TEXAS PIPELINE, LTD (herein referred to as "Grantee"), whose address is 1300 Main, Houston, Texas 77002, the following described property:

The surface estate only of 260.778 acre tract of land located in Section(s) 13 and 14, Block C-3, Public School Lands Survey, Reeves County, Texas, which tract is more particularly described in Exhibit "A" attached hereto (the "Land") and made a part hereof by reference for all purposes, together with all of the rights, privileges and appurtenances related thereto (all of said property and interest being collectively referred to herein as the "Property");

Subject, however, to the exceptions to title (the "Permitted Exceptions") more particularly set forth in Exhibit "B" attached hereto and fully made a part hereof by reference for all purposes, and to the other qualifications described in this deed (the "Qualifications").

I. Qualifications. This conveyance is made and accepted subject to the following Qualifications:

a. Exceptions. Grantee assumes the obligations of Grantor under the Permitted Exceptions but only to the extent that they are still in effect and shown of record in Reeves County, Texas on the date hereof.

b. Easements. Visible and apparent, but unrecorded easements, if any.

c. Laws and Regulations. Application of all laws and regulations affecting the Property after the delivery of this deed, including environmental laws and municipal and governmental ordinances and regulations, relating to the Property.

d. Taxes. The liens for all governmental assessments, standby fees and ad valorem taxes for the year 2015; subsequent assessments for that and prior years due to the sale evidenced by this deed or by change in land usage by Grantee after the delivery of this deed; the payment of which is hereby assumed by Grantee.

e. Reserved Interests. For Grantor and Grantor's heirs, successors, and assigns, all rights, title and interest in all oil, gas and other minerals in, on and under the Property that are owned by Grantor and that may be produced from the Property, all of which are hereby reserved to Grantor. If the mineral estate is subject to existing production or an existing lease, this reservation includes the production, the lease, and all benefits from it.

The term "oil, gas and other minerals," as used herein, shall mean oil, gas, casinghead gas, and all other liquid or gaseous hydrocarbons, and any constituent elements or byproducts thereof, and all geothermal sources, helium, uranium, and other fissionable minerals and materials, coal, lignite, iron, silver, gold, vanadium, molybdenum, and other materials and ores, whether or not such minerals are or may be mined or extracted by methods which result in material damage to or destruction of the surface estate and shall include all working and royalty interests and any associated royalties, all easements and rights owned or held by any lessee or mineral owner on, over, or across the Property for the purposes of producing or transporting any of said oil, gas and other minerals thereon and therefrom.

There is also reserved from this Special Warranty Deed all rights of ingress and egress, either express or implied, across any lands GRANTOR may own, whether contiguous to the Land or otherwise, unless expressly granted by separate easement document. GRANTOR agrees to grant a renewable term easement across its lands, including the Land, to GRANTEE on GRANTOR'S standard road easement form, and for the consideration as set out in the most recently published Rate and Damage Schedule of the University of Texas System, University Lands.

Grantor hereby expressly reserves all retained rights of the Grantor concerning those certain agreements further described on Exhibit "C" attached hereto, including but not limited to the right to renew and extend the estates created thereby and receive payment for any such renewal and extension..

f. As Is, Where, Is. Grantee accepts the Property in its "AS IS", "WHERE IS" condition with all faults. Grantee agrees that Grantor shall not be liable for any latent or patent defects in the Property. Grantee acknowledges that neither Grantor nor any of the employees, agents or attorneys of Grantor ("Grantor Exculpated Parties") has made any verbal or written representations or warranties whatsoever to Grantee, whether express, implied, statutory, or by operation of law, and in particular, that no such representations and warranties have been made with respect to the physical or environmental condition or operation of the Property, environmental, and other laws, regulations and rules applicable to the Property, or the compliance of the Property therewith, other matter or thing affecting or relating to the Property or the transactions contemplated hereby. GRANTEE HEREBY WAIVES, RELINQUISHES, AND RELEASES GRANTOR AND GRANTOR'S EXCULPATED PARTIES FROM AND AGAINST ANY AND ALL CLAIMS, DEMANDS, CAUSES OF ACTION [INCLUDING, WITHOUT LIMITATION, CAUSES OF ACTION IN TORT, LOSSES, DAMAGES, LIABILITIES, COSTS, AND EXPENSES (INCLUDING, WITHOUT LIMITATION, ATTORNEYS' FEES AND COURT COSTS)] OF ANY AND EVERY KIND OR CHARACTER, KNOWN OR UNKNOWN, THAT GRANTEE MIGHT HAVE ASSERTED OR ALLEGED AGAINST GRANTOR AT ANY TIME BY REASON OF OR ARISING OUT OF ANY LATENT OR PATENT DEFECTS OR PHYSICAL CONDITIONS

(INCLUDING, WITHOUT LIMITATION, ADVERSE ENVIRONMENTAL CONDITIONS), VIOLATIONS OF ANY APPLICABLE LAWS (INCLUDING, WITHOUT LIMITATION, ENVIRONMENTAL LAWS) AND ANY AND ALL OTHER ACTS, OMISSIONS, EVENTS, CIRCUMSTANCES, OR MATTERS REGARDING THE PROPERTY.

g. This Special Warranty Deed is expressly made subject to that certain Caliche Use Agreement dated October 21, 2015 between Grantor and Grantee. Said Caliche Use Agreement confers additional burdens on the Lands and Property. Copies of such Agreement are held at the offices of both Grantor and Grantee.

TO HAVE AND TO HOLD the above-described Property, subject to the Permitted Exceptions and Qualifications, together with all and singular the rights and appurtenances thereto in any wise belonging to Grantor, unto the said Grantee, its successors and assigns FOREVER, and Grantor does hereby bind itself and its successors and assigns to WARRANT AND FOREVER DEFEND all and singular the Property unto the said Grantee, its successors and assigns, against every person whomsoever, lawfully claiming or to claim the same or any part thereof, by, through or under Grantor but not otherwise.

IN WITNESS WHEREOF, the parties herein named have hereunto set their hands and seal to be effective this 16th day of October, 2015.

-----Signature and Acknowledgement Page to Follow-----

GRANTOR:

Wolf Bone Ranch Partners LLC

By: 

Name: Benjamin A. Strickling, III

Title: President

ACKNOWLEDGEMENT

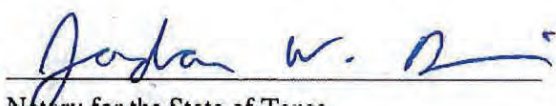
STATE OF TEXAS)

)

COUNTY OF MIDLAND)

This instrument was executed before me on the 21st day of October, 2015, by Benjamin A. Strickling, III, the President of Wolf Bone Ranch Partners LLC.




Notary for the State of Texas

My commission Expires: _____

Signature and acknowledgment page to that certain Special Warranty Deed, dated effective October 16, 2015, between Wolf Bone Ranch Partners LLC and ETC Pipeline, LTD.

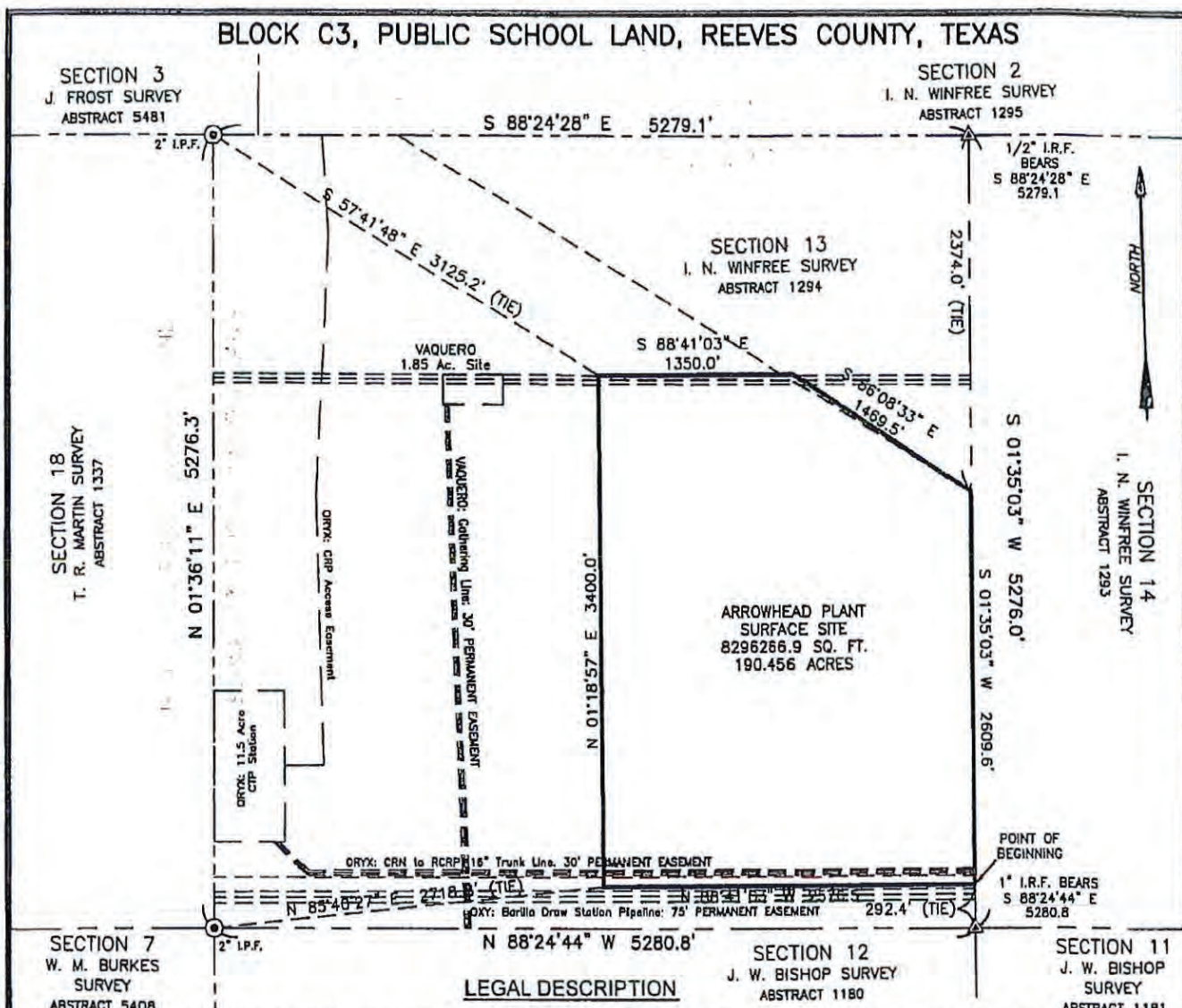
EXHIBIT "A"

Attached to and made a part of the Special Warranty Deed, Effective the 16th day of October, 2015, by and between Wolf Bone Ranch Partners LLC and ETC Texas Pipeline, LTD.

This is a two page exhibit consisting of a survey plat and metes and bounds description of the 260.778 acre tract.

EXHIBIT "A"

BLOCK C3, PUBLIC SCHOOL LAND, REEVES COUNTY, TEXAS



LEGAL DESCRIPTION

SURFACE SITE SURVEY LOCATED IN SECTION 13, BLOCK C3, PUBLIC SCHOOL LAND, REEVES COUNTY, TEXAS, BEING MORE PARTICULARLY DESCRIBED AS FOLLOWS

BEGINNING AT THE SOUTHEAST CORNER OF THE SURFACE SITE, IN THE EAST LINE OF SECTION 13, WHICH BEARS NORTH 01° 35' 03\"/>

THENCE NORTH 88° 41' 03\"/>

THENCE SOUTH 01° 35' 03\"/>

CAUTIONARY NOTE: LINE CROSSINGS AND OTHER FEATURES SHOWN HEREON WERE LOCATED BY VISUAL INSPECTION ONLY. NO MECHANICAL NOR ELECTRONIC METHODS WERE USED. OTHER UNDERGROUND OR SURFACE OBSTRUCTIONS MAY EXIST.

Bearings and Coordinates conform to the Texas State Plane Coordinate System, Central Zone (4203), NAD83, Derived from OPUS Solution. Distances and Stationing are horizontal (GRID) values in U.S. Survey Feet. To obtain surface values multiply distances by a factor of 1.00022613

SURVEYED ON THE GROUND, 13 AUGUST 2015

Robert W. Johnston
ROBERT W. JOHNSTON, TEXAS RPLS No 5579
DRJ SURVEYING LLC P.O. BOX 501, THORNDALE TX 76577



BTJ Services, LLC
505 Sioux Trail
Leander, TX 78641
1-855-867-3818

ENERGY TRANSFER

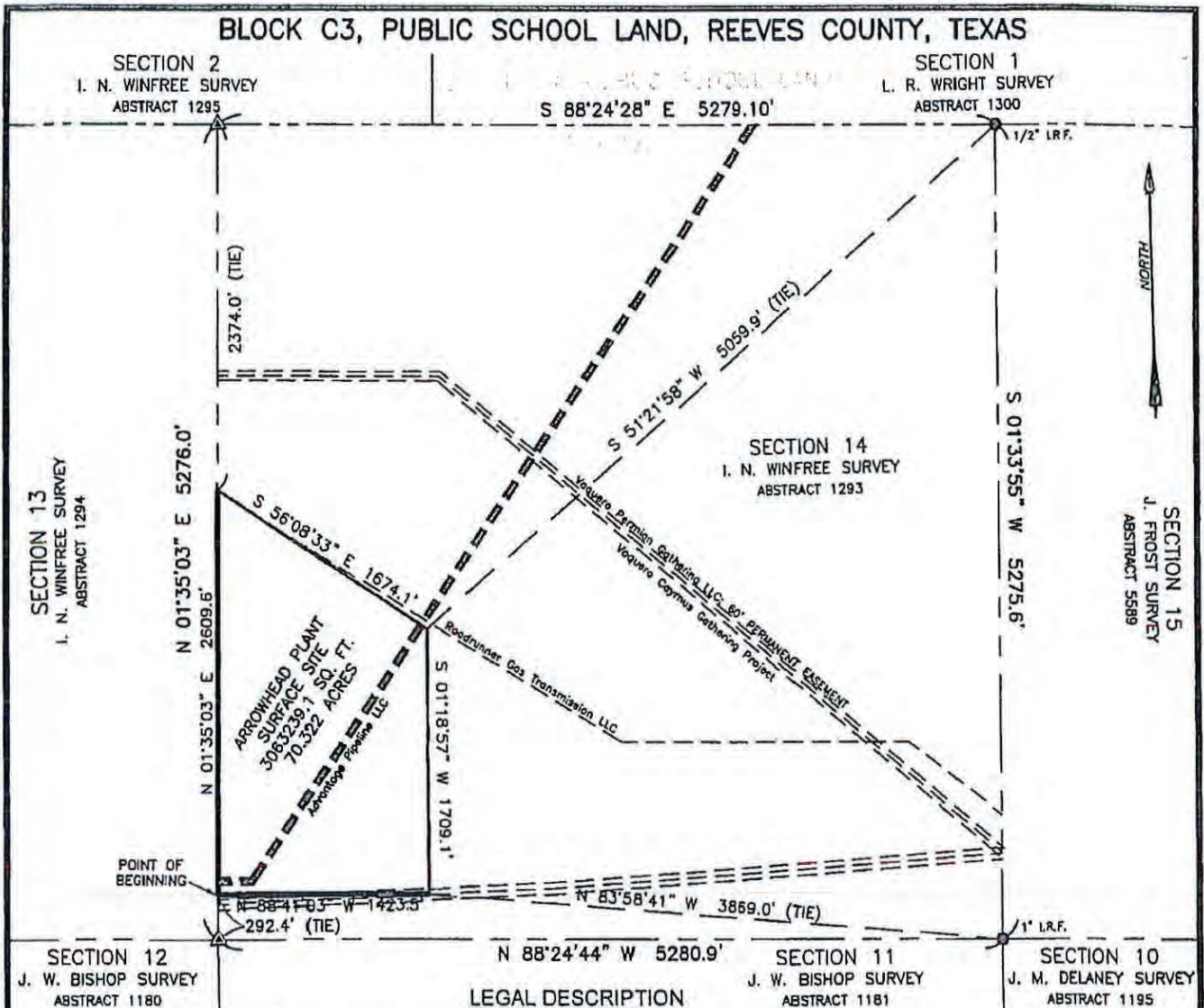
ARROWHEAD PLANT SITE

SURFACE SITE SURVEY
SECTION 13, BLOCK C3, PUBLIC SCHOOL LAND
REEVES COUNTY, TEXAS

SCALE: 1" = 1000'	AFE: 100000001137
DRAFTED BY: WLJ	DATE: 19 AUGUST 2015
SHEET: 1 OF 2	QUAD: LIGON RANCH, TEXAS
W.O. NO.: 15-308	FILE: 120-2015-84

EXHIBIT "A"

BLOCK C3, PUBLIC SCHOOL LAND, REEVES COUNTY, TEXAS



LEGAL DESCRIPTION

SURFACE SITE SURVEY LOCATED IN SECTION 14, BLOCK C3, PUBLIC SCHOOL LAND, REEVES COUNTY, TEXAS, BEING MORE PARTICULARLY DESCRIBED AS FOLLOWS

BEGINNING AT THE SOUTHWEST CORNER OF THE SURFACE SITE, IN THE WEST LINE OF SECTION 14, WHICH BEARS NORTH 01° 35' 03" EAST, ALONG THE EAST LINE OF SECTION 14, A DISTANCE OF 292.4 FEET, FROM THE SOUTHWEST CORNER OF SECTION 14;

THENCE NORTH 01° 35' 03" EAST, ALONG THE WEST LINE OF SECTION 14, A DISTANCE OF 2609.6 FEET, TO THE NORTHWEST CORNER OF THE SURFACE SITE WHICH BEARS SOUTH 01° 35' 03" WEST, ALONG THE WEST LINE OF SECTION 14, A DISTANCE OF 2374.0 FEET FROM THE NORTHWEST CORNER OF SECTION 14, THENCE SOUTH 56° 08' 33" EAST, A DISTANCE OF 1674.1 FEET, TO NORTHEAST CORNER OF THE SURFACE SITE, WHICH BEARS SOUTH 51° 21' 58" WEST, A DISTANCE OF 5059.9 FEET FROM THE NORTHEAST CORNER OF SECTION 14; THENCE SOUTH 01° 18' 57" WEST, A DISTANCE OF 1709.1 FEET, TO SOUTHEAST CORNER OF THE SURFACE SITE, WHICH BEARS NORTH 83° 58' 41" WEST, A DISTANCE OF 3869.0 FEET FROM THE SOUTHEAST CORNER OF SECTION 14;

THENCE NORTH 88° 41' 03" WEST, A DISTANCE OF 1423.5 FEET TO THE POINT OF BEGINNING, AND THE END OF THIS SURVEY.

CAUTIONARY NOTE: LINE CROSSINGS AND OTHER FEATURES SHOWN HEREON WERE LOCATED BY VISUAL INSPECTION ONLY. NO MECHANICAL NOR ELECTRONIC METHODS WERE USED. OTHER UNDERGROUND OR SURFACE OBSTRUCTIONS MAY EXIST.

Bearings and Coordinates conform to the Texas State Plane Coordinate System, Central Zone (4203), NAD83. Derived from OPUS Solution. Distances and Stationing are horizontal (GRID) values in U.S. Survey Feet. To obtain surface values multiply distances by a factor of 1.00022613

SURVEYED ON THE GROUND, 13 AUGUST 2015

Robert W. Johnston
ROBERT W. JOHNSTON, TEXAS RPLS No. 5579
DRJ SURVEYING LLC P.O. BOX 501, THORNDALE, TX 76577



BTJ Services, LLC
505 Sioux Trail
Leander, TX 78641
1-855-867-3816

ENERGY TRANSFER

ARROWHEAD PLANT SITE

SURFACE SITE SURVEY

SECTION 14, BLOCK C3, PUBLIC SCHOOL LAND
REEVES COUNTY, TEXAS

SCALE: 1" = 1000'	AFE: 100000001137
DRAFTED BY: WLJ	DATE: 19 AUGUST 2015
SHEET: 2 OF 2	QUAD: LIGON RANCH, TEXAS
W.O. NO.: 15-308	FILE: 120-2015-84

EXHIBIT "B"

Attached to and made a part of the Special Warranty Deed, Effective the 16th day of October, 2015, by and between Wolf Bone Ranch Partners LLC and ETC Texas Pipeline, LTD.

PERMITTED EXCEPTIONS

Any lease, grant, exception or reservation of minerals or mineral rights associated with the Property.

Any portion of the Property lying within the boundaries of dedicated or existing pipeline easements and roadways or any other visible easements.

Rights of parties in possession.

All matters reflected of record in Reeves County, Texas, affecting the Property.

EXHIBIT "C"

Attached to and made a part of the Special Warranty Deed, Effective the 16th day of October, 2015, by and between Wolf Bone Ranch Partners LLC and ETC Texas Pipeline, LTD.

1. Pipeline Easement Agreement from Wolf Bone Ranch Partners LLC to Advantage Pipeline, LLC dated February 13, 2013, recorded Volume 987, Page 606, Official Public Records of Real Property, Reeves County, Texas.
2. Pipeline Easement Agreement from Wolf Bone Ranch Partners LLC to Roadrunner Gas Transmission, LLC dated August 18, 2015, recorded Volume 1192, Page 573, Official Public Records of Real Property, Reeves County, Texas.
3. Pipeline Easement Agreement from Wolf Bone Ranch Partners LLC to Vaquero Permian Gathering, LLC dated August 19, 2015, recorded Volume 1196, Page 321, Official Public Records of Real Property, Reeves County, Texas.
4. Pipeline Easement Agreement from Wolf Bone Ranch Partners LLC to Vaquero Permian Gathering, LLC dated August 19, 2015, recorded Volume 1196, Page 333, Official Public Records of Real Property, Reeves County, Texas.
5. Pipeline Easement Agreement from Wolf Bone Ranch Partners LLC to Oxy Permian Gathering, LLC, said Agreement is unrecorded but reflected on Exhibit A attached hereto.
6. Pipeline Easement Agreement from Wolf Bone Ranch Partners LLC to Oryx Southern Delaware Oil Gathering and Transport LLC, said Agreement is unrecorded but reflected on Exhibit A attached hereto.



Tab 10

Description of Existing Improvement

**There are no existing improvements related to the project at the proposed site.



Tab 11

Maps

Reinvestment Zone

With Proposed Project Boundary

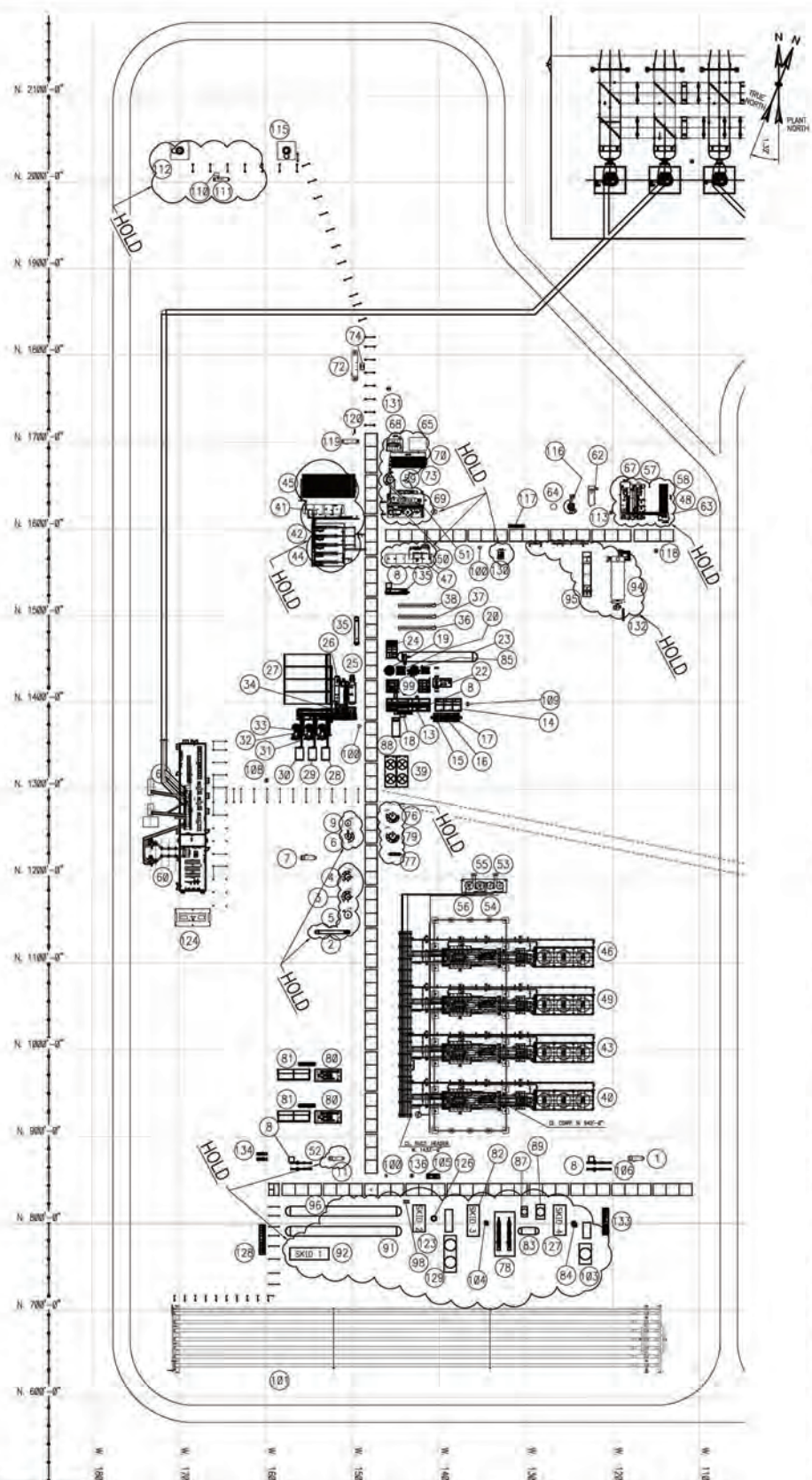
Legend

 Reinvestment Zone

Reinvestment Zone
(red boundary)

Proposed Project Location
(yellow boundary)





TAG NUMBER	DESCRIPTION
1	INLET FILTER COALESCE SEPARATOR
2	INLET GAS/GAS EXCHANGER
3	INLET GAS AMINE CONTACTOR
4	INLET GAS AMINE CONTACTOR
5	AMINE AFTER SCRUBBER
6	GLYCOL CONTACTOR
7	GLYCOL CONTACTOR INLET FILTER SEPARATOR
8	GC BUILDING (4 TOTAL)
9	GLYCOL AFTERSCRUBBER
10	RESIDUE GAS FILTER/COALESCE
11	UPPER LEVEL INLET SKID #6
12	DEHY SWITCHING VALVE SKID #2
13	MOL SIEVE DEHYDRATOR
14	MOL SIEVE DEHYDRATOR
15	MOL SIEVE DEHYDRATOR
16	MOL SIEVE DEHYDRATOR
17	INLET FILTER SKID #1
18	COLD SEPARATOR
19	WARM GAS/GAS EXCHANGER
20	EXPANDER/COMPRESSOR
21	PRODUCT SURGE TANK
22	PRODUCT PUMP SKID #5
23	CHILLER
24	REFRIGERANT ACCUMULATOR
25	REFRIGERANT CONDENSER
26	LUBE OIL COOLER
27	LUBE OIL COOLER
28	LUBE OIL COOLER
29	REFRIGERANT COMPRESSOR
30	REFRIGERANT COMPRESSOR
31	REFRIGERANT COMPRESSOR
32	REFRIGERANT COMPRESSOR
33	REFRIGERANT COMPRESSOR
34	REFRIGERANT COMPRESSOR
35	COLD DRAIN TANK
36	NGL PIPELINE PUMP
37	NGL PIPELINE PUMP
38	NGL PIPELINE PUMP
39	EXPANDER COMPRESSOR AFTERCOOLER
40	RESIDUE GAS COMPRESSOR
41	AMINE SURGE TANK
42	AMINE SOLUTION PUMPS (GAS)
43	RESIDUE GAS COMPRESSOR
44	AMINE SOLUTION PUMPS (NGL)
45	AMINE SOLUTION COOLERS
46	RESIDUE GAS COMPRESSOR
47	AMINE FLASH TANK
48	STEX CONDENSER
49	RESIDUE GAS COMPRESSOR
50	AMINE FILTER SKID #1
51	AMINE LEAN/RICH EXCHANGER SKID #1
52	RESIDUE GAS METER
53	LUBE OIL TANK
54	WASTE LUBE OIL TANK
55	COOLANT STORAGE TANK
56	WASTE COOLANT STORAGE TANK
57	GLYCOL REGEN SKID #4B
58	GLYCOL COOLER
59	AMINE REGEN STILL
60	LOW VOLTAGE MCC
61	MEDIUM VOLTAGE MCC
62	REGEN GAS HEATER
63	STEX BLOWER PLATFORM #4C
64	DOZ VENT SCRUBBER
65	SULFA GUARD
66	GLYCOL REGEN SKID #4A
67	REFLUX ACCUMULATOR/PUMP SKID #1
68	AMINE SUMP TANK
69	REFLUX CONDENSER
70	FLARE KNOCKOUT DRUM
71	ANTI-FOAM INJECTION PUMP
72	FLARE KNOCKOUT PUMP
73	FLARE KNOCKOUT PUMP
74	FLARE KNOCKOUT PUMP
75	NGL AMINE CONTACTOR
76	TREATED NGL COALESCE
77	PIPELINE PUMPS
78	NGL AMINE CONTACTOR
79	STABILIZER OVERHEAD COMPRESSORS
80	OVERHEAD COMPRESSOR AFTERCOOLERS
81	Y-GRADE SKID #3
82	STABILIZED NGL SURGE TANK
83	STABILIZER
84	DEMETHANIZER
85	Y-GRADE BOTTOMS COOLER
86	REGEN GAS COOLER
87	STABILIZED NGL COOLER
88	L.P. FLASH DRUM
89	CONDENSATE FEED SKID #1
90	STABILIZER HMD HEATER
91	STABILIZER HMD PUMP SKID #5
92	CONDENSATE REGEN TANK
93	RE-RUN PUMP
94	PROCESS SKID #3 & #4
95	INSTRUMENT AIR SURGE TANK
96	SLUG CATCHER
97	STABILIZER OVERHEAD CONDENSER
98	Y-GRADE STABILIZER TOWER
99	L.P. FLASH DRUM LIQUIDS METER SKID
100	INLET METER
101	REFRIGERATION SUMP TANK
102	CRYO SUMP TANK
103	ACID GAS FLARE K.O. PUMP
104	ACID GAS FLARE K.O. DRUM
105	ACID GAS FLARE
106	GLYCOL SUMP TANK
107	FLARE
108	THERMAL OXIDIZER
109	THERMAL OXIDIZER CONTROL RACK
110	OPEN DRAIN SUMP TANK
111	CLOSED DRAIN DRUM
112	CLOSED DRAIN OIL PUMP
113	RVP STABILIZER SKID #2
114	INSTRUMENT AIR COMPRESSOR
115	RVP STABILIZER TOWER
116	STABILIZER SKID #4
117	SLUG CATCHER LIQUID METER SKID
118	RVP OVERHEAD CONDENSER
119	WET FUEL GAS SCRUBBER SKID #6
120	OPEN DRAIN SUMP
121	SKID #7 HMD TO TRAIN
122	Y-GRADE METER SKID
123	BUY BACK METER SKID
124	NGL PRODUCT METER
125	OPEN DRAIN SUMP TANK

55070001-000-1003

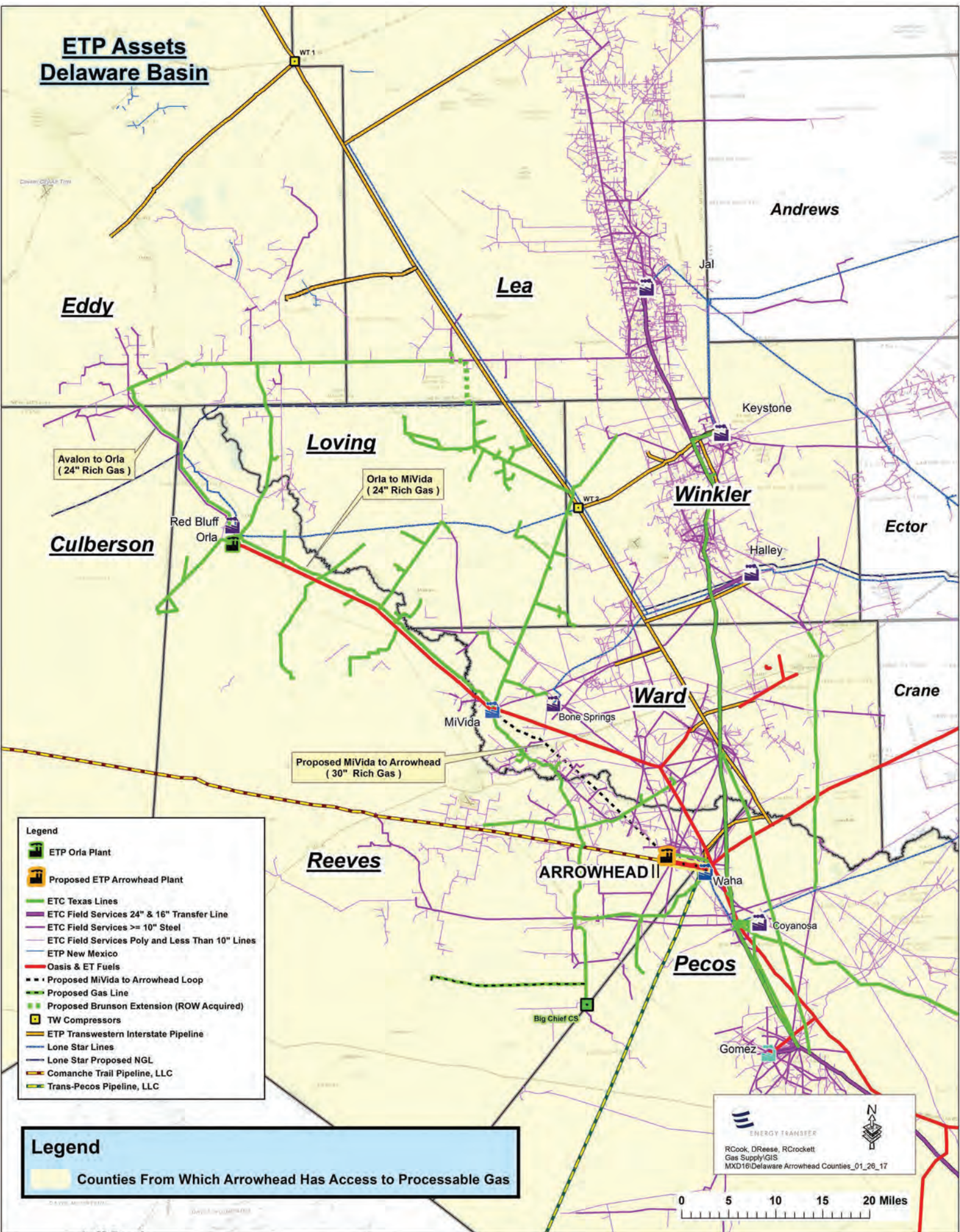
ENERGY TRANSFER

DATE: 1/12/77

BY: G

TOP OF BUMP TO BE 2622'-8" GROUND WAT. TOP IS GROUND 2622'-4" AND TO EQUIV. WAT. EL. 2622'-4" = 189'-8"						
NO.	D	ISSUED FOR INFORMATION (REV. SLOUGH/CHOW, NGL GAS FLARE)	ENR	1/15/78	DM FKH	
	F	ISSUED FOR INFORMATION (REVISED STABILIZER AREA)	ENR	12/17/77	DM FKH	
	E	ISSUED FOR INFORMATION (REVISED CHOW NOTE)	ENR	11/27/77	DM FKH	
	D	ISSUED FOR INFORMATION (ADDED FIELD NOTE)	ENR	11/28/77	DM FKH	
	C	ISSUED FOR INFORMATION	ENR	11/27/77	DM FKH	
	B	ISSUED FOR REVIEW	ENR	11/27/77	DM FKH	
REV	DESCRIPTION		BY	DATE	CHKD	APP'D
PROCESS AREA PLOT PLAN						

ETP Assets Delaware Basin



Potential Plant Site

Legend

 Proposed Site and Reinvestment Zone

Monahans

 Proposed Site and Reinvestment Zone

Fort Stockton

Pecos

Google Earth

© 2018 Google
Image Landsat / Copernicus

20 mi



Potential Plant Site

Legend

Proposed Site and Reinvestment Zone

Proposed Site and Reinvestment Zone

Google Earth

© 2013 Google

2 mi



Potential Plant Site and Reinvestment Zone

Legend

 Proposed Site and Reinvestment Zone

 Proposed Site and Reinvestment Zone



Pecos-Barstow-Toyah ISD Map

Legend

-  Pecos-Barstow-Toyah Independent School District
-  Reinvestment Zone

Pecos-Barstow-Toyah ISD Boundary
(yellow outline)

Reinvestment
Zone Boundary
(red outline)

Google Earth

Image Landsat / Copernicus

40 mi



Reinvestment Zone

With Proposed Project Boundary

Legend

 Reinvestment Zone

Reinvestment Zone
(red boundary)

Proposed Project Location
(yellow boundary)



Reinvestment Zone

Legend

 Reinvestment Zone

Reinvestment Zone
Boundary

Google Earth

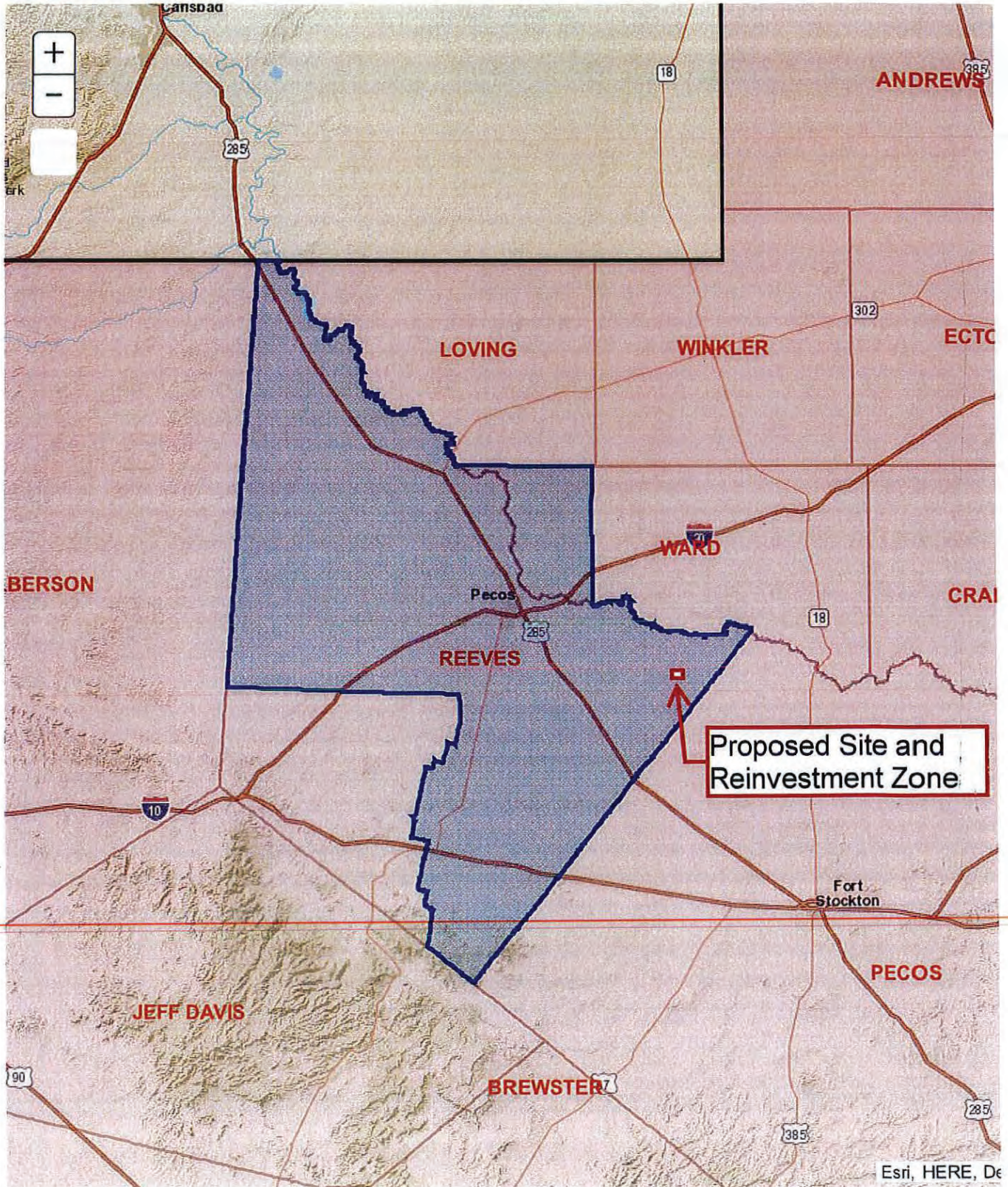
© 2018 Google



2000 ft



Texas School District Locator





Tab 12

Request for Waiver of Job Requirements-N/A

Arrowhead III meets the minimum job requirements.



Tab 13

Calculation of Wage Requirements

U.S. Department of Labor—Bureau of Labor Statistics

The proceeding calculations are for the following wage requirements:

Calculation A: Reeves County Average Weekly Wage

Calculation B: 110% of Reeves County Average for Manufacturing Jobs - ***N/A: Data does not meet BLS or State Agency Disclosure Standards***

Calculation C: 110% of Permian Basin Regional Planning Commission Average for Manufacturing Jobs

Calculation A: Reeves County Average Weekly Wage for all Jobs

Year	Quarter	Average Weekly Wage
2017	Q2	\$902
2017	Q3	\$929
2017	Q4	\$1072
2018	Q1	\$1160
2017	Q Average	\$1015.75

In order to calculate the Reeves County Average Weekly Wage for all Jobs, the following calculations were completed:

Quarterly Average Calculation:

Step 1: $\$902.00 + \$929.00 + \$1072 + \$1160 = \$4063.00$

Step 2: $\$4063.00 / 4 =$ **\$1015.75**



Calculation C: 110% of Permian Basin Regional Planning Commission Average Weekly Wage for Manufacturing Jobs

2017 Permian Basin Regional Planning Commission Annual Manufacturing Wage: \$54,576.00

110 % of 2017 Permian Basin Regional Planning Commission Annual Manufacturing Wage: \$60,033.60 annually or \$1,154.49 weekly

In order to calculate 110% of the 2017 **Permian Basin Regional Planning Commission Annual Manufacturing Wage** the following calculations were completed:

Step 1: $\$54,576.00 \times 1.10 = \$60,033.60$

Step 2: $\$60,033.60 / 52 = \$1,154.49$

*All calculations were completed using the most recent data available from the Bureau of Labor Statistics—data attached

**Quarterly Census of Employment and Wages
Original Data Value**

Series Id: ENU4838940010
Series Title: Average Weekly Wage in Total Covered Total, all industries for All establishment sizes in Reeves County, Texas, NSA
State: Texas
Area: Reeves County, Texas
Industry: Total, all industries
Owner: Total Covered
Size: All establishment sizes
Type: Average Weekly Wage
Years: 2008 to 2018

Year	Qtr1	Qtr2	Qtr3	Qtr4	Annual
2008	561	593	577	630	590
2009	587	600	582	632	600
2010	644	658	633	682	654
2011	642	666	668	674	662
2012	681	665	664	727	684
2013	706	699	741	743	722
2014	760	731	796	814	776
2015	817	742	769	778	777
2016	776	743	809	829	789
2017	857	902	929	1072	947
2018	1160				

Source: Bureau of Labor Statistics

Generated on: October 2, 2018 (3:19:51 PM)



2017 Manufacturing Average Wages by Council of Government Region
Wages for All Occupations

COG	Wages	
	Hourly	Annual
Texas	\$26.24	\$54,587
<u>1. Panhandle Regional Planning Commission</u>	\$23.65	\$49,190
<u>2. South Plains Association of Governments</u>	\$19.36	\$40,262
<u>3. NORTEX Regional Planning Commission</u>	\$23.46	\$48,789
<u>4. North Central Texas Council of Governments</u>	\$26.80	\$55,747
<u>5. Ark-Tex Council of Governments</u>	\$18.59	\$38,663
<u>6. East Texas Council of Governments</u>	\$21.07	\$43,827
<u>7. West Central Texas Council of Governments</u>	\$21.24	\$44,178
<u>8. Rio Grande Council of Governments</u>	\$18.44	\$38,351
<u>9. Permian Basin Regional Planning Commission</u>	\$26.24	\$54,576
<u>10. Concho Valley Council of Governments</u>	\$19.67	\$40,924
<u>11. Heart of Texas Council of Governments</u>	\$21.53	\$44,781
<u>12. Capital Area Council of Governments</u>	\$31.49	\$65,497
<u>13. Brazos Valley Council of Governments</u>	\$17.76	\$39,931
<u>14. Deep East Texas Council of Governments</u>	\$17.99	\$37,428
<u>15. South East Texas Regional Planning Commission</u>	\$34.98	\$72,755
<u>16. Houston-Galveston Area Council</u>	\$28.94	\$60,202
<u>17. Golden Crescent Regional Planning Commission</u>	\$26.94	\$56,042
<u>18. Alamo Area Council of Governments</u>	\$22.05	\$48,869
<u>19. South Texas Development Council</u>	\$15.07	\$31,343
<u>20. Coastal Bend Council of Governments</u>	\$28.98	\$60,276
<u>21. Lower Rio Grande Valley Development Council</u>	\$17.86	\$37,152
<u>22. Texoma Council of Governments</u>	\$21.18	\$44,060
<u>23. Central Texas Council of Governments</u>	\$19.30	\$40,146
<u>24. Middle Rio Grande Development Council</u>	\$24.07	\$50,058

Source: Texas Occupational Employment and Wages

Data published: July 2018

Data published annually, next update will be July 31, 2019

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.



Tab 14

Schedules A1-D

Schedule A1: Total Investment for Economic Impact (through the Qualifying Time Period)

Date 10/3/2018
Applicant Name ETC Texas Pipeline, LTD
ISD Name Pecos-Barstow-Toyah ISD

Form 50-296A
Revised May 2014

PROPERTY INVESTMENT AMOUNTS								
(Estimated Investment in each year. Do not put cumulative totals.)								
				Column A	Column B	Column C	Column D	Column E
	Year	School Year (YYYY-YYYY)	Tax Year (Fill in actual tax year below) YYYY	New investment (original cost) in tangible personal property placed in service during this year that will become Qualified Property	New investment made during this year in buildings or permanent nonremovable components of buildings that will become Qualified Property	Other new investment made during this year that will <u>not</u> become Qualified Property [SEE NOTE]	Other new investment made during this year that may become Qualified Property [SEE NOTE]	Total Investment (Sum of Columns A+B+C+D)
Investment made before filing complete application with district		2018-2019	2018	Not eligible to become Qualified Property			[The only other investment made before filing complete application with district that may become Qualified Property is land.]	
Investment made after filing complete application with district, but before final board approval of application								
Investment made after final board approval of application and before Jan. 1 of first complete tax year of qualifying time period								
	Year preceding the first complete tax year of the qualifying time period (assuming no deferrals of qualifying time period)	2019-2020	2019	\$ 105,000,000.00				\$ 105,000,000.00
Complete tax years of qualifying time period	QTP1	2020-2021	2020					
	QTP2	2021-2022	2021					
Total Investment through Qualifying Time Period [ENTER this row in Schedule A2]				\$ 105,000,000.00				\$ 105,000,000.00
				Enter amounts from TOTAL row above in Schedule A2				
Total Qualified Investment (sum of green cells)				\$ 105,000,000.00				

For All Columns: List amount invested each year, not cumulative totals.

Column A: This represents the total dollar amount of planned investment in tangible personal property. Only include estimates of investment for "replacement" property if the property is specifically described in the application.
Only tangible personal property that is specifically described in the application can become qualified property.

Column B: The total dollar amount of planned investment each year in buildings or nonremovable component of buildings.

Column C: Dollar value of other investment that may affect economic impact and total value. Examples of other investment that will not become qualified property include investment meeting the definition of 313.021(1) but not creating a new improvement as defined by TAC 9.1051. This is proposed property that functionally replaces existing property; is used to maintain, refurbish, renovate, modify or upgrade existing property; or is affixed to existing property—described in SECTION 13, question #5 of the application.

Column D: Dollar value of other investment that may affect economic impact and total value. Examples of other investment that may result in qualified property are land or professional services.

Total Investment: Add together each cell in a column and enter the sum in the blue total investment row. Enter the data from this row into the first row in Schedule A2.

Qualified Investment: For the green qualified investment cell, enter the sum of all the green-shaded cells.

Date 10/3/2018
Applicant Name ETC Texas Pipeline, LTD
ISD Name Pecos-Barstow-Toyah ISD

Schedule A2: Total Investment for Economic Impact (including Qualified Property and other investments)

Form 50-296A
Revised May 2014

PROPERTY INVESTMENT AMOUNTS								
(Estimated Investment in each year. Do not put cumulative totals.)								
				Column A	Column B	Column C	Column D	Column E
	Year	School Year (YYYY-YYYY)	Tax Year (Fill in actual tax year below) YYYY	New investment (original cost) in tangible personal property placed in service during this year that will become Qualified Property	New investment made during this year in buildings or permanent nonremovable components of buildings that will become Qualified Property	Other investment made during this year that will <u>not</u> become Qualified Property [SEE NOTE]	Other investment made during this year that will become Qualified Property [SEE NOTE]	Total Investment (A+B+C+D)
Total Investment from Schedule A1*	--	TOTALS FROM SCHEDULE A1		\$ 105,000,000.00				
Each year prior to start of value limitation period**	0	2018-2019	2018					
Each year prior to start of value limitation period**	0	2019-2020	2019	\$ 105,000,000.00				
Value limitation period***	1	2020-2021	2020					
	2	2021-2022	2021					
	3	2022-2023	2022					
	4	2023-2024	2023					
	5	2024-2025	2024					
	6	2025-2026	2025					
	7	2026-2027	2026					
	8	2027-2028	2027					
	9	2028-2029	2028					
	10	2029-2030	2029					
Total Investment made through limitation				\$ 105,000,000.00				
Continue to maintain viable presence	11	2030-2031	2030					
	12	2031-2032	2031					
	13	2032-2033	2032					
	14	2033-2034	2033					
	15	2034-2035	2034					
Additional years for 25 year economic impact as required by 313.026(c)(1)	16	2035-2036	2035					
	17	2036-2037	2036					
	18	2037-2038	2037					
	19	2038-2039	2038					
	20	2039-2040	2039					
	21	2040-2041	2040					
	22	2041-2042	2041					
	23	2042-2043	2042					
	24	2043-2044	2043					
	25	2044-2045	2044					

* All investments made through the qualifying time period are captured and totaled on Schedule A1 [blue box] and incorporated into this schedule in the **first row**.

** Only investment made during deferrals of the start of the limitation (after the end of qualifying time period but before the start of the Value Limitation Period) should be included in the "year prior to start of value limitation period" row(s). If the limitation starts at the end of the qualifying time period or the qualifying time period overlaps the limitation, no investment should be included on this line.

*** If your qualifying time period will overlap your value limitation period, do not also include investment made during the qualifying time period in years 1 and/or 2 of the value limitation period, depending on the overlap. Only include investments/years that were **not** captured on Schedule A1.

For All Columns: List amount invested each year, not cumulative totals. Only include investments in the remaining rows of Schedule A2 that were not captured on Schedule A1.

Column A: This represents the total dollar amount of planned investment in tangible personal property. Only include estimates of investment for "replacement" property if the property is specifically described in the application.

Only tangible personal property that is specifically described in the application can become qualified property.

Column B: The total dollar amount of planned investment each year in buildings or nonremovable component of buildings.

Column C: Dollar value of other investment that may affect economic impact and total value. Examples of other investment that will not become qualified property include investment meeting the definition of 313.021(1) but not creating a new improvement as defined by TAC 9.1051. This is proposed property that functionally replaces existing property; is used to maintain, refurbish, renovate, modify or upgrade existing property; or is affixed to existing property—described in SECTION 13, question #5 of the application.

Column D: Dollar value of other investment that may affect economic impact and total value. Examples of other investment that may result in qualified property are land or professional services.

Schedule B: Estimated Market And Taxable Value (of Qualified Property Only)

Date

10/3/2018

Applicant Name

ETC Texas Pipeline, LTD

Form 50-296A

ISD Name

Pecos-Barstow-Toyah ISD

Revised May 2014

				Qualified Property			Estimated Taxable Value		
				Estimated Market Value of Land	Estimated Total Market Value of new buildings or other new improvements	Estimated Total Market Value of tangible personal property in the new buildings or "in or on the new improvements"	Market Value less any exemptions (such as pollution control) and before limitation	Final taxable value for I&S after all reductions	Final taxable value for M&O after all reductions
Each year prior to start of Value Limitation Period <i>Insert as many rows as necessary</i>	0	2018-2019	2018	\$ -	\$ -				
Each year prior to start of Value Limitation Period <i>Insert as many rows as necessary</i>	0	2019-2020	2019	\$ -	\$ -				
Value Limitation Period	1	2020-2021	2020	\$ -	\$ -	\$ 95,000,000.00	\$ 95,000,000.00	\$ 95,000,000.00	\$ 30,000,000.00
	2	2021-2022	2021	\$ -	\$ -	\$ 91,200,000.00	\$ 91,200,000.00	\$ 91,200,000.00	\$ 30,000,000.00
	3	2022-2023	2022	\$ -	\$ -	\$ 87,400,000.00	\$ 87,400,000.00	\$ 87,400,000.00	\$ 30,000,000.00
	4	2023-2024	2023	\$ -	\$ -	\$ 83,600,000.00	\$ 83,600,000.00	\$ 83,600,000.00	\$ 30,000,000.00
	5	2024-2025	2024	\$ -	\$ -	\$ 79,800,000.00	\$ 79,800,000.00	\$ 79,800,000.00	\$ 30,000,000.00
	6	2025-2026	2025	\$ -	\$ -	\$ 76,000,000.00	\$ 76,000,000.00	\$ 76,000,000.00	\$ 30,000,000.00
	7	2026-2027	2026	\$ -	\$ -	\$ 72,200,000.00	\$ 72,200,000.00	\$ 72,200,000.00	\$ 30,000,000.00
	8	2027-2028	2027	\$ -	\$ -	\$ 68,400,000.00	\$ 68,400,000.00	\$ 68,400,000.00	\$ 30,000,000.00
	9	2028-2029	2028	\$ -	\$ -	\$ 64,600,000.00	\$ 64,600,000.00	\$ 64,600,000.00	\$ 30,000,000.00
	10	2029-2030	2029	\$ -	\$ -	\$ 60,800,000.00	\$ 60,800,000.00	\$ 60,800,000.00	\$ 30,000,000.00
Continue to maintain viable presence	11	2030-2031	2030	\$ -	\$ -	\$ 57,000,000.00	\$ 57,000,000.00	\$ 57,000,000.00	\$ 57,000,000.00
	12	2031-2032	2031	\$ -	\$ -	\$ 53,200,000.00	\$ 53,200,000.00	\$ 53,200,000.00	\$ 53,200,000.00
	13	2032-2033	2032	\$ -	\$ -	\$ 49,400,000.00	\$ 49,400,000.00	\$ 49,400,000.00	\$ 49,400,000.00
	14	2033-2034	2033	\$ -	\$ -	\$ 45,600,000.00	\$ 45,600,000.00	\$ 45,600,000.00	\$ 45,600,000.00
	15	2034-2035	2034	\$ -	\$ -	\$ 41,800,000.00	\$ 41,800,000.00	\$ 41,800,000.00	\$ 41,800,000.00
Additional years for 25 year economic impact as required by 313.026(c)(1)	16	2035-2036	2035	\$ -	\$ -	\$ 38,000,000.00	\$ 38,000,000.00	\$ 38,000,000.00	\$ 38,000,000.00
	17	2036-2037	2036	\$ -	\$ -	\$ 34,200,000.00	\$ 34,200,000.00	\$ 34,200,000.00	\$ 34,200,000.00
	18	2037-2038	2037	\$ -	\$ -	\$ 30,400,000.00	\$ 30,400,000.00	\$ 30,400,000.00	\$ 30,400,000.00
	19	2038-2039	2038	\$ -	\$ -	\$ 26,600,000.00	\$ 26,600,000.00	\$ 26,600,000.00	\$ 26,600,000.00
	20	2039-2040	2039	\$ -	\$ -	\$ 23,750,000.00	\$ 23,750,000.00	\$ 23,750,000.00	\$ 23,750,000.00
	21	2040-2041	2040	\$ -	\$ -	\$ 23,750,000.00	\$ 23,750,000.00	\$ 23,750,000.00	\$ 23,750,000.00
	22	2041-2042	2041	\$ -	\$ -	\$ 23,750,000.00	\$ 23,750,000.00	\$ 23,750,000.00	\$ 23,750,000.00
	23	2042-2043	2042	\$ -	\$ -	\$ 23,750,000.00	\$ 23,750,000.00	\$ 23,750,000.00	\$ 23,750,000.00
	24	2043-2044	2043	\$ -	\$ -	\$ 23,750,000.00	\$ 23,750,000.00	\$ 23,750,000.00	\$ 23,750,000.00
	25	2044-2045	2044	\$ -	\$ -	\$ 23,750,000.00	\$ 23,750,000.00	\$ 23,750,000.00	\$ 23,750,000.00

Notes: Market value in future years is good faith estimate of future taxable value for the purposes of property taxation.

Only include market value for eligible property on this schedule.

Schedule C: Employment Information

Date 10/3/2018
Applicant Name ETC Texas Pipeline, LTD
ISD Name Pecos-Barstow-Toyah ISD

Form 50-296A

Revised May 2014

				Construction		Non-Qualifying Jobs	Qualifying Jobs	
				Column A	Column B	Column C	Column D	Column E
	Year	School Year (YYYY-YYYY)	Tax Year (Actual tax year) YYYY	Number of Construction FTE's or man-hours (specify)	Average annual wage rates for construction workers	Number of non-qualifying jobs applicant estimates it will create (cumulative)	Number of new qualifying jobs applicant commits to create meeting all criteria of Sec. 313.021(3) (cumulative)	Average annual wage of new qualifying jobs
Each year prior to start of Value Limitation Period <i>Insert as many rows as necessary</i>	0	2018-2019	2018			N/A		
Each year prior to start of Value Limitation Period <i>Insert as many rows as necessary</i>	0	2019-2020	2019	175 FTE	\$ 60,033.60	N/A		
Value Limitation Period <i>The qualifying time period could overlap the value limitation period.</i>	1	2020-2021	2020	0	0	N/A	10	\$60,033.60
	2	2021-2022	2021	0	0	N/A	10	\$60,033.60
	3	2022-2023	2022	0	0	N/A	10	\$60,033.60
	4	2023-2024	2023	0	0	N/A	10	\$60,033.60
	5	2024-2025	2024	0	0	N/A	10	\$60,033.60
	6	2025-2026	2025	0	0	N/A	10	\$60,033.60
	7	2026-2027	2026	0	0	N/A	10	\$60,033.60
	8	2027-2028	2027	0	0	N/A	10	\$60,033.60
	9	2028-2029	2028	0	0	N/A	10	\$60,033.60
	10	2029-2030	2029	0	0	N/A	10	\$60,033.60
Years Following Value Limitation Period	11 through 25	2030-2045	2030-2045	0	0	N/A	10	\$60,033.60

Notes: See TAC 9.1051 for definition of non-qualifying jobs.
Only include jobs on the project site in this school district.

- C1.** Are the cumulative number of qualifying jobs listed in Column D less than the number of qualifying jobs required by statute? (25 ☐ Yes ☒ No
qualifying jobs in Subchapter B districts, 10 qualifying jobs in Subchapter C districts)
If yes, answer the following two questions:
- C1a.** Will the applicant request a job waiver, as provided under 313.025(f-1)? ☐ Yes ☒ No
- C1b.** Will the applicant avail itself of the provision in 313.021(3)(F)? ☐ Yes ☒ No

Schedule D: Other Incentives (Estimated)

Date 10/3/2018
 Applicant Name ETC Texas Pipeline, LTD
 ISD Name Pecos-Barstow-Toyah ISD

Form 50-296A
 Revised May 2014

State and Local Incentives for which the Applicant intends to apply (Estimated)						
Incentive Description	Taxing Entity (as applicable)	Beginning Year of Benefit	Duration of Benefit	Annual Tax Levy without Incentive	Annual Incentive	Annual Net Tax Levy
Tax Code Chapter 311	County:					
	City:					
	Other:					
Tax Code Chapter 312	County: Reeves County	2020	2020-2024	\$ 444,581.00	Average 50% Per Year	\$ 222,290.50
	City:					
	Other:					
Local Government Code Chapters 380/381	County:					
	City:					
	Other:					
Freeport Exemptions						
Non-Annexation Agreements						
Enterprise Zone/Project						
Economic Development Corporation						
Texas Enterprise Fund						
Employee Recruitment						
Skills Development Fund						
Training Facility Space and Equipment						
Infrastructure Incentives						
Permitting Assistance						
Other:						
Other:						
Other:						
Other:						
TOTAL				\$ 444,581.00	Average 50% Per Year	\$ 222,290.50

Additional information on incentives for this project:



Tab 15

Economic Impact Study-N/A



Tab 16

Description of Reinvestment Zone

** Attached

**RESOLUTION OF THE BOARD OF TRUSTEES OF THE
PECOS-BARSTOW-TOYAH INDEPENDENT SCHOOL DISTRICT**

A RESOLUTION DESIGNATING A CERTAIN AREA AS A REINVESTMENT ZONE IN CONNECTION WITH AN ECONOMIC DEVELOPMENT AGREEMENT UNDER CHAPTER 313 OF THE TEXAS LOCAL GOVERNMENT CODE, SUCH REINVESTMENT ZONE LOCATED WITHIN THE GEOGRAPHIC BOUNDARIES OF THE PECOS-BARSTOW-TOYAH INDEPENDENT SCHOOL DISTRICT, REEVES COUNTY, TEXAS, TO BE KNOWN AS THE "ETC REINVESTMENT ZONE"; ESTABLISHING THE BOUNDARIES THEREOF IN CONNECTION WITH AN APPLICATION FOR VALUE LIMITATION AGREEMENT FOR SCHOOL DISTRICT MAINTENANCE AND OPERATIONS TAXES UNDER CHAPTER 313 OF THE TEXAS TAX CODE SUBMITTED BY ETC TEXAS PIPELINE, LTD (TAXPAYER I.D. 10505324664), COMPTROLLER'S APPLICATION NO. 1160:

WHEREAS, the Pecos-Bartow-Toyah Independent School District, Texas, (the "District") desires to promote the development or redevelopment of a certain contiguous geographic area within its jurisdiction by the creation of a reinvestment zone as authorized by the Property Redevelopment and Tax Abatement Act, as amended (TEXAS TAX CODE § 312.0025), for the purpose of authorizing Value Limitation Agreement on School District Maintenance and Operations Taxes, as authorized by Chapter 313 of the TEXAS TAX CODE; and,

WHEREAS, the District desires to contribute to the expansion of primary employment in the reinvestment zone and attract major investment in the reinvestment zone that will be a benefit to property in the reinvestment zone and to the school district and contribute to the economic development of the region of this state in which the school district is located; and

WHEREAS, on May 18, 2017, the District's Board of Trustees held a hearing, such date being at least seven (7) days after the date of publication of the notice of such public hearing, and the delivery of written notice to the respective presiding officers of each taxing entity which includes within its boundaries real property that is to be included in the proposed reinvestment zone as described on ATTACHMENT 1 appended hereto; and,

WHEREAS, the District's Board of Trustees at such public hearing invited any interested person to appear and speak for or against: (1) the creation of the reinvestment zone, and whether all or part of the territory described should be included in the proposed reinvestment zone; and (2) ~~approval of a Chapter 313 Agreement for Value Limitation for School District Maintenance and Operations Taxes with ETC Texas Pipeline, LTD (Texas Taxpayer I.D. No. 10505324664);~~

WHEREAS, the proponents of the reinvestment zone offered evidence, both oral and documentary, in favor of all of the foregoing matters relating to the creation of the reinvestment zone and opponents, if any, of the reinvestment zone appeared to contest the creation of the reinvestment zone;

WHEREAS, the District wishes to create a reinvestment zone consisting of the same real property as described on ATTACHMENT 1 to be known as the "ETC Reinvestment Zone";

NOW THEREFORE, BE IT RESOLVED BY THE PECOS-BARSTOW-TOYAH INDEPENDENT SCHOOL DISTRICT:

SECTION 1. That the facts and recitations contained in the preamble of this Resolution are hereby found and declared to be true and correct and are incorporated into this Resolution as findings of fact.

SECTION 2. That the Board of Trustees of the District, after conducting such hearing and having heard such evidence and testimony, has made the following findings and determinations based on the evidence and testimony presented to it:

- (a) That the public hearing on the adoption of the "ETC Reinvestment Zone" has been properly called, held, and conducted, and that notices of such hearing have been published as required by law and mailed to the respective presiding officers of the governing bodies of all taxing units overlapping the territory inside the proposed reinvestment zone;
- (b) That the boundaries of the "ETC Reinvestment Zone" be and, by the adoption of this Resolution, are declared and certified to be, the area as described in the description attached hereto as "ATTACHMENT 1";
- (c) That creation of the "ETC Reinvestment Zone" boundaries as described in "ATTACHMENT 1" will contribute to the expansion of primary employment in the reinvestment zone and attract major investment in the reinvestment zone that will be a benefit to property in the reinvestment zone and to the school district and contribute to the economic development of the region of this state in which the school district is located;
- (e) That the "ETC Reinvestment Zone" described in "ATTACHMENT 1" meets the criteria set forth in TEXAS TAX CODE §312.0025 for the creation of a reinvestment zone as set forth in the Property Redevelopment and Tax Abatement Act, as amended, in that it is reasonably likely that the designation will contribute to the retention or expansion of primary employment, and/or will attract major investment in the zone that will be a benefit to the property to be included in the reinvestment zone and would contribute to the economic development of the region of this state in which the school district is located.

SECTION 3. That pursuant to the Property Redevelopment and Tax Abatement Act, as amended, the District hereby creates a reinvestment zone under the provisions of TEXAS TAX CODE § 312.0025, encompassing the area described by the descriptions in "ATTACHMENT 1," and such reinvestment zone is hereby designated and shall hereafter be referred to as the "ETC Reinvestment Zone".

SECTION 4. That the "ETC Reinvestment Zone" shall take effect upon adoption of this Resolution by the District Board of Trustees and shall remain designated as a commercial-industrial reinvestment zone for the period provided by Chapter 212 of the Property Tax Code.

SECTION 5. That it is hereby found, determined, and declared that a sufficient notice of the date, hour, place, and subject of the meeting of the District's Board of Trustees, at which this resolution was adopted, was posted at a place convenient and readily accessible at all times, as required by the Texas Open Government Act, TEXAS GOVERNMENT CODE, Chapter 551, as amended; and that a public hearing was held prior to the designation of such reinvestment zone, and that proper notice of the hearing was published in newspapers of general circulation in the Pecos-Barstow-Toyah Independent School District, Reeves County, Texas; and that, furthermore, such notice was in fact delivered to the presiding officer of any affected taxing entity as prescribed by the Property Redevelopment and Tax Abatement Act

PASSED, APPROVED AND ADOPTED on this 18th day of May, 2017.

**PECOS-BARSTOW-TOYAH
INDEPENDENT SCHOOL DISTRICT**

By: _____
Gail Box, President
Board of Trustees

ATTEST:

By: _____
Bertha Natividad
Secretary, Board of Trustees

ATTACHMENT 1

LEGAL DESCRIPTION OF THE “ETC REINVESTMENT ZONE”

That 260.778 acre tract of land located in Section(s) 13 and 14, Block C-3, Public School Lands Survey, Reeves County, Texas, which tract is more particularly described in Exhibit “A” attached hereto (the “Land”) and made a part hereof for all purposes.

NOTICE OF CONFIDENTIALITY RIGHTS: IF YOU ARE A NATURAL PERSON, YOU MAY REMOVE OR STRIKE ANY OR ALL OF THE FOLLOWING INFORMATION FROM ANY INSTRUMENT THAT TRANSFERS AN INTEREST IN REAL PROPERTY BEFORE IT IS FILED FOR RECORD IN THE PUBLIC RECORDS: YOUR SOCIAL SECURITY NUMBER OR YOUR DRIVER'S LICENSE NUMBER.

SPECIAL WARRANTY DEED

STATE OF TEXAS)
) KNOW ALL MEN BY THESE PRESENTS:
COUNTY OF REEVES)

THAT, WOLF BONE RANCH PARTNERS LLC, (herein referred to as "Grantor"), whose address is 110 W. Louisiana, Suite 500, Midland, Texas 79701, for and in consideration of the sum of Ten and no/100 Dollars (\$10.00) and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, has GRANTED, SOLD AND CONVEYED, and by these presents does GRANT, SELL AND CONVEY to ETC TEXAS PIPELINE, LTD (herein referred to as "Grantee"), whose address is 1300 Main, Houston, Texas 77002, the following described property:

The surface estate only of 260.778 acre tract of land located in Section(s) 13 and 14, Block C-3, Public School Lands Survey, Reeves County, Texas, which tract is more particularly described in Exhibit "A" attached hereto (the "Land") and made a part hereof by reference for all purposes, together with all of the rights, privileges and appurtenances related thereto (all of said property and interest being collectively referred to herein as the "Property");

Subject, however, to the exceptions to title (the "Permitted Exceptions") more particularly set forth in Exhibit "B" attached hereto and fully made a part hereof by reference for all purposes, and to the other qualifications described in this deed (the "Qualifications").

1. Qualifications. This conveyance is made and accepted subject to the following Qualifications:

a. Exceptions. Grantee assumes the obligations of Grantor under the Permitted Exceptions but only to the extent that they are still in effect and shown of record in Reeves County, Texas on the date hereof.

b. Easements. Visible and apparent, but unrecorded easements, if any.

c. Laws and Regulations. Application of all laws and regulations affecting the Property after the delivery of this deed, including environmental laws and municipal and governmental ordinances and regulations, relating to the Property.

d. Taxes. The liens for all governmental assessments, standby fees and ad valorem taxes for the year 2015; subsequent assessments for that and prior years due to the sale evidenced by this deed or by change in land usage by Grantee after the delivery of this deed; the payment of which is hereby assumed by Grantee.

e. Reserved Interests. For Grantor and Grantor's heirs, successors, and assigns, all rights, title and interest in all oil, gas and other minerals in, on and under the Property that are owned by Grantor and that may be produced from the Property, all of which are hereby reserved to Grantor. If the mineral estate is subject to existing production or an existing lease, this reservation includes the production, the lease, and all benefits from it.

The term "oil, gas and other minerals," as used herein, shall mean oil, gas, casinghead gas, and all other liquid or gaseous hydrocarbons, and any constituent elements or byproducts thereof, and all geothermal sources, helium, uranium, and other fissionable minerals and materials, coal, lignite, iron, silver, gold, vanadium, molybdenum, and other materials and ores, whether or not such minerals are or may be mined or extracted by methods which result in material damage to or destruction of the surface estate and shall include all working and royalty interests and any associated royalties, all easements and rights owned or held by any lessee or mineral owner on, over, or across the Property for the purposes of producing or transporting any of said oil, gas and other minerals thereon and therefrom.

There is also reserved from this Special Warranty Deed all rights of ingress and egress, either express or implied, across any lands GRANTOR may own, whether contiguous to the Land or otherwise, unless expressly granted by separate easement document. GRANTOR agrees to grant a renewable term easement across its lands, including the Land, to GRANTEE on GRANTOR'S standard road easement form, and for the consideration as set out in the most recently published Rate and Damage Schedule of the University of Texas System, University Lands.

Grantor hereby expressly reserves all retained rights of the Grantor concerning those certain agreements further described on Exhibit "C" attached hereto, including but not limited to the right to renew and extend the estates created thereby and receive payment for any such renewal and extension..

f. As Is, Where, Is. Grantee accepts the Property in its "AS IS", "WHERE IS" condition with all faults. Grantee agrees that Grantor shall not be liable for any latent or patent defects in the Property. Grantee acknowledges that neither Grantor nor any of the employees, agents or attorneys of Grantor ("Grantor Exculpated Parties") has made any verbal or written representations or warranties whatsoever to Grantee, whether express, implied, statutory, or by operation of law, and in particular, that no such representations and warranties have been made with respect to the physical or environmental condition or operation of the Property, environmental, and other laws, regulations and rules applicable to the Property, or the compliance of the Property therewith, other matter or thing affecting or relating to the Property or the transactions contemplated hereby. GRANTEE HEREBY WAIVES, RELINQUISHES, AND RELEASES GRANTOR AND GRANTOR'S EXCULPATED PARTIES FROM AND AGAINST ANY AND ALL CLAIMS, DEMANDS, CAUSES OF ACTION [INCLUDING, WITHOUT LIMITATION, CAUSES OF ACTION IN TORT, LOSSES, DAMAGES, LIABILITIES, COSTS, AND EXPENSES (INCLUDING, WITHOUT LIMITATION, ATTORNEYS' FEES AND COURT COSTS)] OF ANY AND EVERY KIND OR CHARACTER, KNOWN OR UNKNOWN, THAT GRANTEE MIGHT HAVE ASSERTED OR ALLEGED AGAINST GRANTOR AT ANY TIME BY REASON OF OR ARISING OUT OF ANY LATENT OR PATENT DEFECTS OR PHYSICAL CONDITIONS

(INCLUDING, WITHOUT LIMITATION, ADVERSE ENVIRONMENTAL CONDITIONS), VIOLATIONS OF ANY APPLICABLE LAWS (INCLUDING, WITHOUT LIMITATION, ENVIRONMENTAL LAWS) AND ANY AND ALL OTHER ACTS, OMISSIONS, EVENTS, CIRCUMSTANCES, OR MATTERS REGARDING THE PROPERTY.

g. This Special Warranty Deed is expressly made subject to that certain Caliche Use Agreement dated October 21, 2015 between Grantor and Grantee. Said Caliche Use Agreement confers additional burdens on the Lands and Property. Copies of such Agreement are held at the offices of both Grantor and Grantee.

TO HAVE AND TO HOLD the above-described Property, subject to the Permitted Exceptions and Qualifications, together with all and singular the rights and appurtenances thereto in any wise belonging to Grantor, unto the said Grantee, its successors and assigns FOREVER, and Grantor does hereby bind itself and its successors and assigns to WARRANT AND FOREVER DEFEND all and singular the Property unto the said Grantee, its successors and assigns, against every person whomsoever, lawfully claiming or to claim the same or any part thereof, by, through or under Grantor but not otherwise.

IN WITNESS WHEREOF, the parties herein named have hereunto set their hands and seal to be effective this 16th day of October, 2015.

-----Signature and Acknowledgement Page to Follow-----

GRANTOR:

Wolf Bone Ranch Partners LLC

By: 

Name: Benjamin A. Strickling, III

Title: President

ACKNOWLEDGEMENT

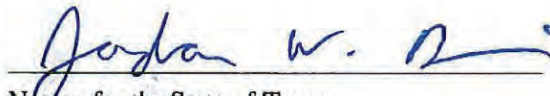
STATE OF TEXAS)

)

COUNTY OF MIDLAND)

This instrument was executed before me on the 21st day of October, 2015, by Benjamin A. Strickling, III, the President of Wolf Bone Ranch Partners LLC.




Notary for the State of Texas

My commission Expires: _____

Signature and acknowledgment page to that certain Special Warranty Deed, dated effective October 16, 2015, between Wolf Bone Ranch Partners LLC and ETC Pipeline, LTD.

EXHIBIT "A"

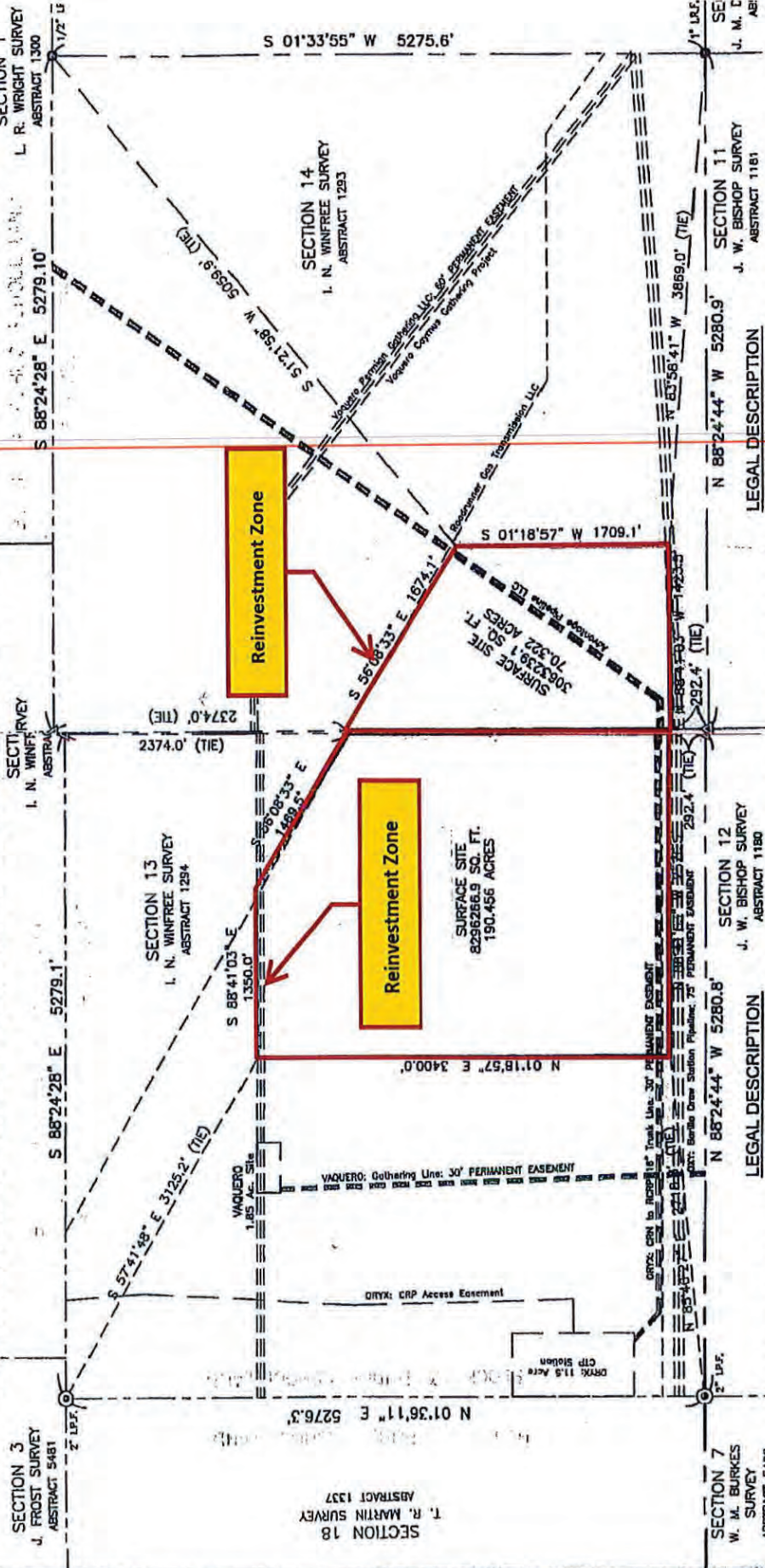
Attached to and made a part of the Special Warranty Deed, Effective the 16th day of October, 2015, by and between Wolf Bone Ranch Partners LLC and ETC Texas Pipeline, LTD.

This is a two page exhibit consisting of a survey plat and metes and bounds description of the 260.778 acre tract.

EXHIBIT "A"

EXHIBIT "A"

BLOCK C3, PUBLIC SCHOOL LAND, REEVES COUNTY, TEXAS



SURFACE SITE SURVEY LOCATED IN SECTION 13, BLOCK C3, PUBLIC SCHOOL LAND, REEVES COUNTY, TEXAS, BEING MORE PARTICULARLY DESCRIBED AS FOLLOWS:
 BEGINNING AT THE SOUTHWEST CORNER OF THE SURFACE SITE, IN THE EAST LINE OF SECTION 13, WHICH BEARS NORTH 01° 35' 03" EAST, ALONG THE EAST LINE OF SECTION 13, A DISTANCE OF 292.4 FEET, FROM THE SOUTHWEST CORNER OF SECTION 13;

THENCE NORTH 88° 41' 03" WEST, A DISTANCE OF 2578.5 FEET, TO THE SOUTHWEST CORNER OF THE SURFACE SITE, WHICH BEARS NORTH 01° 35' 03" WEST, A DISTANCE OF 2578.5 FEET, TO THE SOUTHWEST CORNER OF SECTION 13, THENCE NORTH 01° 18' 57" EAST, A DISTANCE OF 3400.0 FEET, TO THE NORTHWEST CORNER OF SECTION 14, A DISTANCE OF 2718.8 FEET FROM THE SOUTHWEST CORNER OF SECTION 13, THENCE NORTH 01° 18' 57" EAST, A DISTANCE OF 3125.2 FEET, FROM THE NORTHWEST CORNER OF SECTION 14, TO THE NORTHWEST CORNER OF THE SURFACE SITE, WHICH BEARS S 57° 41' 48" EAST, A DISTANCE OF 1350.0 FEET, TO A NORTHERLY CORNER OF THE SURFACE SITE, THENCE SOUTH 58° 48' 33" WEST, A DISTANCE OF 1709.1 FEET, TO SC 88° 41' 03" EAST, A DISTANCE OF 1350.0 FEET, TO A NORTHERLY CORNER OF THE SURFACE SITE, IN THE EAST LINE OF SECTION 13, WHICH BEARS SOUTH 01° 35' 03" WEST, ALONG THE EAST LINE OF SECTION 13, A DISTANCE OF 2718.8 FEET FROM THE SOUTHWEST CORNER OF SECTION 13;

THENCE SOUTH 01° 35' 03" WEST, ALONG THE EAST LINE OF SECTION 13, A DISTANCE OF 2508.6 FEET TO THE POINT OF BEGINNING, A DISTANCE OF 1422.5 FEET TO THE POINT OF BEGINNING, AND THE END OF THIS SURVEY.

CAUTIONARY NOTE: LINE CROSSINGS AND OTHER FEATURES HEREON WERE LOCATED BY VISUAL INSPECTION ONLY.

CAUTIONARY NOTE: LINE CROSSINGS AND OTHER FEATURES HEREON WERE LOCATED BY VISUAL INSPECTION ONLY.

EXHIBIT "B"

Attached to and made a part of the Special Warranty Deed, Effective the 16th day of October, 2015, by and between Wolf Bone Ranch Partners LLC and ETC Texas Pipeline, LTD.

PERMITTED EXCEPTIONS

Any lease, grant, exception or reservation of minerals or mineral rights associated with the Property.

Any portion of the Property lying within the boundaries of dedicated or existing pipeline easements and roadways or any other visible easements.

Rights of parties in possession.

All matters reflected of record in Reeves County, Texas, affecting the Property.

EXHIBIT "C"

Attached to and made a part of the Special Warranty Deed, Effective the 16th day of October, 2015, by and between Wolf Bone Ranch Partners LLC and ETC Texas Pipeline, LTD.

1. Pipeline Easement Agreement from Wolf Bone Ranch Partners LLC to Advantage Pipeline, LLC dated February 13, 2013, recorded Volume 987, Page 606, Official Public Records of Real Property, Reeves County, Texas.
2. Pipeline Easement Agreement from Wolf Bone Ranch Partners LLC to Roadrunner Gas Transmission, LLC dated August 18, 2015, recorded Volume 1192, Page 573, Official Public Records of Real Property, Reeves County, Texas.
3. Pipeline Easement Agreement from Wolf Bone Ranch Partners LLC to Vaquero Permian Gathering, LLC dated August 19, 2015, recorded Volume 1196, Page 321, Official Public Records of Real Property, Reeves County, Texas.
4. Pipeline Easement Agreement from Wolf Bone Ranch Partners LLC to Vaquero Permian Gathering, LLC dated August 19, 2015, recorded Volume 1196, Page 333, Official Public Records of Real Property, Reeves County, Texas.
5. Pipeline Easement Agreement from Wolf Bone Ranch Partners LLC to Oxy Permian Gathering, LLC, said Agreement is unrecorded but reflected on Exhibit A attached hereto.
6. Pipeline Easement Agreement from Wolf Bone Ranch Partners LLC to Oryx Southern Delaware Oil Gathering and Transport LLC, said Agreement is unrecorded but reflected on Exhibit A attached hereto.



Tab 17

Signatures and Certification

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

Dr. Jose A. Cervantes

Print Name (Authorized School District Representative)

Superintendent

Title

sign
here

Dr. J. A. Cervantes

Signature (Authorized School District Representative)

10/24/18

Date

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

Megan McKavanagh

Print Name (Authorized Company Representative (Applicant))

Sr Mgr Property Tax

Title

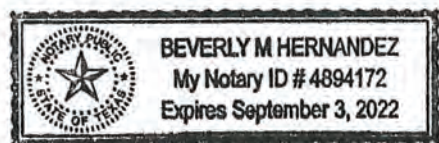
sign
here

Megan McKavanagh

Signature (Authorized Company Representative (Applicant))

Oct. 16, 2018

Date



(Notary Seal)

GIVEN under my hand and seal of office this, the

16 day of October, 2018

Beverly M. Hernandez

Notary Public in and for the State of Texas

My Commission expires:

9.3.2022

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.