

Application for Tax Abatement: Response to Application Items

Jack County, Texas • Thunder CCS (Carbon Capture) Facility

Applicant & Reinvestment Zone Identification

Name of Applicant: BKV dCarbon Ventures
Address of Applicant: 1200 17th St, Ste 2100, Denver, CO 80202
E-mail: seanhausman@bkvcorp.com
Phone: (940) 641-7758
Name of Representative / Agent: Daron Fredrickson, Merit Advisors
Representative / Agent E-mail: dfredrickson@meritadvisors.com
Representative / Agent Phone: (940) 641-7758
Proposed Name for Reinvestment Zone: Thunder Reinvestment Zone
Date: 7/6/2026

FILED FOR RECORD

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JUL 27 2026

**VANESSA JAMES, County Clerk
JACK COUNTY, TEXAS**

BY _____ DEPUTY

Item 1.

Please state the approximate current ad valorem tax value of the real property within the Proposed Reinvestment Zone.

Response: Approximately \$901,410, the current ad valorem taxable value of the real property in the proposed Reinvestment Zone, reflecting the 1-d-1 open-space (agricultural) valuation under which the parcels are assessed. The corresponding appraised market value is approximately \$22,836,320 (see Item 3 / Exhibit B).

Basis: The proposed Zone comprises 60 parcels totaling 5,591.83 acres, currently in agricultural (1-d-1) use (see Item 3 / Exhibit B). These are current land values only and are distinct from the projected value of the improvements to be constructed (see Item 4).

Item 2.

Please attach a map of the proposed Reinvestment Zone (JPG format), with sufficient detail to locate the Zone relative to highways/county roads, sufficient contrast for legible 1 4-page newspaper publication, and an inset map locating the proposed Zone within the county.

Response: See Exhibit A, Reinvestment Zone Map. Per Guidelines §3.6, provide the map in both PDF and JPG formats with an inset locator.

Item 3.

Please provide a list of the properties within the proposed Reinvestment Zone by Parcel ID, the current registered owner, the acreage, the appraised value, and, if applicable, the appraised value less any Agriculture Exemption.

Response: See the parcel schedule below (also provided as Exhibit B). The proposed Zone comprises 60 parcels.

Parcel ID	Registered Owner	Acreage	Market Value	Ag Use Value
2823	ATHENA LAND LLC	91.65	\$366,600	\$6,650
2824	ATHENA LAND LLC	300.60	\$1,202,400	\$24,160
2825	ATHENA LAND LLC	56.54	\$226,160	\$4,070
3100	ATHENA LAND LLC	134.84	\$539,360	\$11,850
3101	ATHENA LAND LLC	28.35	\$113,400	\$2,550
3107	ATHENA LAND LLC	30.90	\$123,600	\$2,230
3697	ATHENA LAND LLC	5.00	\$66,250	\$48,570
7592	ATHENA LAND LLC	197.78	\$791,120	\$14,240
7593	ATHENA LAND LLC	383.00	\$1,532,000	\$27,580
7594	ATHENA LAND LLC	150.46	\$601,840	\$10,830
7597	ATHENA LAND LLC	90.00	\$360,000	\$6,480

Parcel ID	Registered Owner	Acreage	Market Value	Ag Use Value
7598	ATHENA LAND LLC	150.12	\$614,740	\$25,070
7599	ATHENA LAND LLC	90.00	\$360,000	\$6,480
7601	ATHENA LAND LLC	22.80	\$189,520	\$103,890
7771	ATHENA LAND LLC	44.00	\$176,000	\$3,170
7773	ATHENA LAND LLC	48.97	\$197,880	\$5,530
8255	ATHENA LAND LLC	52.60	\$210,400	\$3,790
8257	ATHENA LAND LLC	77.03	\$308,120	\$6,450
8258	ATHENA LAND LLC	69.56	\$278,240	\$5,010
8633	ATHENA LAND LLC	57.90	\$231,600	\$4,170
8634	ATHENA LAND LLC	207.05	\$828,200	\$14,910
8635	ATHENA LAND LLC	10.50	\$42,000	\$760
8637	ATHENA LAND LLC	20.00	\$80,000	\$1,440
8638	ATHENA LAND LLC	80.00	\$320,000	\$5,760
8639	ATHENA LAND LLC	130.03	\$520,120	\$10,150
8640	ATHENA LAND LLC	2.00	\$103,350	\$103,350
8641	ATHENA LAND LLC	160.00	\$640,000	\$11,520
8643	ATHENA LAND LLC	160.00	\$640,000	\$11,520
8644	ATHENA LAND LLC	95.50	\$382,000	\$6,880
8645	ATHENA LAND LLC	67.76	\$271,040	\$4,880
8651	ATHENA LAND LLC	113.50	\$454,000	\$8,170
8652	ATHENA LAND LLC	42.50	\$170,000	\$3,060
8653	ATHENA LAND LLC	53.25	\$213,000	\$3,830
8655	ATHENA LAND LLC	198.00	\$792,000	\$14,260
8656	ATHENA LAND LLC	83.76	\$340,690	\$11,680
9816	ATHENA LAND LLC	160.00	\$640,000	\$14,400
9824	ATHENA LAND LLC	24.93	\$99,720	\$1,790
10571	ATHENA LAND LLC	148.62	\$747,280	\$167,430
10758	ATHENA LAND LLC	97.00	\$388,000	\$6,980
10759	ATHENA LAND LLC	181.63	\$726,520	\$13,080
10760	ATHENA LAND LLC	138.37	\$553,480	\$9,960
10761	ATHENA LAND LLC	63.32	\$253,280	\$4,560
10762	ATHENA LAND LLC	96.68	\$386,720	\$6,960
10763	ATHENA LAND LLC	41.30	\$165,200	\$2,970
10764	ATHENA LAND LLC	25.20	\$100,800	\$1,810
10767	ATHENA LAND LLC	122.90	\$491,600	\$8,850
12624	ATHENA LAND LLC	12.00	\$48,000	\$860
12979	ATHENA LAND LLC	193.19	\$772,760	\$13,910
51975	ATHENA LAND LLC	22.82	\$91,280	\$1,640
53963	ATHENA LAND LLC	68.42	\$273,680	\$4,930
56986	ATHENA LAND LLC	16.26	\$65,040	\$1,170
59596	ATHENA LAND LLC	44.40	\$177,600	\$3,560
59597	ATHENA LAND LLC	24.50	\$150,740	\$56,470
59708	ATHENA LAND LLC	90.44	\$361,760	\$6,510
60191	ATHENA LAND LLC	12.39	\$49,560	\$890
60192	ATHENA LAND LLC	49.89	\$199,560	\$3,590
60289	ATHENA LAND LLC	160.04	\$641,790	\$13,150
60618	ATHENA LAND LLC	9.66	\$38,640	\$700
61056	ATHENA LAND LLC	73.60	\$294,400	\$5,300

Parcel ID	Registered Owner	Acreage	Market Value	Ag Use Value
61329	ATHENA LAND LLC	208.32	\$833,280	\$15,000
TOTAL (60 parcels)		5,591.83	\$22,836,320	\$901,410

Note - record owner and leasehold: All 60 parcels are registered to Athena Land LLC. Athena Land LLC is a wholly owned subsidiary of BKV Power Ventures Jack LLC. The Applicant would lease from either Athena Land LLC or BKV Power Ventures Jack LLC upon conveyance of the land.

Item 4.

Please provide a general description of the nature of the proposed project, the types of infrastructure to be constructed/installed, and a statement of which improvements will be subject to Abatement and any exclusions. Please state the Applicant's best estimate of the taxable value of all such improvements before any tax credits or deferral.

Response - project description: The project ("Thunder CCS") is a post-combustion carbon capture unit (PCCC, multiple processing trains) (NAICS 325120, Industrial Gas Manufacturing) to be located in Jack County. The unit is connected to the power plant stack via a duct system and strips out most of the CO₂ from the power plant emissions, representing approximately 60% of total project cost. The captured CO₂ is then routed through a multiple-train compression unit that boosts pressure to 2,100 psi, representing approximately 20% of total project cost. The compressed CO₂ is transported via a series of pipelines to up to 4 sequestration wells and 8 monitoring wells. Of these wells, 1 to 2 may be located on Trinity East and West, with 2 to 3 located on third-party sites currently being identified. The project is expected to capture, compress, and sequester CO₂.

Improvements subject to Abatement / exclusions: Eligible improvements comprise the new buildings, structures, fixed machinery and equipment, and related fixed improvements necessary to operate the facility (Guidelines §2.4); land and other ineligible property are excluded (§2.5). The model treats approximately \$168.6M of pollution-control property as TCEQ-exempt (Tex. Tax Code §11.31).

Estimated taxable value of improvements (before credits/deferral): Approximately \$955,243,382 taxable (Construction \$618.1M + Equipment \$505.7M = \$1,123.8M gross improvements, less about \$168.6M assumed TCEQ-exempt pollution-control property), per the Applicant's estimated project cost; this basis drives the County revenue projection shown in Exhibit C (Items 9, 10, 12).

Eligibility & federal credits: This improvement value supports the "at least \$10,000,000 positive net economic benefit" threshold (Guidelines Item 1 / §2.7.a).

Item 5.

Please state the number and duration of temporary jobs generated by the project, together with the anticipated temporary payroll for the construction phase.

Response: Construction of the CCS facility will be delivered under a lump-sum, turnkey EPC contract, with construction labor and payroll embedded in the contract price; a separate temporary-workforce headcount and payroll are therefore not separately broken out. The estimated construction cost is approximately \$772.6M (about \$618.1M after the EPC cost adjustment) over an approximately 35-month construction period (August 2027 to July 2030). Approximate direct and indirect construction hours would be 4,245,360 hours, with an average of 606 onsite across active construction months with a peak of 1,697 workers totaling roughly 21,226 worker-months. Labor phases sequentially across civil/earthwork, structural steel, mechanical, and electrical/I&C disciplines.

Item 6.

Please state the number of permanent jobs to be created and the anticipated annual payroll for permanent jobs.

Response: The facility is expected to create approximately 31 permanent full-time positions, comprising: Plant Engineers (2), Head Operators (6), Field Operators (12), Maintenance Technicians (4), Electricians (4), I&C Technicians (2), and a Chemist (1). Anticipated annual permanent payroll: approximately \$5.64M in base wages/salary, including 401(k), profit-sharing, bonuses, payroll taxes, and healthcare.

Item 7.

Please identify any incentives the Applicant will make available to attract/retain permanent residential employees (e.g., housing allowances, scholarships).

Response: N/A

Item 8.

Please state whether the Applicant intends to seek a reduction in the initial ad valorem tax basis by deducting any federal tax credits from the cost basis/value of the proposed improvements, and if so, the resulting cost basis/value for county ad valorem taxation in the first taxable year.

Response: No.

Item 9.

Please state the estimated tax revenues the county can expect to receive during each year of any requested Abatement, and the method by which the revenue is calculated.

Response: During the 10-year Chapter 312 abatement (tax years 2031-2040), estimated County collections decline from approximately \$3.06M (tax year 2031, payable 2032) to approximately \$1.89M (tax year 2040, payable 2041) as the improvement value depreciates. Estimated property taxes during construction (CWIP, tax years 2028-2030) total approximately \$10.1M. Year-by-year figures are in Exhibit C.

Method: Improvement value is depreciated over a 20-year schedule and taxed at the combined County rate of 0.751 per \$100 across the four County units (Jack County 0.358, Hospital 0.302, WCID #1 0.007, Special 0.084). During the abatement term a Chapter 312 arrangement applies a 35% payment-in-lieu (PILOT) to the abatable value; all four County units are treated as abatable. See Exhibit C for the calculation and formulas.

Item 10.

Please state the remaining useful life of the proposed project after the Abatement period, and attach a spreadsheet showing the calculation and formula used, presenting expected county revenues both during the Abatement period and for each subsequent year over the useful life of the facilities.

Response: The facility is modeled with a 20-year depreciable property-tax life (residual value floored at approximately 20% in the later years). Following the 10-year abatement (through tax year 2040), the improvements are fully taxable for the remainder of the modeled life.

County revenue over the projection (25 years): Approximately \$90.9M without abatement versus \$57.9M with the Chapter 312 abatement, an abatement value of approximately \$33.0M realized over the 10-year term.

Attachment: See Exhibit C, the County Revenue Schedule, which shows the year-by-year County revenue with and without the abatement (and the resulting County abatement benefit) during and after the abatement period, together with the depreciation basis, tax rate, and PILOT method.

Item 11.

Remediation provisions as required by Section 3(d) of the Guidelines.

Response: The Applicant anticipates remediation of the property to a condition substantially similar to the land's original at the conclusion of the facility's productive life, ordinary wear and tear excepted. Such remediation will not impose recovery costs upon Jack County or upon the underlying landowner. Because the Applicant (BKV dCarbon Ventures) will lease the Zone land from the record owner, Athena Land LLC, the remediation obligation rests with the Applicant/lessee under the lease.

Item 12.

Please provide a comparison between any proposed percentage-based Abatement of taxes and the resulting PILOT (Payment in Lieu of Taxes) that might result from the County approving the requested Abatement.

Response: The requested Chapter 312 structure applies a 35% PILOT to the abatable value during the 10-year term. On a County basis, this is the difference between the "without abatement" and "with abatement (PILOT)" scenarios: over the 25-year projection the County collects approximately \$90.9M without abatement versus \$57.9M under the PILOT/abatement scenario (about \$33.0M difference, concentrated in tax years 2031-2040). The annual side-by-side comparison is in Exhibit C.

Item 13.

Please provide a schedule for undertaking and completing the planned improvements, including anticipated commencement of construction, commercial-operations commencement date, and the date of the first PILOT or ad valorem tax payment.

Response:

- **Beginning of construction:** 2027
- **Commercial operations (COD):** 2030
- **First CWIP tax year:** 2028 (payable 2029)
- **First full tax year / first PILOT payment:** Tax year 2031, payable 2032

See Exhibit C for the full tax and payment timeline.

Item 14.

Please provide certification from the County Appraisal District that any property owned by the Applicant is current in its ad valorem tax obligations.

Response: This applicant does not currently own assets in Jack County.

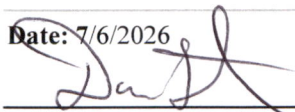
Item 15.

Please attach a non-refundable application fee of \$1,000.00 to the completed application.

Response: A non-refundable application fee of \$1,000.00, payable to Jack County, accompanies the signed application delivered to the office of the County Judge (Guidelines §3.10).

Additional fee agreement: Per Guidelines §3.12, the Applicant also agrees to reimburse reasonable consulting and attorney fees incurred by Jack County, not to exceed \$10,000.00.

Date: 7/6/2026



Authorized Representative or Agent

Supplemental - Guidelines items not separately restated on the application form

The following are additionally required or referenced by the Guidelines (Section 3) and should accompany the filing:

- **Net economic-impact analysis** (Guidelines §3.2.a-c): net economic impact, estimated annual tax revenues, and the Abatement-vs-PILOT comparison (Items 9, 10, 12; Exhibit C).
- **Depreciation / residual-value declaration** (Guidelines §3.2.d): 20-year depreciation method and residual taxable value (Item 10; Exhibit C).
- **Environmental permits / impacts disclosure** (Guidelines §3.9): Required environmental permits (Exhibit D).

Exhibit Index

Exhibit A: Reinvestment Zone Map (PDF + JPG + inset)

Exhibit B: Parcel List

Exhibit C: County Revenue Schedule - Thunder CCS (county revenue with & without abatement, by year; method & formula)

Exhibit D: Environmental Permits / Impacts Disclosure

Application fee check, \$1,000.00 payable to Jack County

Exhibit A: Reinvestment Zone Map

Thunder Reinvestment Zone • Jack County, Texas

Proposed Reinvestment Zone boundary shown in yellow; Jack County and Wise County labeled. Map follows on the next page.

[illegible]

Exhibit B: Reinvestment Zone Parcel List

Thunder Reinvestment Zone • Jack County, Texas

Parcels within the proposed Reinvestment Zone. All parcels are registered to Athena Land LLC.

Parcel ID	JCAD Account	Registered Owner	Acreage	Market Value	Ag Use Value
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8638	21458-00025-00200-000000	ATHENA LAND LLC	80.00	\$320,000	\$5,760
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60289	20032-00030-00303-000000	ATHENA LAND LLC	160.04	\$641,790	\$13,150
60618	21668-00030-00202-000000	ATHENA LAND LLC	9.66	\$38,640	\$700
61056	21162-00030-00400-000000	ATHENA LAND LLC	73.60	\$294,400	\$5,300
61329	20009-00030-00103-000000	ATHENA LAND LLC	208.32	\$833,280	\$15,000
TOTAL (60 parcels)			5,591.83	\$22,836,320	\$901,410

Exhibit C: County Revenue Schedule

Thunder CCS • Jack County, Texas

Estimated Jack County property-tax revenue with and without the requested Chapter 312 abatement, by tax year, over the modeled life of the improvements. County figures only (all four County taxing units). Confidential.

Tax Year	Payment Year	County (Without Abatement)	County (With Abatement, 35% PILOT)	Abatement Benefit
<i>Abatement period: Years 1-10 (35% PILOT applies)</i>				
2031	2032	\$7,078,835	\$3,058,146	\$4,020,689
2032	2033	\$6,786,924	\$2,932,036	\$3,854,888
2033	2034	\$6,567,991	\$2,837,455	\$3,730,536
2034	2035	\$6,276,080	\$2,711,346	\$3,564,734
2035	2036	\$5,984,170	\$2,585,236	\$3,398,934
2036	2037	\$5,692,259	\$2,459,127	\$3,233,132
2037	2038	\$5,400,348	\$2,333,018	\$3,067,330
2038	2039	\$5,108,437	\$2,206,909	\$2,901,528
2039	2040	\$4,743,549	\$2,049,273	\$2,694,276
2040	2041	\$4,378,661	\$1,891,636	\$2,487,025
Subtotal: abatement period (Yrs 1-10)		\$58,017,254	\$25,064,182	\$32,953,072
<i>After abatement: fully taxable (no PILOT)</i>				
2041	2042	\$4,013,772	\$4,013,772	\$0
2042	2043	\$3,648,884	\$3,648,884	\$0
2043	2044	\$3,283,995	\$3,283,995	\$0
2044	2045	\$2,919,107	\$2,919,107	\$0
2045	2046	\$2,554,219	\$2,554,219	\$0
2046	2047	\$2,262,308	\$2,262,308	\$0
2047	2048	\$1,970,397	\$1,970,397	\$0
2048	2049	\$1,751,464	\$1,751,464	\$0
2049	2050	\$1,605,509	\$1,605,509	\$0
2050	2051	\$1,532,531	\$1,532,531	\$0
2051	2052	\$1,459,554	\$1,459,554	\$0
2052	2053	\$1,459,554	\$1,459,554	\$0
2053	2054	\$1,459,554	\$1,459,554	\$0
2054	2055	\$1,459,554	\$1,459,554	\$0
2055	2056	\$1,459,554	\$1,459,554	\$0
TOTAL: 25 tax years (2031-2055)		\$90,857,208	\$57,904,137	\$32,953,071

Estimated property taxes during construction (CWIP). Total estimated taxes across all taxing units during the construction period, before commercial operations (per the property-tax model):

Tax Year	Payment Year	Estimated Taxes During Construction
2028	2029	\$1,769,919
2029	2030	\$3,395,339
2030	2031	\$4,930,447
Total (construction period)		\$10,095,705

Method & formula

Estimated improvement value is depreciated over a 20-year schedule (residual value floored at approximately 20% in the later years) and taxed at the combined Jack County rate of 0.751 per \$100 of taxable value across the four County taxing units: Jack County (0.358), Jack County Hospital District (0.302), Jack Co WCID #1 (0.007), and Jack County Special (0.084).

During the 10-year abatement (tax years 2031-2040), a Chapter 312 arrangement applies a 35% payment-in-lieu (PILOT) to the abatable value; the "With Abatement" column reflects the PILOT, and "County Abatement Benefit" is the difference. After the term, improvements are fully taxable. School (ISD) taxes are addressed separately under JETI and are unaffected by the County abatement, so they are excluded from this County schedule.

Exhibit D: Environmental Permits & Impacts Disclosure

Thunder CCS (Carbon Capture & Sequestration) • Jack County, Texas

Applicant: BKV dCarbon Ventures, NAICS 325120 (Industrial Gas Manufacturing)

Category	Permit / Authorization	Issuing Agency	Status	Permit No. / Date
CO2 sequestration	UIC Class VI injection well permit(s)	EPA Region 6 (or TCEQ upon primacy)	<i>Anticipated: pre-construction</i>	<i>Pending</i>
GHG / 45Q	MRV plan: 40 CFR Part 98 Subpart RR	EPA	<i>Anticipated: pre-construction</i>	<i>Pending</i>
Air: capture unit	NSR / air permit amendment (as applicable)	TCEQ	<i>Anticipated: pre-construction</i>	<i>Pending</i>
CO2 pipeline	Pipeline construction & operation authorization	RRC of Texas / PHMSA	<i>Anticipated: pre-construction</i>	<i>Pending</i>
Wetlands / WOTUS	CWA §404 + §401 water-quality certification	USACE / TCEQ	<i>Anticipated: pre-construction</i>	<i>Pending</i>
T&E species	ESA §7/§10 review; habitat assessment	USFWS / TPWD	<i>Anticipated: pre-construction</i>	<i>Pending</i>
Cultural / historic	Antiquities Code / Section 106 review	Texas Historical Commission	<i>Anticipated: pre-construction</i>	<i>Pending</i>
Subsurface / pore space	Well integrity, pore-space & area-of-review (as applicable)	RRC / TCEQ	<i>Anticipated: pre-construction</i>	<i>Pending</i>
Waste / hazmat	RCRA waste; SPCC; Tier II reporting	EPA / TCEQ	<i>Anticipated: pre-construction</i>	<i>Pending</i>

Environmental impacts summary

Air emissions (criteria pollutants & GHG): [pending]

Land disturbance (acres) & site restoration: [pending]

Noise / traffic / other community impacts: [pending]

Mitigation & monitoring commitments: [pending]