

AIR MECT_102711736-402309_
TR_20080305_Trades_P0341

02/28/2008 ----- EBTP IMS- PROJECT RECORD -----

PROJECT#: 402309 STATUS: P DISP CODE: *✓*
RECEIVED: 01/29/2008 PROJTYPE: BTSF ISSUED DT: *3/5/08*
SUP-DISP DATE: *2/28/08*

STAFF ASSIGNED TO PROJECT:
BAINE, LUKE

PROJECT TRANSACTIONS

COMPANY DATA

COMPANY NAME: HILCORP ENERGY COMPANY
CUSTOMER REGISTRY ID: CN600125991

PORTFOLIO DATA

NUMBER: P0336 NAME: HILCORP SMART LEASE - RN102712171

SITE DATA

ACCOUNT:
LH02631
REG ENTITY ID: RN102712171
SITE NAME: SMART LEASE REDMOND CREEK
COUNTY: LIBERTY NEAREST CITY: LIBERTY
LOCATION: TAKE HWY 90 TO LIBERTY RIGHT ON FM 563 S
TO LEASE RD ON LEFT

CONTACT DATA

NAME: JOHN CONNOLLY TITLE: CONSULTANT
STREET: 19345 POINT O WOODS COURT CITY/STATE, ZIP: BATON ROUGE, LA , 70809-0
PHONE: 225-753-4723 ext 0
FAX: 225-753-4661 ext 0

TRANSACTION DATA

TRANSACTION TYPE: CAP_SELL ALLOWANCE TYPE: CURRENT

COMPANY DATA

COMPANY NAME: HILCORP ENERGY COMPANY
CUSTOMER REGISTRY ID: CN600125991

PORTFOLIO DATA

NUMBER: P0341 NAME: HILCORP POOLE TANK- RN102711736

SITE DATA

ACCOUNT:
LH0271J
REG ENTITY ID: RN102711736 *102-711-736*
SITE NAME: POOLE TANK BATTERY
COUNTY: LIBERTY NEAREST CITY: BAYTOWN
LOCATION: FR BAYTOWN ON IH 10 L ONTO FM 563 TO FM
770 R ON FM 770

CONTACT DATA

NAME: JOHN CONNOLLY TITLE: CONSULTANT
STREET: 19345 POINT O WOODS COURT CITY/STATE, ZIP: BATON ROUGE, LA , 70809-0
PHONE: 225-753-4723 ext 0
FAX: 225-753-4661 ext 0

TRANSACTION DATA

TRANSACTION TYPE: CAP_BUY ALLOWANCE TYPE: CURRENT

TRACKING ACTIVITES

TR - ENGINEER RECEIVE PROJECT : 01/31/2008 TR - PROJ TECH COMPLETE : 02/04/2008 TR - SUP/MANGR APP/RVW RQSTD : 02/28/2008

Buddy Garcia, *Chairman*
Larry R. Soward, *Commissioner*
Bryan W. Shaw, Ph.D., *Commissioner*
Glenn Shankle, *Executive Director*



TEXAS COMMISSION ON ENVIRONMENTAL QUALITY

Protecting Texas by Reducing and Preventing Pollution

March 8, 2008

Mr. Michael Schoch
Environmental, Safety, and Regulatory Manager
Hilcorp Energy Company
1201 Louisiana Street, Suite 1400
Houston, Texas 77002

Re: Transfer of Allowances
Smart Lease Redmond Creek
Liberty, Liberty County
Regulated Entity Number: RN102712171
Customer Reference Number: CN600125991
Account Number: LH-0263-I

Dear Mr. Schoch:

This letter is in response to a Form ECT-2 (Application for Transfer of Allowances), received from Hilcorp Energy Company on January 23, 2008, regarding the transfer of allowances. We understand that Hilcorp Energy Company, Regulated Entity Number (RN) RN102712171, has transferred a total amount of 1.0 tons of 2007 nitrogen oxides allowances to Hilcorp Energy Company, RN102711736.

The Texas Commission on Environmental Quality (TCEQ) Mass Emissions Cap and Trade Allowance Registry now reflects Hilcorp Energy Company, RN102712171, as owner of the following allowances for vintage 2006 and 2007, and the projected annual allocations after 2007.

2006	2007	2008
1.0	0.2	1.2

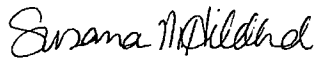
These allowances may be transferred or sold to another owner per the requirements of Title 30 Texas Administrative Code § 101.356. Allowances not used for compliance at the end of a control period may be banked for use or trade in the following control period.

Mr. Michael Schoch
Page 2
March 8, 2008

Thank you for your cooperation in this matter. If you have questions concerning this transaction or need further assistance regarding the banking program, please contact Mr. Luke Baine at (512) 239-5856 or write to the Texas Commission on Environmental Quality, Chief Engineer's Office, Air Quality Division (MC-206), P.O. Box 13087, Austin, Texas 78711-3087.

This action is taken under authority delegated by the Executive Director of the TCEQ.

Sincerely,



Susana M. Hildebrand, P.E., Director
Air Quality Division
Texas Commission on Environmental Quality

SMH/LB/mt

Enclosure

cc: Air Section Managers, Region 12 – Houston
Mr. John Connolly, Consultant, Shintaux Environmental Services, Inc., Baton Rouge, LA

Project Number: 402309

Buddy Garcia, *Chairman*
Larry R. Soward, *Commissioner*
Bryan W. Shaw, Ph.D., *Commissioner*
Glenn Shankle, *Executive Director*



TEXAS COMMISSION ON ENVIRONMENTAL QUALITY

Protecting Texas by Reducing and Preventing Pollution

March 8, 2008

Mr. Michael Schoch
Environmental, Safety, and Regulatory Manager
Hilcorp Energy Company
1201 Louisiana Street, Suite 1400
Houston, Texas 77002

Re: Transfer of Allowances
Poole Tank Battery
Baytown, Liberty County
Regulated Entity Number: RN102711736
Customer Reference Number: CN600125991
Account Number: LH-0271-J

Dear Mr. Schoch:

This letter is in response to a Form ECT-2 (Application for Transfer of Allowances), received from Hilcorp Energy Company on January 23, 2008, regarding the transfer of allowances. We understand that the following transfers have taken place:

Project Number	From (Seller)	To (Buyer)	Tons	Year
402307	RN102710191	RN102711736	3.1	2007 (c)
402308	RN102529716	RN102711736	1.0	2007 (c)
402309	RN102712171	RN102711736	1.0	2007 (c)

(c) denotes current allowances traded

The Texas Commission on Environmental Quality (TCEQ) Mass Emissions Cap and Trade Allowance Registry now reflects Hilcorp Energy Company, Regulated Entity Number (RN) RN102711736, as owner of the following allowances for vintage 2006 and 2007, and the projected annual allocations after 2007.

2006	2007	2008
1.0	6.3	0.6

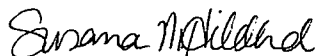
Mr. Michael Schoch
Page 2
March 8, 2008

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Thank you for your cooperation in this matter. If you have questions concerning this transaction or need further assistance regarding the banking program, please contact Mr. Luke Baine at (512) 239-5856 or write to the Texas Commission on Environmental Quality, Chief Engineer's Office, Air Quality Division (MC-206), P.O. Box 13087, Austin, Texas 78711-3087.

This action is taken under authority delegated by the Executive Director of the TCEQ.

Sincerely,



Susana M. Hildebrand, P.E., Director
Air Quality Division
Texas Commission on Environmental Quality

SMH/LB/mt

Enclosure

cc: Air Section Managers, Region 12 - Houston
Mr. John Connolly, Consultant, Shintaux Environmental Services, Inc., Baton Rouge, LA

Project Numbers: 402307, 402308, and 40309

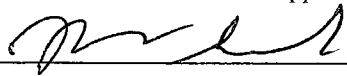


TEXAS COMMISSION ON ENVIRONMENTAL QUALITY
FORM ECT-2 (Page 1)
APPLICATION FOR TRANSFER OF ALLOWANCES

I. SELLER'S COMPANY INFORMATION		
A. Company Name: Hilcorp Energy Company		
Mailing Address: 1201 Louisiana, Suite 1400		
City: Houston	State: Texas	Zip Code: 77002
Telephone: 713-209-2416	Fax: 713-289-2750	
B. TCEQ Account Identification Number: LH-0263-I RN 102712171		
C. Originator of Allocation: Hilcorp Energy Company		
D. Site Name: Smart Tank Battery		
Street Address: Lease road		
Nearest City: Liberty	Zip Code:	County: Liberty
E. TCEQ Account Identification Number: LH-0263-I RN 102712171		
II. SELLER'S TECHNICAL CONTACT INFORMATION		
A. Technical Contact Name: John Connolly		
Technical Contact Title: Consultant		
Mailing Address: 19345 Point O Woods Court		
City: Baton Rouge	State: Louisiana	Zip Code: 70809
Telephone: 225-753-4723	Fax: 225-753-4661	Email: ersses@cox.net
III. SELLER'S ACCOUNT REPRESENTATIVE NAME		
A. Account Representative Name: Micheal Schoch		
Account Representative Title: Environmental, Regulatory, Safety Manager		
Mailing Address: 1201 Louisiana, Suite 1400		
City: Houston	State: Texas	Zip Code: 77002
Telephone: 713-209-2416	Fax: 713-289-2750	Email: mschoch@hilcorp.com
IV. BUYER'S COMPANY INFORMATION		
A. Company Name: Hilcorp Energy Company		
Mailing Address: 1201 Louisiana, Suite 1400		
City: Houston	State: Texas	Zip Code: 77002
Telephone: 713-209-2416	Fax: 713-289-2750	
B. TCEQ Account Identification Number: RN 102711736 LH-0271-J Poole		
V. BUYER'S TECHNICAL CONTACT INFORMATION		
A. Technical Contact Name: John Connolly		
Technical Contact Title: Consultant		
Mailing Address: 19345 Point O Woods Court		
City: Baton Rouge	State: Louisiana	Zip Code: 70809
Telephone: 225-754-4723	Fax: 225-753-4661	Email: ersses@cox.net



TEXAS COMMISSION ON ENVIRONMENTAL QUALITY
 FORM ECT-2 (Page 2)
 APPLICATION FOR TRANSFER OF ALLOWANCES

VI. BUYER'S ACCOUNT REPRESENTATIVE INFORMATION		
A. Representative Name: Michael Schoch		
Representative Title: Environmental, Regulatory, Safety Manager		
Mailing Address: 1201 Louisiana, Suite 1400		
City: Houston	State: Texas	Zip Code: 77002
Telephone: 713-209-2416	Fax: 713-289-2750	Email: mschoch@hilcorp.com
VII. ALLOWANCES TO BE TRANSFERRED		
Year	Allowances Transferred (tons)	Vintage Allowances Transferred (tons)
2007	1.0	0
	1.0 tpy transferred from Smart to Poole for 2007	
VIII. PURCHASE PRICE		
Price of the allowances acquired or the expected price of the Allowances to be acquired: \$ 0 per ton (Required)		
Note: The allowances can be viewed at the TCEQ Web site at www.tceq.state.tx.us/permitting/air/banking/banking.htm immediately after the transaction is finalized.		
IX. SIGNATURE		
I, <u>Michael Schoch</u> , hereby certify as owner of the above listed allowances, these allowances may be transferred to the listed buyer and that the information entered in this application is correct to the best of my knowledge and belief.		
Signature: <u></u>		Signature Date: <u>1/18/08</u>
Title: <u>Environmental, Regulatory, Safety Manager</u>		