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TEXAS COMMISSION ON ENVIRONMENTAL QUALITY

Protecting Texas by Reducing and Preventing Pollution

June 4, 2008

Mr. Edmond L. Lonergan, CEO
White Sands, LLC
7430 E. Butherus Drive, Suite C
Scottsdale, AZ 85260

Re: Revised Alternative Diesel Fuel Formulation Approval Notification

Dear Mr. Lonergan:

As requested in your letter dated May 20, 2008, the Texas Commission on Environmental Quality (TCEQ) has re-evaluated the emissions test data that determined the specifications stated in the Approval Notification issued on March 28, 2007. The original modification was for the alternative diesel fuel formulation for Texas low emission diesel (TxLED) consisting of diesel fuel treated with at least 8.416 grams of the White Sands LLC CB-LE diesel fuel additive per gallon of diesel fuel, which specified that the base diesel fuel used when blending this formulation must have minimum cetane number of 50.6 and a maximum aromatic hydrocarbon content of 28.6 percent by volume. These base diesel fuel requirements were based on the candidate fuel criteria specified in the TxLED regulatory guidance document that was active when this formulation was approved. The fuel analysis of the actual untreated candidate fuel used during the emission testing indicated that it had a cetane number of 50.6 and an aromatic hydrocarbon content of 28.6 percent by volume.

Upon re-review of the emissions test report on the White Sands formulation, the TCEQ has determined that under the November 2007 version and under the current version of the TxLED regulatory guidance document approved on March 13, 2008, the fuel property values of the candidate fuel used in the emissions testing of the White Sands formulation satisfy the criteria to allow the approved formulation to use any diesel fuel defined under Title 30 Texas Administrative Code (30 TAC) §114.6 as the base diesel when blending the formulation. These fuel property values were within the acceptable cetane number range of 46 to 52 and the acceptable aromatic hydrocarbon content range of 23 to 30 percent by volume as specified in the November 2007 TxLED guidance. Likewise, the fuel property values for cetane number, aromatic hydrocarbon content, specific gravity, and T50 temperature in degrees Fahrenheit shown in the fuel analysis of the untreated candidate fuel demonstrate an estimated average nitrogen oxides (NO_x) reduction of only 2.6 percent using the United States Environmental Protection Agency's Unified Model, which is less than the 3.0 percent maximum specified under the March 2008 TxLED guidance.

Therefore, the Approval Notification issued by the TCEQ on March 28, 2007, for the alternative diesel fuel formulation for TxLED consisting of diesel fuel treated with at least 8.416 grams of the White Sands LLC CB-LE diesel fuel additive per gallon of diesel fuel, and with the assigned identification number of TXLED-A-00009, is hereby revised to allow any diesel fuel as defined under 30 TAC §114.6 be used as the base diesel fuel when blending the formulation.

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As a TCEQ approved alternative diesel fuel formulation, diesel fuel producers may use diesel fuel treated with at least 8.416 grams of the White Sands LLC CB-LE diesel fuel additive per gallon of diesel fuel for compliance with the TxLED fuel content requirements as provided in the TCEQ regulations under 30 TAC §114.312(f). Producers using this product will be required to comply with the registration requirements specified in the TCEQ regulations under 30 TAC §114.314 and the appropriate monitoring, recordkeeping, and reporting requirements specified in the TCEQ regulations under 30 TAC §114.316.

This approval is subject to the actual emissions performance of diesel-powered engines using diesel fuel treated with at least 8.416 grams of the White Sands LLC CB-LE diesel fuel additive per gallon of diesel fuel. Evidence that diesel fuel treated with at least 8.416 grams of the White Sands LLC CB-LE diesel fuel additive per gallon of diesel fuel does not result in emissions that are equivalent to or better than diesel fuel meeting the cetane number and aromatic hydrocarbons content requirements of TxLED may result in the revocation of this approval or other appropriate enforcement action. This approval is also subject to proper treatment and storage of diesel fuel treated with at least 8.416 grams of the White Sands LLC CB-LE diesel fuel additive per gallon of diesel fuel.

White Sands, LLC is required to provide detailed written instructions regarding the specific storage requirements, blending methods, and treatment rate to any producer using this approved alternative diesel fuel formulation for compliance with the TxLED requirements that are necessary to ensure proper emissions performance of the diesel fuel treated with at least 8.416 grams of the White Sands LLC CB-LE diesel fuel additive per gallon of diesel fuel. Improper storage, blending, and/or additive treatment rate of diesel fuel treated with at least 8.416 grams of the White Sands LLC CB-LE diesel fuel additive per gallon of diesel fuel may result in enforcement action.

Enclosed with this letter is the Approval Notification for TCEQ's revised approval of the formulation consisting of diesel fuel treated with at least 8.416 grams of the White Sands LLC CB-LE diesel fuel additive per gallon of diesel fuel.

This letter and the revised Approval Notification will be posted to the TCEQ website for public notice at the following link: <http://www.tceq.state.tx.us/implementation/air/sip/cleandiesel.html>.

If you have any questions or need further assistance in regards to this process, please contact Mr. Morris Brown in the TCEQ's Air Quality Planning Section at (512) 239-1438 or mbrown@tceq.state.tx.us.

Sincerely,



David C. Schanbacher, P.E.
Chief Engineer
Texas Commission on Environmental Quality

DS/MB/sy

Enclosure