



December 1, 2015

Mr. Maxie Watts

Interim Superintendent

Pecos-Barstow-Toyah Independent School District

1302 South Park Street

Pecos, Texas 79772

RE: Appraised Value Limitation Agreement – PBTISD/NUEVO MIDSTREAM, LLC

Dear Mr. Watts:

In December, 2013 the District signed an agreement with Nuevo Midstream, LLC under Chapter 313 of the Texas Code dealing with limiting the ad valorem taxes on an expansion of the company's Ramsey Gas Plant in Reeves County, Texas (Texas Comptroller Application Number 338). The agreement was not to actually take effect until the 2016 tax year.

In 2014, the company was sold to a subsidiary of Anadarko Petroleum Corporation, and its name was changed to Delaware Basin Midstream, LLC. (DBM)

The agreement allows for assignment to a subsequent owner, if certain steps were followed. At this point, we do not know whether Nuevo actually provided written notice of such assignment to the District as required by Section 8.4 of the agreement. Nonetheless, DBM currently wishes to terminate, nullify and cancel the agreement prior to the beginning of the 2016 tax year. I spoke with Mr. Roane about this just under a year ago to let him know our intention; please consider this letter to be formal notification of our intent to withdraw from the agreement.

If you should need further information, please contact me. I appreciate your assistance.

Sincerely,

Curtis L. Watts, CPA

Senior Staff Property Tax Analyst

DELAWARE BASIN MIDSTREAM, LLC

ANADARKO PETROLEUM CORPORATION

cc:

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cc:

John Huddleston, Chief Appraiser, Reeves County, Texas

Rosemary Chabarría, Tax Assessor Collector, Reeves County, Texas

Glenn Hegar, Comptroller of Public Accounts, State of Texas