NTRD Program Disclaimers

1. Disclaimer of Endorsement:

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

Contract Number: __582-5-70807-0013_____

Grantee: _____Biofriendly Corporation_____

Date Submitted: _____9-28-2006_____

Report for the **Monthly** period:

Starting Date ___July 1, 2006_____Ending Date __July 31,2006___

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

Two meetings held to discuss and plan outline for approach to CARB re verification of Biofriendly Grren plus.
Laboratories in California contacted and schedules requested.
Mr. Adair began process of looking for suitable engines from several ETV engine groups.
Please note although funds are included for partial salary recovery of Biofriendly personal involved in the work on this grant, none has been asked for so far despite significant time commitment by Dr. Hill, Mr Michael Carroll, Mr. Dunlap and Mr. Adair Biofriendly wants to get the project moving along before requesting support.

Indicate which part of the Grant Activities as defined in the grant agreement, the above accomplishments are related to:
Task 1, 2.1 preparing for ETV process.

Section II: Problems/Solutions

Problem(s) Identified (*Please report anticipated or unanticipated problem(s) encountered and its effect on the progress of the project)*	None in this period
Proposed Solution(s) *(Please report any possible solution(s) to the problem(s) that were considered/encountered)*	

Action(s) Conducted and Results *(Please describe the action(s) taken to resolve the problem(s) and its effect)*	

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)*

Develop letter of intent for CARB and submit.

Begin development of preliminary application to CARB

Begin purchase of suitable engines.

Colin K Hill _____ Date:__10-08-2006____

Authorized Project Representative's Signature

NOTE*: Please attach any additional information that you feel should be a part of your report or that may be required to meet the deliverable requirements for tasks completed during this reporting period.*