

Capital Area Council of Governments  
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February 9, 2009

**Clean Air Coalition:**

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City of Austin

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Bliscoe  
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Susan Narvalz  
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Karen Ford  
Hays County

Mayor Terry Orr  
City of Bastrop

Judge H. T. Wright  
Caldwell County

Mr. Bradley Razook  
President and CEO  
Flint Hills Resources, LLC  
4111 E. 37<sup>th</sup> Street North  
Wichita, KS 67220

Dear Mr. Razook:

As Chair and Vice-Chair of the elected officials of the Central Texas Clean Air Coalition, we are writing to thank Flint Hills Resources for its history of assistance with local air quality issues, and to ask for additional cooperation as the region faces new challenges addressing the revised federal ozone standard. As you may recall, Flint Hills Resources provided the region with low sulfur gasoline sooner than federally required. That act of corporate neighborliness contributed significantly to the region's improved air quality profile and we are grateful.

Central Texas is committed to remaining in attainment of the federal 8-hour ozone standard and, in light of the more stringent revised federal standard, we are asking for additional efforts from both the business community and the public. We need Flint Hills Resources to help us achieve this clean air goal.

Our region is in a unique position to influence our attainment status and, more important, realize the public health benefits envisioned by the Clean Air Act. While our current design value slightly exceeds the revised standard, we may be able to monitor compliance before EPA designates nonattainment areas, as early as 2010.

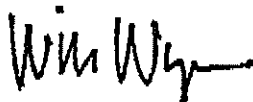
If the 2009 ozone season produces  $\leq 77$ ppb as the fourth-highest reading at the controlling monitor, the region will be monitoring a design value in attainment of the revised standard. Our two previous ozone seasons yielded fourth-highest readings of 76ppb and 74ppb. We are planning an unprecedented level of community-wide effort to affect the outcome of this ozone season.

Because of the Alternative Emission Reduction Plan under which Flint Hills is currently supplying diesel fuel to the Central Texas area, a significant opportunity for achieving NOx reductions through the use of TxLED-equivalent fuel is being missed. The 8.2% NOx reduction available with the use of Flint Hills Resources CCD15010 fuel formulation with HITEC<sup>®</sup> 4121 additive, as is supplied to the Dallas area, can be the single most important reduction (potentially around two tons per day for on-road and off-road mobile sources in

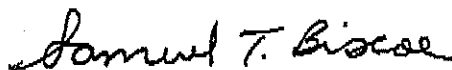
the five-county Austin -Round Rock MSA) available to us. Indeed, it is the only measure of significant magnitude available to implement by the critical 2009 ozone season.

On behalf of the Central Texas Clean Air Coalition, we are asking you to make the alternate diesel fuel formulation, TXLED-A-00011 available at the pump in the Austin - Round Rock MSA in time for the April 1, 2009, start of ozone season. Your generosity in doing so would be both a profound gesture of good will, and a lasting investment in the health and well-being of Central Texas.

Best regards,



Will Wynn  
Mayor, City of Austin  
Chair, Central Texas Clean Air Coalition



Samuel Biscoe  
Travis County Judge  
Vice-Chair, Central Texas Clean Air Coalition

cc: Bill Oswald, Government & Regulatory Affairs Director, Koch Industries,  
Flint Hills Resources



**FLINT HILLS**  
resources®

February 25, 2009

The Honorable Will Wynn  
Mayor, City of Austin  
P.O. Box 1088  
Austin, TX 78767

The Honorable Samuel Biscoe  
Travis County Judge  
P.O. Box 1748  
Austin, TX 78767

Dear Judge Biscoe and Mayor Wynn:

On behalf of Flint Hills Resources, I want to express my appreciation for the positive words you offered about our history of working cooperatively to improve the air quality in Central Texas. We take seriously our commitment to operate in a safe and environmentally responsible manner and believe in the importance of being an active community member.

As you are well aware, there have been many changes in our industry in the past decade. We are proud of our efforts to address those changes proactively, including introducing low-sulfur and low-RVP gasoline into Central Texas ahead of federally mandated deadlines. In addition to these efforts, you may not be aware that Flint Hills Resources already has taken two proactive steps to improve air quality in the Austin area through diesel fuel formulation.

First, FHR has been supplying 15 ppm ultra-low sulfur diesel for off-road use in Austin since June 2006. About 25 percent of the diesel used in the Austin area is for off-road purposes such as farming or construction. Current EPA rules allow 500 ppm sulfur diesel for off-road use through 2010, so FHR's action meets 2010 regulations four years early. We believe that voluntarily providing ultra-low sulfur diesel ahead of the federal requirement likely has contributed to the lower ozone levels in Austin in 2007 and 2008.

Second, the diesel that FHR supplies to the Austin market is relatively low in aromatics. A low aromatics diesel fuel is beneficial to NOx reduction.

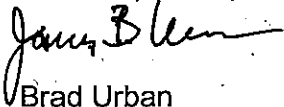
Given the quality of the FHR diesel fuel, we believe the potential for additives to provide additional NOx reduction is much less than assumed. For example, the diesel FHR

supplied in 2008 provided greater than 95 percent of the NOx reductions required by TxLED regulations – without the use of additives. In preparation for future regulatory changes, we have plans to install a TxLED additive system in late 2010 for operation beginning January 1, 2011.

FHR wants to continue to work with the Central Texas community on opportunities to proactively improve air quality and be in full compliance with the law. In addition to the voluntary efforts described above to reduce ozone, FHR also is currently investing substantial resources to meet upcoming federally mandated motor fuel requirements. Our resources are currently focused on making significant capital investments to bring ethanol to the Austin market as a new product offering and to meet federal renewable fuel blending mandates. We are currently finalizing those plans with the expectation that we will have ethanol available in Austin before the end of the year.

I want to emphasize that Flint Hills Resources values the strong working relationship we have enjoyed with the city of Austin and Travis County, as well as the Clean Air Force of Central Texas. This cooperative spirit, I believe, is what has positioned the Central Texas area so well for so long. We are always happy to discuss ways to improve with you and your staff, and look forward to our continued relationship.

Sincerely,



Brad Urban  
Sr. Vice President, Supply & Trading  
Flint Hills Resources, LP

JBU/krl

cc: Brad Razook, President & CEO, Flint Hills Resources, LP