

EXECUTIVE SUMMARY - ENFORCEMENT MATTER Page 1 of 2
DOCKET NO.: 2007-0226-WR-E **TCEQ ID:** RN104501119 **CASE NO.:** 32620
RESPONDENT NAME: Rancho Viejo Cattle Company, Ltd.

ORDER TYPE:		
<input checked="" type="checkbox"/> 1660 AGREED ORDER	<input type="checkbox"/> FINDINGS AGREED ORDER	<input type="checkbox"/> FINDINGS ORDER FOLLOWING SOAH HEARING
<input type="checkbox"/> FINDINGS DEFAULT ORDER	<input type="checkbox"/> SHUTDOWN ORDER	<input type="checkbox"/> IMMINENT AND SUBSTANTIAL ENDANGERMENT ORDER
<input type="checkbox"/> AMENDED ORDER	<input type="checkbox"/> EMERGENCY ORDER	
CASE TYPE:		
<input type="checkbox"/> AIR	<input type="checkbox"/> MULTI-MEDIA (check all that apply)	<input type="checkbox"/> INDUSTRIAL AND HAZARDOUS WASTE
<input type="checkbox"/> PUBLIC WATER SUPPLY	<input type="checkbox"/> PETROLEUM STORAGE TANKS	<input type="checkbox"/> OCCUPATIONAL CERTIFICATION
<input type="checkbox"/> WATER QUALITY	<input type="checkbox"/> SEWAGE SLUDGE	<input type="checkbox"/> UNDERGROUND INJECTION CONTROL
<input type="checkbox"/> MUNICIPAL SOLID WASTE	<input type="checkbox"/> RADIOACTIVE WASTE	<input checked="" type="checkbox"/> WATER RIGHTS
<p>SITE WHERE VIOLATION(S) OCCURRED: Rancho Viejo Cattle, located approximately 5.5 miles south of Utopia on Farm-to-Market Road 187, Uvalde County</p> <p>TYPE OF OPERATION: Ranch</p> <p>SMALL BUSINESS: <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No</p> <p>OTHER SIGNIFICANT MATTERS: A complaint was received on September 20, 2004, alleging that an unauthorized dam had been constructed on the complainant's property without permission which had resulted in the impoundment of water on Onion Creek. There is no record of additional pending enforcement actions regarding this facility location.</p> <p>INTERESTED PARTIES: A complaint was received but the complainant has not expressed the desire to protest this action or speak at Agenda.</p> <p>COMMENTS RECEIVED: The <i>Texas Register</i> comment period expired on August 27, 2007. No comments were received.</p> <p>CONTACTS AND MAILING LIST: TCEQ Attorney/SEP Coordinator: None TCEQ Enforcement Coordinator: Ms. Rebecca Clausewitz, Enforcement Division, Enforcement Team 2, MC R-13, (210) 403-4012; Mr. David Van Soest, Enforcement Division, MC 219, (512) 239-0468 Respondent: Mr. Carlos Benavides, Jr., Rancho Viejo Cattle Company, Ltd., P.O. Box 514, Laredo, Texas 78042 Ms. Linda Cristina B. Alexander, Manager, Rancho Viejo Cattle Company, Ltd., P.O. Box 514, Laredo, Texas 78042 Mr. Carlos Castillion, Registered Agent, Rancho Viejo Cattle Company, Ltd., 1666 Calle de Norte, Laredo, Texas 78041 Ms. Jackie Kelly, 28980 Old Fredericksburg Road, Boerne, Texas 78015 Respondent's Attorney: Mr. Andrew N. Barrett, Attorney at Law, 711 West 7th Street, Austin, Texas 78701</p>		

VIOLATION SUMMARY CHART:

VIOLATION INFORMATION	PENALTY CONSIDERATIONS	CORRECTIVE ACTIONS TAKEN/REQUIRED
<p>Type of Investigation: <input checked="" type="checkbox"/> Complaint <input type="checkbox"/> Routine <input type="checkbox"/> Enforcement Follow-up <input checked="" type="checkbox"/> Records Review</p> <p>Date of Complaint Relating to this Case: September 20, 2004</p> <p>Date of Investigations Relating to this Case: September 21, 2004, January 12, 2005, and January 12, 2007</p> <p>Date of NOE/NOV Relating to this Case: May 2, 2005 (NOV) and January 12, 2007 (NOB)</p> <p>Background Facts: These were complaint investigations. One violation was documented.</p> <p>WATER</p> <p>Failure to obtain a permit from the Commission or qualify for an exemption authorizing the appropriation of state water prior to constructing a dam that impounds state water on Onion Creek [30 TEX. ADMIN. CODE § 297.11 and TEX. WATER CODE § 11.121]</p>	<p>Total Assessed: \$5,250</p> <p>Total Deferred: \$1,050 <input checked="" type="checkbox"/> Expedited Settlement <input type="checkbox"/> Financial Inability to Pay</p> <p>SEP Conditional Offset: \$0</p> <p>Total Paid to General Revenue: \$4,200</p> <p>Site Compliance History Classification <input type="checkbox"/> High <input type="checkbox"/> Average <input type="checkbox"/> Poor</p> <p>Person Compliance History Classification <input type="checkbox"/> High <input type="checkbox"/> Average <input type="checkbox"/> Poor</p> <p>Major Source: <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No</p> <p>Applicable Penalty Policy: September 2002</p>	<p>Ordering Provisions:</p> <p>The Order will require the Respondent to:</p> <p>a) Within 60 days after the effective date of this Agreed Order, cease all unauthorized impounding of state water, obtain Commission approval of a permit to impound state water, or qualify for an exemption authorizing the impoundment of state water at the Site; and</p> <p>b) Within 75 days after the effective date of this Agreed Order, submit written certification and include detailed supporting documentation including photographs, receipts, and/or other records to demonstrate compliance with Ordering Provision a. The certification shall be notarized by a State of Texas Notary Public.</p>



Penalty Calculation Worksheet (PCW)

Policy Revision 2 (September 2002)

PCW Revision January 9, 2007

TCEQ

DATES	Assigned	4-Feb-2007	Screening	12-Feb-2007	EPA Due	
	PCW	12-Feb-2007				

RESPONDENT/FACILITY INFORMATION			
Respondent	Rancho Viejo Cattle Company, Ltd.		
Reg. Ent. Ref. No.	RN104501119		
Facility/Site Region	13-San Antonio	Major/Minor Source	Minor

CASE INFORMATION			
Enf./Case ID No.	32620	No. of Violations	1
Docket No.	2007-0226-WR-E	Order Type	1660
Media Program(s)	Water Rights	Enf. Coordinator	Rebecca Clausewitz
Multi-Media		EC's Team	EnforcementTeam 2
Admin. Penalty \$ Limit Minimum	\$0	Maximum	\$5,000

Penalty Calculation Section

TOTAL BASE PENALTY (Sum of violation base penalties)	Subtotal 1	\$5,000
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ADJUSTMENTS (+/-) TO SUBTOTAL 1

Subtotals 2-7 are obtained by multiplying the Total Base Penalty (Subtotal 1) by the indicated percentage.

Compliance History	5% Enhancement	Subtotals 2, 3, & 7	\$250
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Notes The compliance history enhancement is due to one prior Notice of Violation ("NOV") containing a violation that is the same as or similar to the violation in the current enforcement action.

Culpability	No	0% Enhancement	Subtotal 4	\$0
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Notes The Respondent does not meet the culpability criteria.

Good Faith Effort to Comply	0% Reduction	Subtotal 5	\$0
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	Before NOV	NOV to EDRP/Settlement Offer
Extraordinary		
Ordinary		
N/A	X	(mark with x)

Notes The Respondent does not meet the good faith criteria.

Total EB Amounts	\$421	0% Enhancement*	Subtotal 6	\$0
Approx. Cost of Compliance	\$2,000	<i>*Capped at the Total EB \$ Amount</i>		

SUM OF SUBTOTALS 1-7	Final Subtotal	\$5,250
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OTHER FACTORS AS JUSTICE MAY REQUIRE		Adjustment	\$0
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Reduces or enhances the Final Subtotal by the indicated percentage. (Enter number only; e.g. -30 for -30%.)

Notes

Final Penalty Amount	\$5,250
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STATUTORY LIMIT ADJUSTMENT	Final Assessed Penalty	\$5,250
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DEFERRAL	20% Reduction	Adjustment	-\$1,050
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Reduces the Final Assessed Penalty by the indicated percentage. (Enter number only; e.g. 20 for 20% reduction.)

Notes

Deferral offered for expedited settlement.

PAYABLE PENALTY	\$4,200
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Screening Date 12-Feb-2007

Docket No. 2007-0226-WR-E

PCW

Respondent Rancho Viejo Cattle Company, Ltd.

Policy Revision 2 (September 2002)

Case ID No. 32620

PCW Revision January 9, 2007

Reg. Ent. Reference No. RN104501119

Media [Statute] Water Rights

Enf. Coordinator Rebecca Clausewitz

Compliance History Worksheet

>> Compliance History Site Enhancement (Subtotal 2)

Component	Number of...	Enter Number Here	Adjust.
NOVs	Written NOVs with same or similar violations as those in the current enforcement action (number of NOVs meeting criteria)	1	5%
	Other written NOVs	0	0%
Orders	Any agreed final enforcement orders containing a denial of liability (number of orders meeting criteria)	0	0%
	Any adjudicated final enforcement orders, agreed final enforcement orders without a denial of liability, or default orders of this state or the federal government, or any final prohibitory emergency orders issued by the commission	0	0%
Judgments and Consent Decrees	Any non-adjudicated final court judgments or consent decrees containing a denial of liability of this state or the federal government (number of judgements or consent decrees meeting criteria)	0	0%
	Any adjudicated final court judgments and default judgments, or non-adjudicated final court judgments or consent decrees without a denial of liability, of this state or the federal government	0	0%
Convictions	Any criminal convictions of this state or the federal government (number of counts)	0	0%
Emissions	Chronic excessive emissions events (number of events)	0	0%
Audits	Letters notifying the executive director of an intended audit conducted under the Texas Environmental, Health, and Safety Audit Privilege Act, 74th Legislature, 1995 (number of audits for which notices were submitted)	0	0%
	Disclosures of violations under the Texas Environmental, Health, and Safety Audit Privilege Act, 74th Legislature, 1995 (number of audits for which violations were disclosed)	0	0%
<i>Please Enter Yes or No</i>			
Other	Environmental management systems in place for one year or more	No	0%
	Voluntary on-site compliance assessments conducted by the executive director under a special assistance program	No	0%
	Participation in a voluntary pollution reduction program	No	0%
	Early compliance with, or offer of a product that meets future state or federal government environmental requirements	No	0%

Adjustment Percentage (Subtotal 2)

>> Repeat Violator (Subtotal 3)

Adjustment Percentage (Subtotal 3)

>> Compliance History Person Classification (Subtotal 7)

Adjustment Percentage (Subtotal 7)

>> Compliance History Summary

Compliance History Notes

The compliance history enhancement is due to one prior Notice of Violation ("NOV") containing a violation that is the same as or similar to the violation in the current enforcement action.

Total Adjustment Percentage (Subtotals 2, 3, & 7)

Screening Date 12-Feb-2007

Docket No. 2007-0226-WR-E

PCW

Respondent Rancho Viejo Cattle Company, Ltd.

Policy Revision 2 (September 2002)

Case ID No. 32620

PCW Revision January 9, 2007

Reg. Ent. Reference No. RN104501119

Media [Statute] Water Rights

Enf. Coordinator Rebecca Clausewitz

Violation Number 1

Rule Cite(s) 30 Tex. Admin. Code § 297.11 and Tex. Water Code § 11.121

Violation Description Failed obtain a permit from the Commission or qualify for an exemption authorizing the appropriation of state water prior to constructing a dam that impounds state water on Onion Creek.

Base Penalty \$5,000

>> Environmental, Property and Human Health Matrix

OR

Release	Harm		
	Major	Moderate	Minor
Actual			
Potential			

Percent 0%

>> Programmatic Matrix

Falsification	Major	Moderate	Minor
	x		

Percent 10%

Matrix Notes

100% of the rule requirement was not met.

Adjustment \$4,500

\$500

Violation Events

Number of Violation Events 10

875 Number of violation days

mark only one with an x	daily	
	monthly	
	quarterly	x
	semiannual	
	annual	
	single event	

Violation Base Penalty \$5,000

Ten quarterly events are recommended, calculated from the date of the initial investigation, September 21, 2004, to the date of screening, February 12, 2007.

Economic Benefit (EB) for this violation

Statutory Limit Test

Estimated EB Amount \$421

Violation Final Penalty Total \$5,250

This violation Final Assessed Penalty (adjusted for limits) \$5,250

Economic Benefit Worksheet

Respondent Rancho Viejo Cattle Company, Ltd.
Case ID No. 32620
Reg. Ent. Reference No. RN104501119
Media Water Rights
Violation No. 1

Percent Interest	Years of Depreciation
5.0	15

Item Description	Item Cost	Date Required	Final Date	Yrs	Interest Saved	Onetime Costs	EB Amount
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No commas or \$

Delayed Costs

Equipment				0.0	\$0	\$0	\$0
Buildings				0.0	\$0	\$0	\$0
Other (as needed)	\$2,000	21-Sep-2004	24-Sep-2007	3.0	\$20	\$401	\$421
Engineering/construction				0.0	\$0	\$0	\$0
Land				0.0	\$0	n/a	\$0
Record Keeping System				0.0	\$0	n/a	\$0
Training/Sampling				0.0	\$0	n/a	\$0
Remediation/Disposal				0.0	\$0	n/a	\$0
Permit Costs				0.0	\$0	n/a	\$0
Other (as needed)				0.0	\$0	n/a	\$0

Notes for DELAYED costs: The delayed costs include the amount to remove or breach the impoundment from the creek, calculated from the date of the initial investigation to the estimated date of compliance.

Avoided Costs

ANNUALIZE [1] avoided costs before entering item (except for one-time avoided costs)

Disposal				0.0	\$0	\$0	\$0
Personnel				0.0	\$0	\$0	\$0
Inspection/Reporting/Sampling				0.0	\$0	\$0	\$0
Supplies/equipment				0.0	\$0	\$0	\$0
Financial Assurance [2]				0.0	\$0	\$0	\$0
ONE-TIME avoided costs [3]				0.0	\$0	\$0	\$0
Other (as needed)				0.0	\$0	\$0	\$0

Notes for AVOIDED costs: There are no avoided costs associated with this violation.

Approx. Cost of Compliance \$2,000

TOTAL \$421

Compliance History

Customer/Respondent/Owner-Operator: CN602908659 Rancho Viejo Cattle Company, Ltd. Classification: Rating:
Regulated Entity: RN104501119 RANCHO VIEJO CATTLE Classification: Site Rating:

ID Number(s):

Location: 5.5 MILES S OF UTOPIA ON FM 187, UVALDE COUNTY

TCEQ Region: REGION 13 - SAN ANTONIO

Date Compliance History Prepared: February 15, 2007

Agency Decision Requiring Compliance Enforcement

Compliance Period: February 15, 2002 to February 15, 2007

TCEQ Staff Member to Contact for Additional Information Regarding this Compliance History

Name: Rebecca Clausewitz Phone: (210) 403-4012

Site Compliance History Components

1. Has the site been in existence and/or operation for the full five year compliance period? Yes
2. Has there been a (known) change in ownership of the site during the compliance period? Yes
3. If Yes, who is the current owner? Rancho Viejo Cattle Company, Ltd.
4. If Yes, who was/were the prior owner(s)? C. Y. Benavides, III
5. When did the change(s) in ownership occur? N/A

Components (Multimedia) for the Site :

A. Final Enforcement Orders, court judgments, and consent decrees of the state of Texas and the federal government.

N/A

B. Any criminal convictions of the state of Texas and the federal government.

N/A

C. Chronic excessive emissions events.

N/A

D. The approval dates of investigations. (CCEDS Inv. Track. No.)

1 01/30/2007 (347413)

2 12/22/2006 (534904)

E. Written notices of violations (NOV). (CCEDS Inv. Track. No.)

Date: 05/02/2005 (534904)

Self Report? NO

Classification: Major

Citation: 2B TWC Chapter 11, SubChapter A 11.121

30 TAC Chapter 297, SubChapter B 297.11

Description: Failure to obtain a permit from the Commission or qualify for an exception authorizing the appropriation of state water prior to constructing a dam that impounds state water on Onion Creek.

F. Environmental audits.

N/A

G. Type of environmental management systems (EMSs).

N/A

H. Voluntary on-site compliance assessment dates.

N/A

I. Participation in a voluntary pollution reduction program.

N/A

J. Early compliance.

N/A

Sites Outside of Texas

N/A

TEXAS COMMISSION ON ENVIRONMENTAL QUALITY



IN THE MATTER OF AN
ENFORCEMENT ACTION
CONCERNING
RANCHO VIEJO CATTLE
COMPANY, LTD.
RN104501119

§
§
§
§
§
§

BEFORE THE

TEXAS COMMISSION ON

ENVIRONMENTAL QUALITY

AGREED ORDER
DOCKET NO. 2007-0226-WR-E

I. JURISDICTION AND STIPULATIONS

At its _____ agenda, the Texas Commission on Environmental Quality ("the Commission" or "TCEQ") considered this agreement of the parties, resolving an enforcement action regarding Rancho Viejo Cattle Company, Ltd. ("Rancho Viejo") under the authority of TEX. WATER CODE ch. 11. The Executive Director of the TCEQ, through the Enforcement Division, and Rancho Viejo, represented by Andrew N. Barrett, appear before the Commission and together stipulate that:

1. Rancho Viejo owns and operates a ranch located approximately 5.5 miles south of Utopia on Farm-to-Market Road 187 in Uvalde County, Texas (the "Site"). Rancho Viejo has impounded water at the Site without authorization.
2. The Site adjoins, is contiguous with, or surrounds state water as defined in TEX. WATER CODE § 11.021 and 30 TEX. ADMIN. CODE § 297.1(46).
3. The Commission and Rancho Viejo agree that the Commission has jurisdiction to enter this Agreed Order, and that Rancho Viejo is subject to the Commission's jurisdiction.
4. Rancho Viejo received notice of the violations alleged in Section II ("Allegations") on or about January 17, 2007.
5. The occurrence of any violation is in dispute and the entry of this Agreed Order shall not constitute an admission by Rancho Viejo of any violation alleged in Section II ("Allegations"), nor of any statute or rule.
6. An administrative penalty in the amount of Five Thousand Two Hundred Fifty Dollars (\$5,250) is assessed by the Commission in settlement of the violations alleged in Section II ("Allegations"). Rancho Viejo has paid Four Thousand Two Hundred Dollars (\$4,200) of the administrative penalty and One Thousand Fifty Dollars (\$1,050) is deferred contingent upon Rancho Viejo's timely and satisfactory compliance with all the terms of this Agreed Order. The deferred amount

will be waived upon full compliance with the terms of this Agreed Order. If Rancho Viejo fails to timely and satisfactorily comply with all requirements of this Agreed Order, the Executive Director may require Rancho Viejo to pay all or part of the deferred penalty.

7. Any notice and procedures, which might otherwise be authorized or required in this action, are waived in the interest of a more timely resolution of the matter.
8. The Executive Director of the TCEQ and Rancho Viejo have agreed on a settlement of the matters alleged in this enforcement action, subject to the approval of the Commission.
9. The Executive Director may, without further notice or hearing, refer this matter to the Office of the Attorney General of the State of Texas ("OAG") for further enforcement proceedings if the Executive Director determines that Rancho Viejo has not complied with one or more of the terms or conditions in this Agreed Order.
10. This Agreed Order shall terminate five years from its effective date or upon compliance with all the terms and conditions set forth in this Agreed Order, whichever is later.
11. The provisions of this Agreed Order are deemed severable and, if a court of competent jurisdiction or other appropriate authority deems any provision of this Agreed Order unenforceable, the remaining provisions shall be valid and enforceable.

II. ALLEGATIONS

As owner and operator of the Site, Rancho Viejo is alleged to have failed to obtain a permit from the Commission or qualify for an exemption authorizing the appropriation of state water prior to constructing a dam that impounds state water on Onion Creek, in violation of 30 TEX. ADMIN. CODE § 297.11 and TEX. WATER CODE § 11.121, as documented during investigations conducted on September 21, 2004 and January 12, 2005.

III. DENIALS

Rancho Viejo generally denies each allegation in Section II ("Allegations").

IV. ORDERING PROVISIONS

1. It is, therefore, ordered by the TCEQ that Rancho Viejo pay an administrative penalty as set forth in Section I, Paragraph 6 above. The payment of this administrative penalty and Rancho Viejo's compliance with all the terms and conditions set forth in this Agreed Order resolve only the allegations in Section II. The Commission shall not be constrained in any manner from requiring corrective action or penalties for violations, which are not raised here. Administrative penalty payments shall be made payable to "TCEQ" and shall be sent with the notation "Re: Rancho Viejo Cattle Company, Ltd., Docket No. 2007-0226-WR-E" to:

Financial Administration Division, Revenues Section
Attention: Cashier's Office, MC 214
Texas Commission on Environmental Quality
P.O. Box 13088
Austin, Texas 78711-3088

2. It is further ordered that Rancho Viejo shall undertake the following technical requirements:
- a. Within 60 days after the effective date of this Agreed Order, cease all unauthorized impounding of state water, obtain Commission approval of a permit to impound state water, or qualify for an exemption authorizing the impoundment of state water at the Site, in accordance with 30 TEX. ADMIN. CODE § 297.11 and TEX. WATER CODE § 11.121.
 - b. Within 75 days after the effective date of this Agreed Order, submit written certification as described below, and include detailed supporting documentation including photographs, receipts, and/or other records to demonstrate compliance with Ordering Provision 2.a. The certification shall be notarized by a State of Texas Notary Public and include the following certification language:

"I certify under penalty of law that I have personally examined and am familiar with the information submitted and all attached documents, and that based on my inquiry of those individuals immediately responsible for obtaining the information, I believe that the submitted information is true, accurate and complete. I am aware that there are significant penalties for submitting false information, including the possibility of fine and imprisonment for knowing violations."

The certification shall be submitted to:

Order Compliance Team
Enforcement Division, MC 149A
Texas Commission on Environmental Quality
P.O. Box 13087
Austin, Texas 78711-3087

with a copy to:

South Texas Watermaster
San Antonio Regional Office
Texas Commission on Environmental Quality
14250 Judson Road
San Antonio, Texas 78233-4480

3. The provisions of this Agreed Order shall apply to and be binding upon Rancho Viejo. Rancho Viejo is ordered to give notice of the Agreed Order to personnel who maintain day-to-day control over the Site operations referenced in this Agreed Order.
4. If Rancho Viejo fails to comply with any of the Ordering Provisions in this Agreed Order within the prescribed schedules, and that failure is caused solely by an act of God, war, strike, riot, or

other catastrophe, Rancho Viejo's failure to comply is not a violation of this Agreed Order. Rancho Viejo shall have the burden of establishing to the Executive Director's satisfaction that such an event has occurred. Rancho Viejo shall notify the Executive Director within seven days after Rancho Viejo becomes aware of a delaying event and shall take all reasonable measures to mitigate and minimize any delay.

5. The Executive Director may grant an extension of any deadline in this Agreed Order or in any plan, report, or other document submitted pursuant to this Agreed Order, upon a written and substantiated showing of good cause. All requests for extensions by Rancho Viejo shall be made in writing to the Executive Director. Extensions are not effective until Rancho Viejo receives written approval from the Executive Director. The determination of what constitutes good cause rests solely with the Executive Director.
6. This Agreed Order, issued by the Commission, shall not be admissible against Rancho Viejo in a civil proceeding, unless the proceeding is brought by the OAG to: (1) enforce the terms of this Agreed Order; or (2) pursue violations of a statute within the Commission's jurisdiction, or of a rule adopted or an order or permit issued by the Commission under such a statute.
7. This agreement may be executed in multiple counterparts, which together shall constitute a single original instrument. Any executed signature page to this Agreement may be transmitted by facsimile transmission to the other parties, which shall constitute an original signature for all purposes.
8. Under 30 TEX. ADMIN. CODE § 70.10(b), the effective date is the date of hand-delivery of the Order to Rancho Viejo, or three days after the date on which the Commission mails notice of the Order to Rancho Viejo, whichever is earlier. The Chief Clerk shall provide a copy of this Agreed Order to each of the parties.



SIGNATURE PAGE

TEXAS COMMISSION ON ENVIRONMENTAL QUALITY

For the Commission

John Szolter
For the Executive Director

8/27/07
Date

I, the undersigned, have read and understand the attached Agreed Order. I am authorized to agree to the attached Agreed Order on behalf of the entity, if any, indicated below my signature, and I do agree to the terms and conditions specified therein. I further acknowledge that the TCEQ, in accepting payment for the penalty amount, is materially relying on such representation.

I also understand that my failure to comply with the Ordering Provisions, if any, in this order and/or my failure to timely pay the penalty amount, may result in:

- A negative impact on my compliance history;
- Greater scrutiny of any permit applications submitted by me;
- Referral of this case to the Attorney General's Office for contempt, injunctive relief, additional penalties, and/or attorney fees, or to a collection agency;
- Increased penalties in any future enforcement actions against me;
- Automatic referral to the Attorney General's Office of any future enforcement actions against me; and
- TCEQ seeking other relief as authorized by law.

In addition, any falsification of any compliance documents may result in criminal prosecution.

Rancho Viejo Cattle Company, Ltd.,
by its General Partner, Benavides
Management, LLC

By: L. Cristina B. Alexander
Signature

5/30/2007
Date

Linda Cristina B. Alexander, Mgr.
Name (Printed or typed)
Authorized Representative of
Rancho Viejo Cattle Company, Ltd.

mgr.
Title

Instructions: Send the original, signed Agreed Order with penalty payment to the Financial Administration Division, Revenues Section at the address in Section IV, Paragraph 1 of this Agreed Order.

