

NTRD Program Disclaimers

1. Disclaimer of Endorsement:

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10/11/05

**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: 10/10/05

Report for the **Monthly** period: September 2005

Starting Date: 9/1/05

Ending Date: 9/30/05

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

- Product is being produced by Natural Resources Canada (the owner of the technology which North Texas Bio-Energy, LLC has licensed) for use in testing covered by the Grant.
- Have received drafts of contract documents with West Virginia University, Dept. of Mechanical & Aerospace Engineering and are finalizing these agreements.

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

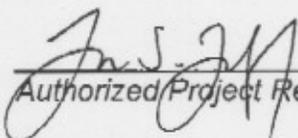
- Testing to satisfy Texas Low Emissions Diesel Standards

Section II: Problems/Solutions

<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>	N/A
<p>Proposed Solution(s)</p> <p><i>(Please report any possible solution(s) to the problem(s) that were considered/encountered)</i></p>	N/A
<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>	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)*

- We anticipate completion of the production of all product necessary to conduct the testing covered by the Grant by the end of October 2005.
- Execution of all required agreements with West Virginia University.
- Upon completion of this production, we will commence testing, most likely in early November 2005.


Authorized Project Representative's Signature

Date: 10/10/05

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.*