

Internal Revenue Service

Department of the Treasury

One Lefrak City Plaza
Corona, NY 11368

Date: June 20, 2006

Person to Contact:

Harvey R. Battle

Buffalo Biodiesel, Inc.
225 Sawyer Avenue
Tonawanda, NY 14150

Badge Number:

11-02226

Contact Telephone Number:

718-760-6100

Registration Number:

2006-001729-M-AB-NB

Letter of Registration

Dear Registrant:

We have approved your Form 637, *Application for Registration (For Certain Excise Tax Transactions)*. Your 637 registration number is listed above, and effective as of the date of this letter.

Activity Letter (M)

Blender of gasoline, diesel fuel,(including diesel-water fuel emulsions) or kerosene outside the bulk transfer/terminal system, including blenders of alcohol fuel mixtures, biodiesel mixtures, and diesel mixtures .

Activity Letter (AB)

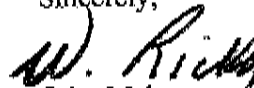
Producers and importers of agri-biodiesel.

Activity Letter (NB)

Producers and importers of biodiesel (other than agri-biodiesel); including renewable diesel.

If you have any questions, please contact the person whose name and telephone number are shown above.

Sincerely,


John Mahon
Group Manager



Enclosures:

Terms and Conditions of Registration

For

W. Ricky Stiff
Chief, Excise Tax Program

BUFFALO BIODIESEL, INC.

2006-001729-M-AB-NB

8/20/2006

Terms and Conditions of Registration

Affirmative Duties

Each registrant must:

- ◆ Make deposits, file returns, and pay taxes required by the Internal Revenue Code and the regulations;
- ◆ Keep sufficient records to show the registrant's tax liability under section 4081 of the Internal Revenue Code (relating to tax imposed on gasoline and diesel fuel), and payments or deposits of such liability,
- ◆ Make all information reports required for terminal operators, through putters, and gasohol blenders,
- ◆ Make the records described in #2 above available for inspection on demand by the Internal Revenue Service during normal business hours;
- ◆ Notify the Excise group manager of any change (such as a change in ownership) in the information the registrant gave in applying for registration, within 10 days after the change occurs.

Prohibited Actions

A registrant may not:

- ◆ Sell, lease or otherwise allow another person to use the registration;
- ◆ Make any false statement in connection with information given under Affirmative Duties mentioned above or with records kept by a terminal operator concerning the removal of diesel fuel;
- ◆ Make any false statement on, or violate the terms of:
 - A notification certificate of a taxable fuel registrant (as described in Treas. Reg. 484081-5(b)) or
 - A certificate of a registered gasohol blender (as described in Treas. Reg. 484081-6(c)(2)).