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TEXAS COMMISSION ON ENVIRONMENTAL QUALITY

Protecting Texas by Reducing and Preventing Pollution

July 10, 2012

Mr. Greg Odell
Agent
Ryan, Inc.
12th Floor LB 72
13155 Noel Rd
Dallas, Texas 75240

Re: Notice of Negative Use Determination
Hays Energy Limited Partnership
Hays Energy, LP
1601 Francis Harris Lane
San Marcos (Hays County)
Application Number: 12272

Dear Mr. Odell:

This letter responds to Hays Energy Limited Partnership's Application for Use Determination, received April 29, 2008, pursuant to the Texas Commission on Environmental Quality's (TCEQ) Tax Relief for Pollution Control Property Program for the Hays Energy, LP.

The TCEQ has completed the review for application #12272 and has issued a Negative Use Determination for the property in accordance with Title 30 Texas Administrative Code (TAC) §17.4 and §17.6. Heat recovery steam generators and steam turbines are used solely for production; therefore, are not eligible for a positive use determination.

Please be advised that a Negative Use Determination may be appealed. The appeal must be filed with the TCEQ Chief Clerk within 20 days after the receipt of this letter in accordance with 30 TAC §17.25.

If you have questions regarding this letter or need further assistance, please contact Ronald Hatlett of the Tax Relief for Pollution Control Property Program by telephone at (512) 239-6348, by e-mail at ronald.hatlett@tceq.texas.gov, or write to the Texas Commission on Environmental Quality, Tax Relief for Pollution Control Property Program, MC-110, P.O. Box 13087, Austin, Texas 78711-3087.

Sincerely,

A handwritten signature in cursive script, appearing to read "cgoodin".

Chance Goodin, Team Leader
Stationary Source Programs
Air Quality Division

CG/RH

Mr. Greg Odell
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cc: Chief Appraiser, Hays County Appraisal District, 21001 North IH 35, Kyle, Texas 78640