

CUMMINGS WESTLAKE LLC

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January 30, 2013

Mr. Robert Wood
Director, Local Government Assistance & Economic Development
Comptroller of Public Accounts
LBJ Building
111 E. 17th Street
Austin, TX 78774

Dear Mr. Wood,

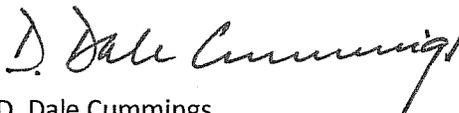
Pursuant to our telephone conversation of Friday, January 25th, this letter responds to your request for additional information about the Equistar Chemicals, LP Application for Appraised Value Limitation on Qualified Property filed with Sheldon ISD.

One of the projects included in that application is the restart of the methanol unit. The methanol unit at Equistar's Channelview plant was shut down in 2004 due to economic conditions. The primary feedstock for the unit is natural gas which had increased in price to the point where continuing operations at the unit became uneconomic. In 2004 the unit was effectively abandoned in place. When a chemical manufacturer shuts down equipment with an idea that it may be restarted at a future date, a common practice to preserve and protect equipment is to place it under what is known as a nitrogen blanket. Placing a unit under a nitrogen blanket involves sealing the equipment and injecting nitrogen into it to displace oxygen. The goal is to reduce the chance of explosion in a sealed space and to prevent corrosion and deterioration caused by rust. This was not done for the methanol unit. It has been exposed to the elements for more than eight years and has been effectively "rusting in place". The unit had a fence built around it to prevent entry by unauthorized persons and then unit had lockout devices attached to prevent unauthorized access to any process vessels. The unit was inspected periodically to ensure that the physical state of the unit was not going to damage any adjacent plant process units or personnel. There has been no employment at the unit since its shut down in 2004.

The list of equipment shown in Attachment 4 of Equistar's application is new equipment that will be installed in the unit or immediately adjacent to it. An example of this would be a new heat exchanger to replace a heat exchanger that has not been maintained or protected since the unit shut down in 2004.

I appreciate the opportunity to provide this additional information with regard to the restart of the methanol unit. If you have any additional questions, would you please contact me?

Sincerely,



D. Dale Cummings