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

Contract Number: _____528-5-70807-T051_____

Grantee: _____Extengine Transport Systems, LLC_____

Date Submitted: _____7/20/06_____

Report for the **Monthly** period:

Starting Date __6/01/06_____ Ending Date_____6/30/06_____

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

Task 1: Emission Testing Laboratory Approval

This task is completed. TCEQ approved Extengine's selection of Southwest Research Institute (SwRI) as the test laboratory. Extengine has signed the SwRI contract which initiates the fuel acquisition and analysis process.

Task 2: Test Plan Approval

SwRI is initiating fuel acquisition, preparation, and analysis including purchasing 4,200 gallons of Valero ULSD fuel meeting the TxLED specification for use as the reference fuel and as the blending stock for candidate fuels. Extengine is delivering B100 biodiesel, ethanol, and TruBlue components to Southwest Research Institute upon contract signing. Candidate fuels will be blended at SwRI. Analysis of fuels will be supplied by SwRI.

The Test Plan is being finalized in accordance with the EPA/ETV protocol for verification of alternative fuels. Extengine has obtained test data indicating that the ethanol blended with ULSD will increase HC emissions and therefore it may not be possible to obtain TxLED verification of the ethanol/ULSD blend. Therefore, our test plan will include the two biodiesel blends and the combined biodiesel/ethanol/ULSD blend. The SwRI testing will consume the entire testing budget for the three candidate fuels.

Task 3: Emission Testing

A tentative test date cannot be finalized until approval of the Test Plan.

Task 4: Test Report

No effort on this task

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 at this time.
Proposed Solution(s) *(Please report any possible solution(s) to the problem(s) that were considered/encountered)*	Not applicable.
Action(s) Conducted and Results *(Please describe the action(s) taken to resolve the problem(s) and its effect)*	Not applicable.

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)*

Goals

- Prepare candidate fuels
- Analyze fuels.
- Finalize Test Plan

Richard R. Carlson

_____ Date: July 20, 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.*