

NTRD Program Disclaimers

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**Texas Commission on Environmental Quality
New Technology Research & Development (NTRD) Program
Monthly Project Status Report**

Contract Number: 592-5-70807-0004

Grantee: Baytech Corporation

Date Submitted: 20 April 2006

Report for the **Monthly** period:

Starting Date: 1 March 2006

Ending Date: 31 March 2006

Section I. Accomplishments *(Please provide a bulleted list of project accomplishments as well as a description of their importance to the project.)*

No technical work was performed by Baytech on the project this reporting period.

Baytech continued negotiating testing subcontract details with SwRI defining specifically what services are to be provided by SwRI for their proposed cost for Baytech's 6.0L heavy duty engine testing. We plan to resolve outstanding issues with SwRI so that we can conduct our testing in late May. We are close to agreeing upon the details of our testing workscope and budget with SwRI.

Indicate which part of the Grant Activities as defined in the grant agreement, the above accomplishments are related to:

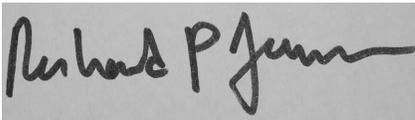
The work described above is related to Task 3 of the Scope of Work.

Section II: Problems/Solutions

<p>Problem(s) Identified</p> <p><i>(Please report anticipated or unanticipated problem(s) encountered and its effect on the progress of the project)</i></p>	<p>SwRI's proposed subcontract cost for 6.0L engine testing continues to exceed our remaining budget, even though our remaining budget is significantly more than was expended for 8.1L engine testing at SwRI. (SwRI's original proposal to Baytech, which was the basis for Baytech's test facility subcontract proposal to TCEQ, is now over two years old.)</p> <p>Baytech also cannot finalize a 6.0L engine testing schedule until this is resolved.</p>
<p>Proposed Solution(s)</p> <p><i>(Please report any possible solution(s) to the problem(s) that were considered/encountered)</i></p>	<ol style="list-style-type: none"> 1) Resolve testing requirements and costs with SwRI and conduct testing in May 2006. 2) Conduct testing at Roush, Livonia, MI, in May 2006 if an acceptable subcontract agreement can be negotiated.
<p>Action(s) Conducted and Results</p> <p><i>(Please describe the action(s) taken to resolve the problem(s) and its effect)</i></p>	<p>Baytech is close to agreeing upon a final subcontract workscope and cost agreement with SwRI. Baytech plans to conduct testing at SwRI in May, assuming remaining subcontract details can be finalized. Otherwise, Baytech will conduct testing at Roush.</p>

Section III. Goals and Issues for Succeeding Period: *(Please provide a brief description of the goal(s) you hope to realize in the coming period and identify any notable challenges that can be foreseen)*

Baytech plans to conduct emissions testing on Baytech's 6.0L heavy duty propane and CNG engines beginning in late May 2006.



Date: 4/20/06

Authorized Project Representative's Signature