

SECTION 4: Project Information *(continued)*

6. List all taxing entities that have jurisdiction for the property.

M&O (ISD): Stanton ISD, .6969, 100%
(Name, tax rate and percent of project)I&S (ISD): Stanton ISD, .021394, 100%
(Name, tax rate and percent of project)County: Martin County, .2023, 100%
(Name, tax rate and percent of project)City: NA
(Name, tax rate and percent of project)Hospital District: Martin Hosp, .1319, 100%
(Name, tax rate and percent of project)Water District: Permian Water, .00175035, 100%
(Name, tax rate and percent of project)Other (describe): Road & Bridge, .01520, 100%
(Name, tax rate and percent of project)Other (describe): _____
(Name, tax rate and percent of project)

7. List all state and local incentives.

County: NA
(Incentive type, percentage, start and end year)City: NA
(Incentive type, percentage, start and end year)Hospital District: NA
(Incentive type, percentage, start and end year)Water District: NA
(Incentive type, percentage, start and end year)Other (describe): NA
(Incentive type, percentage, start and end year)Other (describe): NA
(Incentive type, percentage, start and end year)

8. List any grants or loans of public money this project is receiving or expects to receive in Tab 3.

9. If the project is not located entirely within the ISD listed in Section 2, provide maps of the entire project (*depicting all other relevant school districts*) and any other relevant information in Tab 4. Only the eligible property within the ISD listed in Section 2 is eligible for the limitation from this application.

10. Indicate which zone the land on which proposed new construction or new improvements is located.

a. An area designated as a Reinvestment Zone under Tax Code Chapter 311 or 312 ☒b. An Enterprise Zone under Government Code Chapter 2303 ☐c. A Qualified Opportunity Zone as designated by the Secretary of the United States Treasury ☐

d. Attach the applicable supporting documentation in Tab 4.

i. evidence that the area qualifies as an Enterprise Zone as defined by the Governor's Office;

ii. order, resolution, or ordinance establishing the Reinvestment Zone; or

iii. evidence that the Qualified Opportunity Zone has been designated by the Secretary of the United States Treasury; and

iv. a high resolution map depicting the eligible property and project boundaries within the Reinvestment/Enterprise zone, any relevant Opportunity Zones, along with the ISD and County boundaries.

A zone must be designated before the agreement is executed.11. Did the Applicant consider locating the proposed project in a Qualified Opportunity Zone? ☐ Yes ☒ No

SECTION 5: Eligible Property

1. In Tab 5, provide a detailed list and description of the eligible property for which you are requesting a limitation.

2. The property will be used for one of the following activities:

a. A Manufacturing Facility as classified in NAICS 311111-339999 ☐b. Provision of Utility Services as classified in NAICS 221111-221118 ☐



Form AP-243: Application for Taxable Value Limitation on Eligible Property
Brazos Midland Processing, LLC

Tab 2 – Detailed Description of Proposed Project

The proposed project is a 300MMscfd gas processing plant. It is a cryogenic plant utilizing the Recycle Split Vapor (RSV) process with four refrigeration stages. The facility is a natural gas processing plant that cools raw gas to extremely low temperatures, allowing for the efficient extraction of valuable Natural Gas Liquids (NGLs) like ethane, propane, and butane by leveraging the different boiling points of the hydrocarbon components. This is done primarily through a series of heat exchangers and a turboexpander, with the key feature being the use of a "split vapor" recycle stream to optimize ethane recovery, all while utilizing the refrigeration to achieve the necessary cooling at different temperature levels throughout the process.

The potential site in Texas includes a previously built plant that is completely separate and not included in this application. The proposed plant, if built on the site, would not be an extension of the existing plant. The only interconnection or commonality is the gas supplied to the plants would be from the same gathering systems.

The location is located @ 2483 COUNTY ROAD C2901, STANTON TX 79782-5034
32°09'40.79"N 101°54'25.594"W , SEC 37-1N-47

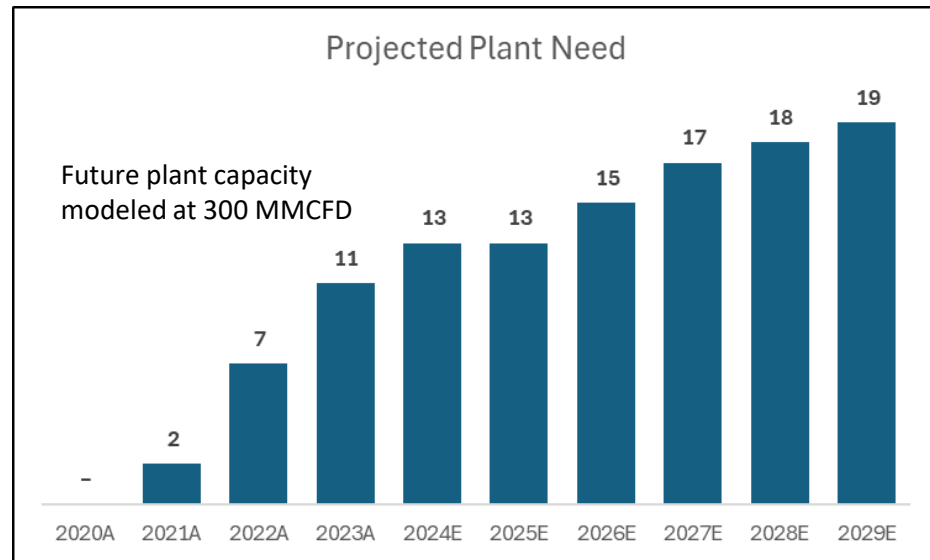
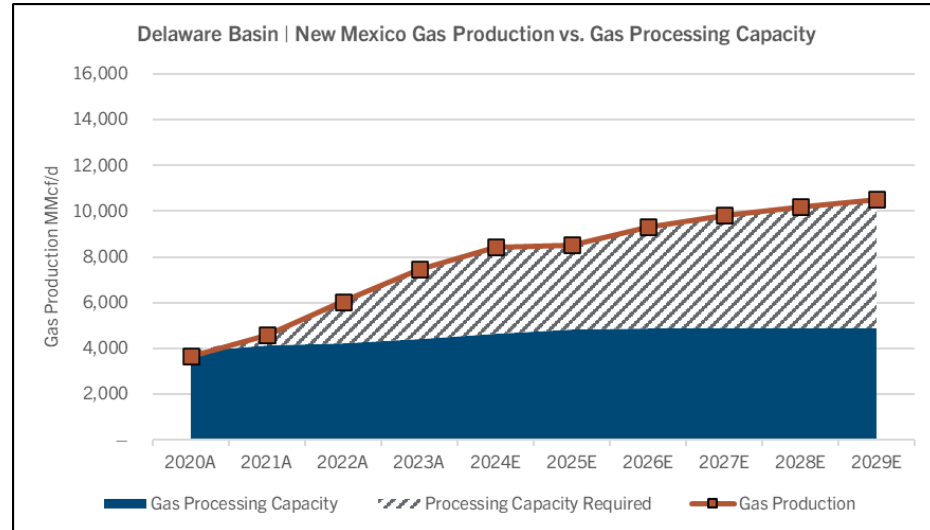


NM Delaware Basin Rationale

Justification

- Current/future production far exceeds projected plant capacity
- Increased drilling on Federal land has expediated a need for additional gas processing capacity
- Advanced completion techniques have increased per-well production
- Contiguous leaseholds have facilitated improved production as groups of wells are completed simultaneously
- Increased environmental awareness has required reduced flaring

Production/Capacity





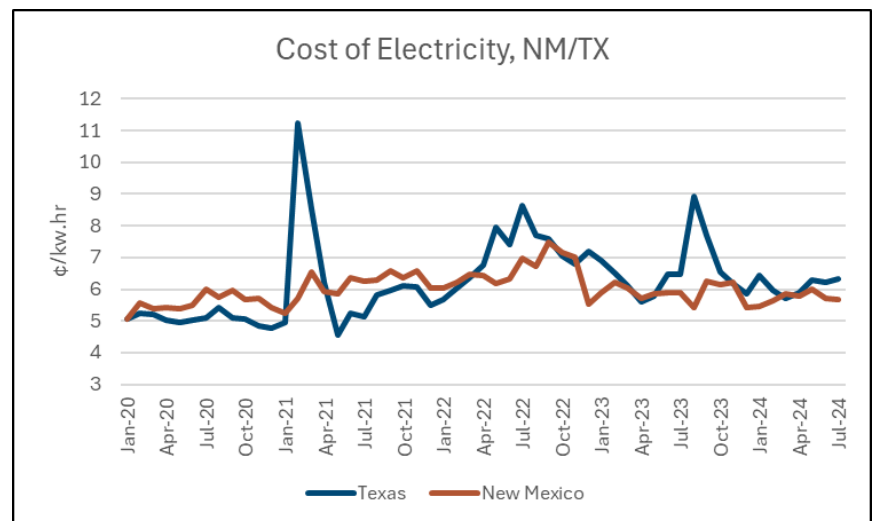
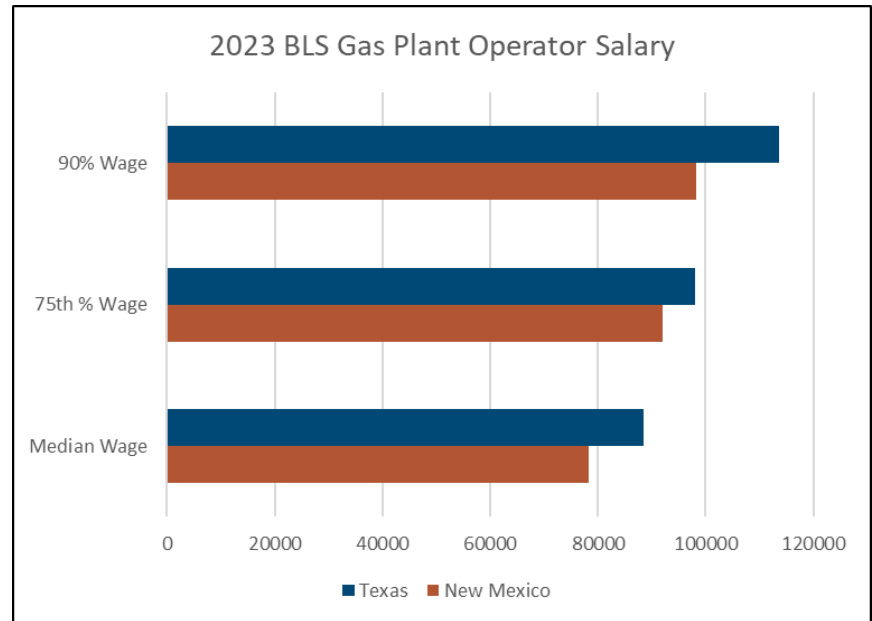
Plant Details

New Mexico Advantages

- Bureau of Labor Statistics, Department of Labor data for 2022 and 2023 consistently demonstrates a labor savings for Gas Plant Operators in NM vs. TX¹
- Recent volatility in Texas power prices has created uncertainty in operating costs and plant margins²
- While private land cost is comparable NM/TX, the opportunity to acquire public land in NM comes with a potential 75% cost savings

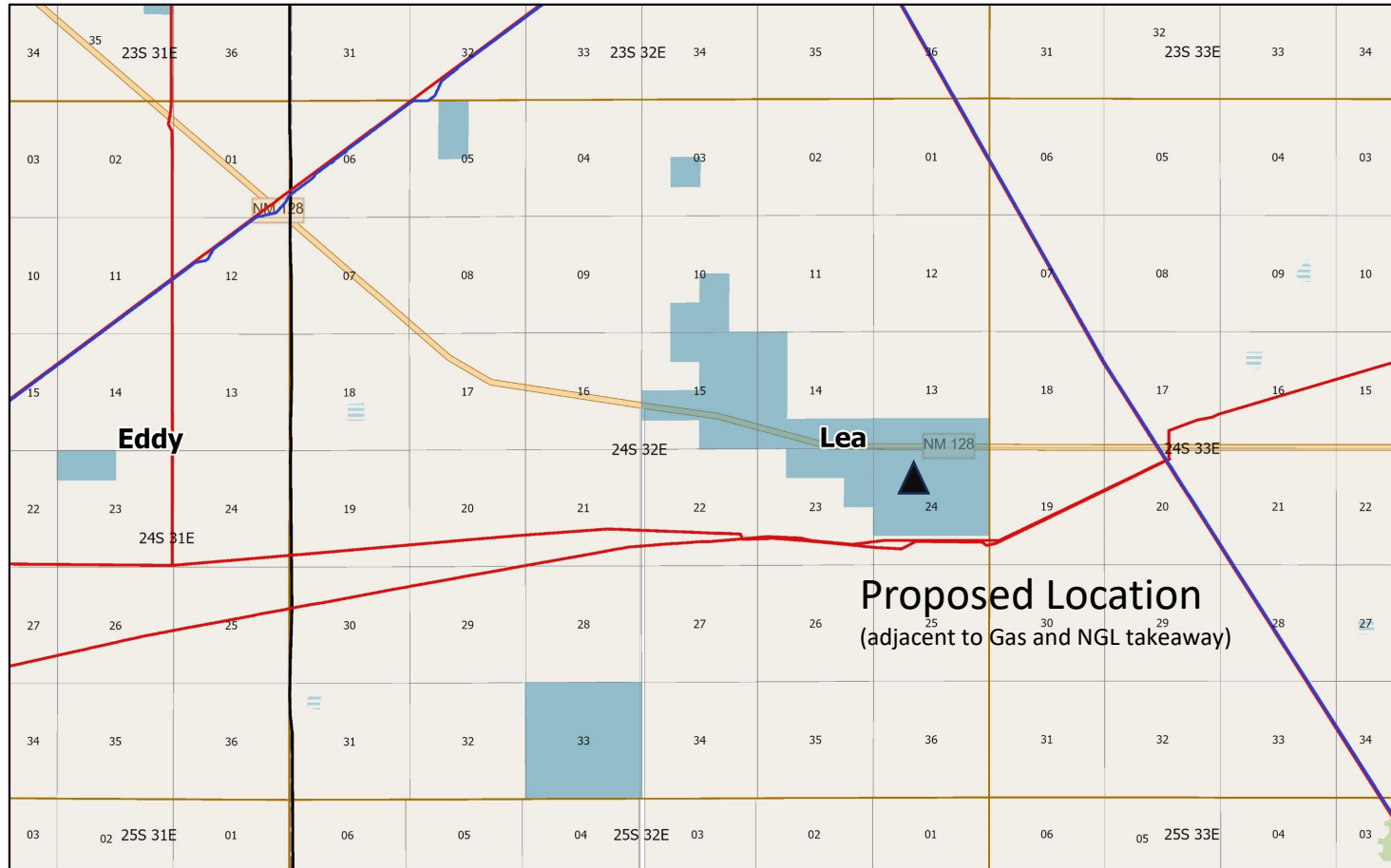
1. Bureau of Labor Statistics, Department of Labor

2. U.S. Energy Information Administration

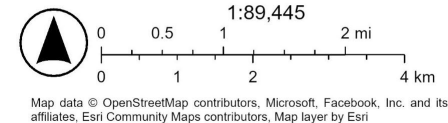




Proposed Location



10/3/2024



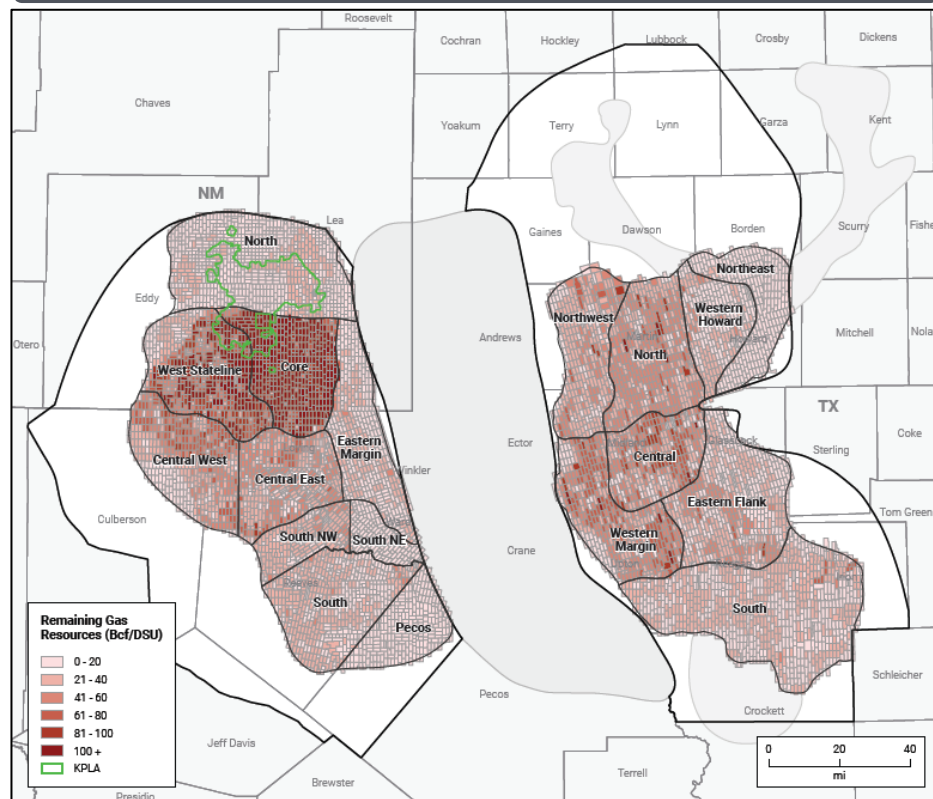


NM vs TX Well Productivity

Delaware Well Performance Superiority

- Delaware Basin wells average ~3.0 Bcf/location in gas EUR compared to ~1.9 Bcf/location for Midland Basin wells¹
- The Delaware Core and West Stateline regions are more gas-prone generating higher well values²
- Delaware Basin has more prevalent barriers between flow units, particularly in New Mexico and West Stateline regions, which enables better development of gas resources³
- Delaware Core can support up to 40 wells per section (34 economically proven + 6 geologically viable)⁴
- Midland Basin generally supports lower well density, with the Central region maxing at 33 wells per section (28 economically proven + 5 geologically viable)⁴
- It takes fewer NM wells to fill a gas plant than Midland wells – decreased capital yields higher return

Undeveloped Gas by DSU



1. Enverus: Permian Gas, Tying Inventory to Gathering Systems, January 4, 2023
2. Enverus: PERMIAN GAS REPORT, All Gas, No Brakes, November 28, 2022
3. Enverus: Delaware Basin Development, Best-First Approach Boosts Productivity, July 15, 2024
4. Enverus: Permian Inventory, Quantifying Geologically Viable Upside, August 8, 2023



Analogous Project Opportunity

Description

- Proposed plant will have a comparative capacity of 300 MMCFD
- Site takes up approximately 24 acres.
- System will employ 25+ people
- Estimated plant cost: \$200MM
- Estimated field gathering pipe and compression cost: \$600MM