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TEXAS COMMISSION ON ENVIRONMENTAL QUALITY

Protecting Texas by Reducing and Preventing Pollution

June 12, 2006

AIR DERC_100209428-301565_ TR_20060612_Trade_D2051

Mr. Bob Wood Environmental Specialist Abitibi Consolidated Corporation 18511 Beaumont Highway Houston, Texas 77049-1220

Re: Transfer of Discrete Emission Credits Sheldon Mills Houston, Harris County Regulated Entity Number: RN100209428 Customer Reference Number: CN600615744 DERC Certificate Number: D-2051 Account Number: HG-0674-D

Dear Mr. Wood:

This letter is in response to your Form DEC-4 (Application for Transfer of Discrete Emission Credits) received from Abitibi Consolidated Corporation dated April 22, 2005, regarding the transfer of Discrete Emission Reduction Credits (DERCs). We understand that Abitibi Consolidated Corporation, Regulated Entity Number (RN) RN100209428, has transferred a total amount of 7.0 tons of nitrogen oxides (NO_x) DERCs from DERC Certificate Number D-2051 to Quala Systems Clute, RN102310026.

Enclosed is a copy of DERC Certificate Number D-2087 issued to Abitibi Consolidated Corporation RN100209428 reflecting the remaining 39.0 NO_x tons, of credits from DERC Certificate Number D-2051. Abitibi Consolidated Corporation's DERC Certificate Number D-2051 is now canceled.

The above-mentioned certificate has been deposited in the Texas Commission on Environmental Quality (TCEQ) Emissions Credit Registry. The certificate may be transferred or sold to another owner for use per the requirements of Title 30 Texas Administrative Code § 101.370 - 101.379.

Mr. Bob Wood Page 2 June 12, 2006

Re: Transfer of Discrete Emission Reduction Credits

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. Ivan Gray at (512) 239-4451 or write to the Texas Commission on Environmental Quality, Office of Permitting, Remediation, and Registration, Air Permits Division (MC-163), P.O. Box 13087, Austin, Texas 78711-3087.

This action is authorized on behalf of the TCEQ Executive Director.

Sincerely,

P-JA. Hyle

Richard A. Hyde, P.E., Director Air Permits Division Office of Permitting, Remediation, and Registration Texas Commission on Environmental Quality

RH/IKG/bs

cc: Mr. Bob Allen, Director, Harris County Public Health and Environmental Services, Pollution Control Department, Pasadena Air Section Managers, Region 12 - Houston

Enclosure

The State of Texas

TEXAS COMMISSION ON ENVIRONMENTAL QUALITY

Certificate Number

D-2051



Number of Credits

46.0 tons NOx

Discrete Emission Reduction Credit Certificate

This certifies that Abitibi Consolidated Corporation 18511 Beaumont Highway Houston, Texas 77049

is the owner of 46.0 tons of nitrogen oxides (NOx) discrete emission reduction credits established under the laws of the State of Texas, transferable only on the books of the Texas Commission on Environmental Quality, by the holder hereof in person or by duly authorized Attorney, upon surrender of this certificate.

The owner of this certificate is entitled to utilize the discrete emission credits evidenced herein for all purpose authorized by the laws and regulations of the State of Texas and is subject to all limitations prescribed by the laws and regulations of the State of Texas.

Discrete Emission Reduction Generation Period: November 1, 1997 - October 31, 1998

Generator Regulated Entity No.: RN100209428

Generator Certificate: D-1013

TRANSFERRED TO CERTIFICATE NO(S): D-2086, D-2087 DATE: ____

County of Generation: Harris

May 18, 2006

Date

Executive Director Texas Commission on Environmental Quality



TEXAS COMMISSION ON ENVIRONMENTAL QUALITY

Protecting Texas by Reducing and Preventing Pollution

June 12, 2006

Mr. Bob Wood Environmental Specialist Abitibi Consolidated Corporation 18511 Beaumont Highway Houston, Texas 77049-1220

Re: Transfer of Discrete Emission Credits Sheldon Mills Houston, Harris County Regulated Entity Number: RN100209428 Customer Reference Number: CN600615744 DERC Certificate Number: D-2051 Account Number: HG-0674-D

Dear Mr. Wood:

This letter is in response to your Form DEC-4 (Application for Transfer of Discrete Emission Credits) received from Abitibi Consolidated Corporation dated April 22, 2005, regarding the transfer of Discrete Emission Reduction Credits (DERCs). We understand that Abitibi Consolidated Corporation, Regulated Entity Number (RN) RN100209428, has transferred a total amount of 7.0 tons of nitrogen oxides (NO_x) DERCs from DERC Certificate Number D-2051 to Quala Systems Clute, RN102310026.

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Mr. Bob Wood Page 2 June 12, 2006

Re: Transfer of Discrete Emission Reduction Credits

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This action is authorized on behalf of the TCEQ Executive Director.

Sincerely,

P-JA. Hyle

Richard A. Hyde, P.E., Director Air Permits Division Office of Permitting, Remediation, and Registration Texas Commission on Environmental Quality

RH/IKG/bs

 cc: Mr. Bob Allen, Director, Harris County Public Health and Environmental Services, Pollution Control Department, Pasadena Air Section Managers, Region 12 - Houston

Enclosure

The State of Texas

TEXAS COMMISSION ON ENVIRONMENTAL QUALITY

Certificate Number

D-2087



Number of Credits

39.0 tons NOx

Discrete Emission Reduction Credit Certificate

This certifies that Abitibi Consolidated Corporation 18511 Beaumont Highway Houston, Texas 77049

is the owner of 39.0 tons of nitrogen oxides (NOx) discrete emission reduction credits established under the laws of the State of Texas, transferable only on the books of the Texas Commission on Environmental Quality, by the holder hereof in person or by duly authorized Attorney, upon surrender of this certificate.

The owner of this certificate is entitled to utilize the discrete emission credits evidenced herein for all purpose authorized by the laws and regulations of the State of Texas and is subject to all limitations prescribed by the laws and regulations of the State of Texas.

Discrete Emission Reduction Generation Period: November 1, 1997 - October 31, 1998

Generator Regulated Entity No.: RN100209428

Generator Certificate: D-1013

County of Generation: Harris

June 12, 2006

Date

Executive Director Texas Commission on Environmental Quality



TEXAS COMMISSION ON ENVIRONMENTAL QUALITY

Protecting Texas by Reducing and Preventing Pollution

June 12, 2006

Mr. Ronald Parrott Regional Vice President Quala Systems Clute 1710 Central Street Houston, Texas 77017-1912

Re: Transfer of Discrete Emission Reduction Credits Quala Systems - Houston Facility Houston, Harris County Regulated Entity Number: RN102310026 Customer Reference Number: CN600286827 DERC Certificate Number: D-2051

Dear Mr. Parrott:

This letter is in response to a Form DEC-4 (Application for Transfer of Discrete Emission Credits) received from Abitibi Consolidated Corporation dated April 22, 2005, regarding the transfer of Discrete Emission Reduction Credits (DERCs). We understand that Abitibi Consolidated Corporation, Regulated Entity Number (RN) RN100209428, has transferred a total amount of 7.0 tons of nitrogen oxides (NO_x) DERCs from DERC Certificate Number D-2051 to Quala Systems Clute, RN102310026.

Enclosed is a copy of DERC Certificate Number D-2086 issued to Quala Systems Clute, RN102310026, reflecting the transferred amount of 7.0 NO_x tons of DERCs from DERC Certificate Number D-2051. Abitibi Consolidated Corporation's DERC Certificate Number D-2051 is now canceled.

The above-mentioned certificate has been deposited in the Texas Commission on Environmental Quality (TCEQ) Emissions Credit Registry. The certificate may be transferred or sold to another owner for use per the requirements of Title 30 Texas Administrative Code §§ 101.370 - 101.379.

Mr. Ronald Parrott Page 2 June 12, 2006

Re: Transfer of Discrete Emission Reduction Credits

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. Ivan Gray at (512) 239-4451 or write to the Texas Commission on Environmental Quality, Office of Permitting, Remediation, and Registration, Air Permits Division (MC-163), P.O. Box 13087, Austin, Texas 78711-3087.

This action is authorized on behalf of the TCEQ Executive Director.

Sincerely,

P-JA. Hegle

Richard A. Hyde, P.E., Director Air Permits Division Office of Permitting, Remediation, and Registration Texas Commission on Environmental Quality

RAH/IKG/js

Enclosure

 cc: Mr. Arturo Blanco, Bureau Chief of Air Quality Control, Health and Human Services Department, City of Houston, Houston
Mr. Bob Allen, Director, Harris County Public Health and Environmental Services, Pollution Control Department, Pasadena Air Section Managers, Region 12 - Houston

The State of Texas

TEXAS COMMISSION ON ENVIRONMENTAL QUALITY

Certificate Number

D-2086



Number of Credits

7.0 tons NOx

Discrete Emission Reduction Credit Certificate

This certifies that Quala Systems Clute 1710 Central Street Houston, TX 77017-1912

is the owner of 7.0 tons of nitrogen oxides (NOx) discrete emission reduction credits established under the laws of the State of Texas, transferable only on the books of the Texas Commission on Environmental Quality, by the holder hereof in person or by duly authorized Attorney, upon surrender of this certificate.

The owner of this certificate is entitled to utilize the discrete emission credits evidenced herein for all purpose authorized by the laws and regulations of the State of Texas and is subject to all limitations prescribed by the laws and regulations of the State of Texas.

Discrete Emission Reduction Generation Period: November 1, 1997 - October 31, 1998

Generator Regulated Entity No.: RN100209428

Generator Certificate: D-1013

County of Generation: Harris

June 12, 2006

Date

Executive Director Texas Commission on Environmental Quality



TEXAS COMMISSION ON ENVIRONMENTAL QUALITY

Protecting Texas by Reducing and Preventing Pollution

June 12, 2006

Mr. Ronald Parrott Regional Vice President Quala Systems Clute 1710 Central Street Houston, Texas 77017-1912

Re: Transfer of Discrete Emission Reduction Credits Quala Systems - Houston Facility Houston, Harris County Regulated Entity Number: RN102310026 Customer Reference Number: CN600286827 DERC Certificate Number: D-2051

Dear Mr. Parrott:

This letter is in response to a Form DEC-4 (Application for Transfer of Discrete Emission Credits) received from Abitibi Consolidated Corporation dated April 22, 2005, regarding the transfer of Discrete Emission Reduction Credits (DERCs). We understand that Abitibi Consolidated Corporation, Regulated Entity Number (RN) RN100209428, has transferred a total amount of 7.0 tons of nitrogen oxides (NO_x) DERCs from DERC Certificate Number D-2051 to Quala Systems Clute, RN102310026.

Enclosed is a copy of DERC Certificate Number D-2086 issued to Quala Systems Clute, RN102310026, reflecting the transferred amount of 7.0 NO_x tons of DERCs from DERC Certificate Number D-2051. Abitibi Consolidated Corporation's DERC Certificate Number D-2051 is now canceled.

The above-mentioned certificate has been deposited in the Texas Commission on Environmental Quality (TCEQ) Emissions Credit Registry. The certificate may be transferred or sold to another owner for use per the requirements of Title 30 Texas Administrative Code §§ 101.370 - 101.379.

Mr. Ronald Parrott Page 2 June 12, 2006

Re: Transfer of Discrete Emission Reduction Credits

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This action is authorized on behalf of the TCEQ Executive Director.

Sincerely,

P.J.A. Hyle

Richard A. Hyde, P.E., Director Air Permits Division Office of Permitting, Remediation, and Registration Texas Commission on Environmental Quality

RAH/IKG/js

Enclosure

 cc: Mr. Arturo Blanco, Bureau Chief of Air Quality Control, Health and Human Services Department, City of Houston, Houston
Mr. Bob Allen, Director, Harris County Public Health and Environmental Services, Pollution Control Department, Pasadena
Air Section Managers, Region 12 - Houston

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TŒQ	NTACT IDENTIFYING INFOI	MATION		<u></u>
	MrMisMsDr.) Ro			
			E. E-Mail: pp	<u>arrott@qualawas</u>
C. Telephone: (281) 330	0230		/ ** rp	arroccequa lawas
F. Mailing Address: 1700	Lentral Street	State: TV		Zip Code:77017
G. City: Houston VI. BUYER'S CONTACT FOR S	ALE OF CERTIFICATE	State: TX		//01/
	rsMsDr.) See abo	 Ve		
A. Contact Name:MTM B. Sale Contact Title:	·			
C. Telephone:	D. Fax:		E. E-Mail:	
F. Mailing Address:			<u>I</u>	
G. City:	State:		Zip Code:	. <u></u>
VII. DERCs TO BE TRANSFERI				
DERC Serial Numbers	Pollutant (NO ₈ , VOC-N, VOC-O, HAP- N, HAP-O, CO, SO ₃ , PM ₁₀)		Transferred Amount Retained Am (tons) (tons)	
D-1013	NOX -			39
	· · · · · · · · · · · · · · · · · · ·			- ··· •
	·			
· · · ·	10			
VIII. PURCHASE PRICE				
*Price of the DERCs acquired or	the expected price of the DER	Cs to be acquired: § 40)0_00_per ton (R	lequired)
Chapter 101 requires the pr	tee of DERCs to be publicly disclosed	immediately after the trac	saction is finalized	
IX. CERTIFICATION BY RESPO	DNSIBLE OFFICIAL			
I, James Solise may be transferred to the listed buy belief. Signature TitleSite_Manager				knowledge and
<i>fail application to:</i> Emission Banking and T TCEQ MC 163	Frading Program			<u> </u>

These forms are for use by the sources participating in the Emission Banking and Trading Program and are subject to revision. (NSRG 7119v2)

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Page 2 of 2

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Form DEC-4 (Page 1) Application for Transfer of Discrete Emission Credits (Title 30 Texas Administrative Code § 101.370 - § 101.374)							
1. SELLER'S COMPANY IDENTIFYING INFO	RMATION			···			
A. Company Name: Abitibi-Consolic	lated Corpor	<u>ration</u>	<u> </u>				
B. Owner or Operator of Generator Source: Ab	tibi-Conso	idated Corporatio	n Sh	eldon Division			
C. Plant/Site Name: Sheldon Mill							
D. Street Address: 18511 Beaumont H							
E. Nearest City: Houston F	7. Zip Code: 77()49-1220					
G. County: Harris	20						
H. Regulated Entity Number: RN10020942	.o						
I. Telephone: 281 456 8780 ext.63							
J. Mailing Address: 18511 Beaumont H	Inghway			77040 1000			
K. City: Houston		State: TX	<u> </u>	Zip Code: 77049-1220			
II. SELLER'S TECHNICAL CONTACT IDEN							
A. Technical Contact Name: (XMrMrs	MsDr.) B(ob Wood					
201 456 6225	tal Special:	ist 31 456 6359					
	D. Tax.		E .	E-Mail:bob_wood@abicon.cc			
F. Mailing Address: 18511 Beaumont	HIGHWAY			77040 1220			
G. City: Houston		State: TX		Zip Code: 77049-1220			
III. SELLER'S CONTACT FOR SALE OF CER	···· ·	· · · · · · · · · · · · · · · · · · ·					
A. Contact Name: (XMrMrsMsDr) James So	11Se					
B. Sale Contact Title: Site Manager							
C. Telephone: 281 456 6452		281 456 6359	E.	E-Mail:James_solise@abid			
F. Mailing Address: 18511 Beaumont H	lighway						
G. City: Houston		State: TX		Zip Code: 77049-1220			
IV. BUYER'S COMPANY IDENTIFYING INFO	ORMATION	·····					
A. Company Name: Quala Systems							
	ala <u>Sys</u> tems			۷			
C. Plant/Site Name: Quala Systems (H	ouston Faci	lity)					
D. Street Address: 1710 Central St	reet						
E. Nearest City: Houston		F. Zip Code: 77017-	1912)			
G. County: Harris							
H. Regulated Entity Number: RN102310026	<u>5</u>	······					
I. Telephone: (713) 928 2270							
J. Mailing Address: 1710 Central Sti	reet	·····		6			
K. City: Houston		TX s	State:	Zip Code: 77017-1912			

TCEQ -10394 (Rev. 03/01/02) These forms are for use by the sources participating in the Emission Banking and Trading Program and are subject to revision. (NSRG 7119v2)

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Page ____ of ____

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Sheldon Mill 18511 Beaumont HWY Houston, Texas 77049

April 22, 2005

Mr. Ivan Gray TEXAS COMMISSION ON ENVIRONMENTAL QUALITY EMISSION BANKING AND TRADING PROGRAM MC 163 PO Box 13087 Austin, TX 78711-3087

Re: Abitibi-Consolidated Corporation Sheldon Mill, RN100209428, CN600615744 Form DEC-4/ Application for Permanent Transfer of Discreet Emission Credits

Dear Mr. Gray:

Attached are two forms DEC-4 for transferring 7 tons of NOx DERCS each to Quala Systems Houston and Clute facilities respectively, for a total of 14 tons transferred. We should have 32 tons of DERCS left in our account after both transactions are completed. The original certificate (number D-1013, 46.0 tons NOx) is enclosed.

Thank you for your assistance. Should you have any questions or require further information, please feel free to call me at (281) 456-6335

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Sincerely,

Bob Wood Environmental Specialist

Attachs.

xc: James Solise (cover letter) Dave Thompson (cover letter)

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Form DEC-4 (Page 1) Application for Transfer of Discrete Emission Credits (Title 30 Texas Administrative Code § 101.370 - § 101.374)

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1. SELLER'S COMPANY IDENTIFYING INFORMATION		
A. Company Name: Abitibi-Consolidated Corpor	ration	
B. Owner or Operator of Generator Source: Abitibi-Conso	idated Corporation	Sheldon Division
C. Plant/Site Name: Sheldon Mill		
D. Street Address: 18511 Beaumont Highway		
E. Nearest City: Houston F. Zip Code: 77()49-1220	
G. County: Harris		
H. Regulated Entity Number: RN100209428		
I. Telephone: 281 456 8780 ext.6335		
J. Mailing Address: 18511 Beaumont Highway		
K. City: Houston	State: TX	Zip Code: 77049-1220
II. SELLER'S TECHNICAL CONTACT IDENTIFYING INFOR	MATION	
A. Technical Contact Name: (XMrMrsMsDr.) BC	b Wood	
B. Technical Contact Title: Environmental Special		
D. Tax.	81 456 6359	E. E-Mail: bob wood@abicon.com
F. Mailing Address: 18511 Beaumont Highway		
G. City: Houston	State: TX	Zip Code: 77049-1220
III. SELLER'S CONTACT FOR SALE OF CERTIFICATE		
A. Contact Name: (XMrMrsMsDr.) James Sol	ise	
B. Sale Contact Title: Site Manager		
C. Telephone: 281 456 6452 D. Fax: 2	281 456 6359	E. E-Mail:James_solise@abicon.c
F. Mailing Address: 18511 Beaumont Highway		
G. City: Houston	State: TX	Zip Code: 77049-1220
IV. BUYER'S COMPANY IDENTIFYING INFORMATION		
A. Company Name: Quala Systems		
B. Owner or Operator of Generator Source: Quala Systems	, Inc.	4
C. Plant/Site Name: Quala Systems (Houston Faci		
D. Street Address: 1710 Central Street		
E. Nearest City: Houston	F. Zip Code: 77017-1	912
G. County: Harris	//01/=1	<u> </u>
H. Regulated Entity Number: RN102310026		
I. Telephone: (713) 928 2270		
J. Mailing Address: 1710 Central Street		
K. City: Houston	TX Sta	te: Zip Code: 77017-1912

TCEQ -10394 (Rev. 03/01/02)

These forms are for use by the sources participating in the

Emission Banking and Trading Program and are subject to revision. (NSRG 7119v2)



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Form DEC-4 (Page 2) Application for Transfer of Discrete Emission Credits (Title 30 Texas Administrative Code § 101.370 - § 101.374)

V. BUYER'S TECHNICAL CO	NTACT IDENTIFYING INFORMATI	ION			
A. Technical Contact Name: (X	MrMrsMsDr.) Ronald	Parrott			
B. Technical Contact Title: R	egional VP				
C. Telephone: (281) 330	6230 D. Fax:	n <u>,</u> ,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,	E. E-Mail: rparrott@qualawash.		
F. Mailing Address: 1700					
G. City: Houston	S	late: TX		Zip Code:77017	
VI. BUYER'S CONTACT FOR S	SALE OF CERTIFICATE				
A. Contact Name: (MrM	rsMsDr.) See above				
B. Sale Contact Title:					
C. Telephone:	D. Fax:	· · · · · · · · · · · · · · · · · · ·	E. E-Mail:		
F. Mailing Address:					
G. City:	State:		Zip Code:		
VII. DERCs TO BE TRANSFERI	RED		1 <u>* .''</u>		
DERC Serial Numbers	Pollutant (NO ₃₀ VOC-N, VOC-O, HAP- N, HAP-O, CO, SO ₂₁ PM ₁₀)	Transferred A (tons)	mount	Retained Amount (tons)	
D-1013	NOx -	7	-	39	
t na state		······			
	· · · · ·			<u> </u>	
			-		
III. PURCHASE PRICE					
Price of the DERCs acquired or *Chapter 101 requires the pr X. CERTIFICATION BY RESPO	the expected price of the DERCs to be ice of DERCs to be publicly disclosed immed	e acquired: $\frac{9400}{1000}$	00 per ton (ion is finalized*	(Required)	
, James Solise nay be transferred to the listed buy belief. Signature	, hereby certify as owner of the cr and that the information entered in this sector in the sector sect		ct to the best of m	iy knowledge and	
· · · ·					
<i>ail application to:</i> Emission Banking and T TCEQ MC 163 PO BOX 13087 AUSTIN, TX 78711-308		¢ Ş	ŗ	6	
CEQ -10394 (Rev. 03/01/02) lese fornis are for use by the sources panission Banking and Trading Program	articipating in the and are subject to revision. (NSRG 7119v2)			Page 2 of 2	

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