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-T046

Grantee: North Texas Bio-Energy, LLC

Date Submitted: 8/10/06

Report for the **Monthly** period: July 2006

Starting Date: 7/1/06 Ending Date: 7/31/06

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

- Product has been produced by Natural Resources Canada (the owner of the technology which North Texas Bio-Energy, LLC has licensed) and shipped to West Virginia University.
- Finalizing contract documents with West Virginia University, Dept. of Mechanical & Aerospace Engineering.
- Pilot production facility currently being designed by CJ Wheeler Process Consultant Inc. of Calgary, Alberta.
- Discussions with USDA regarding application of B&I Loan Guarantee to construction of production facilities.

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

- Testing to satisfy Texas Low Emissions Diesel Standards

Section II: Problems/Solutions

Problem(s) Identified *(Please report anticipated or unanticipated problem(s) encountered and its effect on the progress of the project)*	N/A
Proposed Solution(s) *(Please report any possible solution(s) to the problem(s) that were considered/encountered)*	N/A
Action(s) Conducted and Results *(Please describe the action(s) taken to resolve the problem(s) and its effect)*	N/A

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)*

- Execution of all required agreements with West Virginia University.
- Finalization of schedule for fuel analysis and testing
- Forward test plan to TCEQ for approval prior to conducting of testing
- Finalize designs for pilot production facility with CJ Wheeler.
- Continue discussions with USDA regarding application for loan guarantee for construction of future facilities.

_____ Date: 8/10/06

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.*