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EXECUTIVE SUMMARY - ENFORCEMENT MATTER
DOCKET NO.: 2008-0420-AIR-E TCEQ ID: RN100224385 CASE NO.: 35528
RESPONDENT NAME: J. Cleo Thompson Investment Management, LLC

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 checked="" 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 type="checkbox"/> DRY CLEANER REGISTRATION
<p>SITE WHERE VIOLATION(S) OCCURRED: University Block 31 Compressor Site, on Farm-to-Market Road 2398, approximately 4.5 miles west of Farm-to-Market Road 2083 on Farm-to-Market Road 2398, west of Ozona, Crockett County</p> <p>TYPE OF OPERATION: Natural gas compressor</p> <p>SMALL BUSINESS: <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No</p> <p>OTHER SIGNIFICANT MATTERS: There are no complaints. There is no record of additional pending enforcement actions regarding this facility location.</p> <p>INTERESTED PARTIES: No one other than the ED and the Respondent has expressed an interest in this matter.</p> <p>COMMENTS RECEIVED: The <i>Texas Register</i> comment period expired on September 1, 2008. No comments were received.</p> <p>CONTACTS AND MAILING LIST: TCEQ Attorney/SEP Coordinator: None TCEQ Enforcement Coordinator: Mr. James Nolan, Enforcement Division, Enforcement Team 4, MC 149, (512) 239-6634; Mr. Bryan Sinclair, Enforcement Division, MC 219, (512) 239-2171 Respondent: Mr. Hern Colvin, Controller, J. Cleo Thompson Investment Management, LLC, 325 North St. Paul Street, Suite 4300, Dallas, Texas 75201 Mr. Cliff T. Milford, CFO, J. Cleo Thompson Investment Management, LLC, 325 North St. Paul Street, Suite 4300, Dallas, Texas 75201 Respondent's Attorney: Not represented by counsel on this enforcement matter</p>		

VIOLATION SUMMARY CHART:

VIOLATION INFORMATION	PENALTY CONSIDERATIONS	CORRECTIVE ACTIONS TAKEN/REQUIRED
<p>Type of Investigation: <input type="checkbox"/> Complaint <input type="checkbox"/> Routine <input type="checkbox"/> Enforcement Follow-up <input checked="" type="checkbox"/> Records Review</p> <p>Date(s) of Complaints Relating to this Case: None</p> <p>Date of Investigation Relating to this Case: February 14, 2008</p> <p>Date of NOV/NOE Relating to this Case: February 15, 2008 (NOE)</p> <p>Background Facts: This was a records review.</p> <p>AIR</p> <p>Failure to certify compliance with General Operating Permit No. O-00371. Specifically, the Respondent failed to submit the annual compliance certification for the period of August 21, 2006 to August 20, 2007 within 30 days after the end of the certification period, which was September 19, 2007 [30 TEX. ADMIN. CODE § 122.146(1) and (2) and TEX. HEALTH & SAFETY CODE § 382.085(b)].</p>	<p>Total Assessed: \$3,625</p> <p>Total Deferred: \$725 <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: \$2,900</p> <p>Site Compliance History Classification <input type="checkbox"/> High <input checked="" type="checkbox"/> Average <input type="checkbox"/> Poor</p> <p>Person Compliance History Classification <input type="checkbox"/> High <input checked="" type="checkbox"/> Average <input type="checkbox"/> Poor</p> <p>Major Source: <input checked="" type="checkbox"/> Yes <input 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>Within 30 days after the effective date of this Agreed Order, submit an annual compliance certification for the August 21, 2006 to August 20, 2007 permit compliance certification period.</p>

Additional ID No(s): AIR CZ0035V



Penalty Calculation Worksheet (PCW)

Policy Revision 2 (September 2002)

PCW Revision February 29, 2008

DATES	Assigned	19-Feb-2008	Screening	10-Mar-2008	EPA Due	11-Nov-2008
	PCW	18-Mar-2008				

RESPONDENT/FACILITY INFORMATION	
Respondent	J. Cleo Thompson Investment Management, LLC
Reg. Ent. Ref. No.	RN100224385
Facility/Site Region	8-San Angelo
Major/Minor Source	Major

CASE INFORMATION			
Enf./Case ID No.	35528	No. of Violations	1
Docket No.	2008-0420-AIR-E	Order Type	1660
Media Program(s)	Air	Enf. Coordinator	LaMia Handy
Multi-Media		EC's Team	Enforcement Team 4
Admin. Penalty \$ Limit Minimum	\$0	Maximum	\$10,000

Penalty Calculation Section

TOTAL BASE PENALTY (Sum of violation base penalties) **Subtotal 1**

ADJUSTMENTS (+/-) TO SUBTOTAL 1

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

Compliance History **Subtotals 2, 3, & 7**

Notes

Culpability **Subtotal 4**

Notes

Good Faith Effort to Comply **Subtotal 5**

	Before NOV	NOV to EDRP/Settlement Offer
Extraordinary	<input type="text"/>	<input type="text"/>
Ordinary	<input type="text"/>	<input type="text"/>
N/A	X	(mark with x)

Notes

Total EB Amounts **Subtotal 6**
Approx. Cost of Compliance **0% Enhancement*** **Capped at the Total EB \$ Amount*

SUM OF SUBTOTALS 1-7 **Final Subtotal**

OTHER FACTORS AS JUSTICE MAY REQUIRE **Adjustment**

Reduces or enhances the Final Subtotal by the indicated percentage.

Notes

Final Penalty Amount

STATUTORY LIMIT ADJUSTMENT **Final Assessed Penalty**

DEFERRAL **Adjustment**

Reduces the Final Assessed Penalty by the indicated percentage. (Enter number only; e.g. 20 for 20% reduction.)

Notes

PAYABLE PENALTY

Screening Date 10-Mar-2008

Docket No. 2008-0420-AIR-E

PCW

Respondent J. Cleo Thompson Investment Management, LLC

Policy Revision 2 (September 2002)

Case ID No. 35528

PCW Revision February 29, 2008

Reg. Ent. Reference No. RN100224385

Media [Statute] Air

Enf. Coordinator LaMia Handy

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)	0	0%
	Other written NOVs	0	0%
Orders	Any agreed final enforcement orders containing a denial of liability (number of orders meeting criteria)	1	20%
	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	1	25%
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%
Please Enter Yes or No			
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) 45%

>> Repeat Violator (Subtotal 3)

No

Adjustment Percentage (Subtotal 3) 0%

>> Compliance History Person Classification (Subtotal 7)

Average Performer

Adjustment Percentage (Subtotal 7) 0%

>> Compliance History Summary

Compliance History Notes

Penalty enhanced due to one Agreed Order containing denial language and one without denial language.

Total Adjustment Percentage (Subtotals 2, 3, & 7) 45%

Screening Date 10-Mar-2008

Docket No. 2008-0420-AIR-E

PCW

Respondent J. Cleo Thompson Investment Management, LLC

Policy Revision 2 (September 2002)

Case ID No. 35528

PCW Revision February 29, 2008

Reg. Ent. Reference No. RN100224385

Media [Statute] Air

Enf. Coordinator LaMia Handy

Violation Number

Rule Cite(s) 30 Tex. Admin. Code § 122. 146(1) and (2) and Tex. Health & Safety Code § 382.085(b)

Violation Description
Failed to certify compliance with General Operating Permit No. O-00371. Specifically, the Respondent failed to submit the annual compliance certification for the period August 21, 2006 to August 20, 2007 within 30 days after the end of the certification period, which was September 19, 2007.

Base Penalty

>> Environmental, Property and Human Health Matrix

OR	Release	Harm			Percent
		Major	Moderate	Minor	
Actual	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text" value="0%"/>
Potential	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	

>> Programmatic Matrix

Falsification	Major	Moderate	Minor	Percent
<input type="text"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="text" value="25%"/>

Matrix Notes

Adjustment

Violation Events

Number of Violation Events **Number of violation days**

mark only one with an x

daily	<input type="text"/>
monthly	<input type="text"/>
quarterly	<input type="text"/>
semiannual	<input type="text"/>
annual	<input type="text"/>
single event	<input checked="" type="checkbox"/>

Violation Base Penalty

Economic Benefit (EB) for this violation

Statutory Limit Test

Estimated EB Amount

Violation Final Penalty Total

This violation Final Assessed Penalty (adjusted for limits)

Economic Benefit Worksheet

Respondent J. Cleo Thompson Investment Management, LLC
Case ID No. 35528
Reg. Ent. Reference No. RN100224385
Media Air
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
No commas or \$							

Delayed Costs

Equipment				0.0	\$0	\$0	\$0
Buildings				0.0	\$0	\$0	\$0
Other (as needed)				0.0	\$0	\$0	\$0
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)	\$100	19-Sep-2007	11-Nov-2008	1.1	\$6	n/a	\$6

Notes for DELAYED costs

Estimated cost to submit an annual compliance certification. Date required is the date certification was due to be submitted. Final date is the projected 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

Approx. Cost of Compliance

\$100

TOTAL

\$6

Compliance History

Customer/Respondent/Owner-Operator:	CN601658388	J. Cleo Thompson Investment Management, Llc	Classification: AVERAGE	Rating: 39.00
Regulated Entity:	RN100224385	UNIVERSITY BLOCK 31 COMPRESSOR SITE	Classification: AVERAGE	Site Rating: 39.00
ID Number(s):	AIR NEW SOURCE PERMITS	PERMIT		29687
	AIR NEW SOURCE PERMITS	PERMIT		50160
	AIR NEW SOURCE PERMITS	ACCOUNT NUMBER		CZ0035V
	AIR NEW SOURCE PERMITS	AFS NUM		4810500035
Location:	FM 2398, approximately 4.5 miles west of intersection of FM 2083, west of Ozona, Crockett County, TX		Rating Date: September 01 07	Repeat Violator: NO
TCEQ Region:	REGION 08 - SAN ANGELO			
Date Compliance History Prepared:	April 02, 2008			
Agency Decision Requiring Compliance History:	Enforcement			
Compliance Period:	March 18, 2003 to March 18, 2008			
TCEQ Staff Member to Contact for Additional Information Regarding this Compliance History				
Name:	<u>LaMia Handy</u>	Phone:	<u>(713) 767-3682</u>	

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? J Cleo Thompson Oil Products
J. Cleo Thompson Investment Management, Llc
4. If Yes, who was/were the prior owner(s)? J. Cleo Thompson and James Cleo Thompson, JR., LP
5. When did the change(s) in ownership occur? 05/01/2003

Components (Multimedia) for the Site :

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

Effective Date: 07/03/2003	ADMINORDER 2002-1043-AIR-E
Classification: Moderate	
Citation: 30 TAC Chapter 122, SubChapter B 122.145(2)(B) 30 TAC Chapter 122, SubChapter B 122.146(2)	
5C THC Chapter 382, SubChapter A 382.085(b)	
Description: Failure to submit the Annual Title V Compliance Certification	
Classification: Moderate	
Citation: 30 TAC Chapter 122, SubChapter F 122.504(a)(4)(A) 5C THC Chapter 382, SubChapter A 382.085(b)	
Description: Failure to submit updated GOP application no later than 45 days after issuance of the revised GOP.	
Classification: Moderate	
Citation: 30 TAC Chapter 106, SubChapter W 106.512(1) 5C THC Chapter 382, SubChapter A 382.085(b)	
Description: Failure to register Waukesh 7042 (Serial No. 365722) and Waukesha 7042 (Serial No. 229557) compressor engines within 10 days after construction began.	
Effective Date: 10/10/2005	ADMINORDER 2005-0391-AIR-E
Classification: Moderate	
Citation: 30 TAC Chapter 122, SubChapter B 122.145(2)(B) 30 TAC Chapter 122, SubChapter B 122.146(1)	
5C THC Chapter 382, SubChapter A 382.085(b)	
Description: Failure to submit an annual certification report for the time period 02/21/2003 thru 02/20/2004 and failed to submit a semi-annual deviation report of this violation for the period February 21, 2004 to August 20, 2004.	

- 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	09/29/2003	(285767)
2	02/10/2005	(347786)
3	11/22/2005	(437888)
4	10/13/2006	(516246)
5	02/15/2008	(618964)

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

N/A

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
J. CLEO THOMPSON INVESTMENT
MANAGEMENT, LLC
RN100224385**

§
§
§
§
§
§

**BEFORE THE
TEXAS COMMISSION ON
ENVIRONMENTAL QUALITY**

**AGREED ORDER
DOCKET NO. 2008-0420-AIR-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 J. Cleo Thompson Investment Management, LLC ("the Respondent") under the authority of TEX. HEALTH & SAFETY CODE ch. 382 and TEX. WATER CODE ch. 7. The Executive Director of the TCEQ, through the Enforcement Division, and the Respondent appear before the Commission and together stipulate that:

1. The Respondent owns and operates a natural gas compressor station on Farm-to-Market Road 2398, approximately 4.5 miles west of Farm-to-Market Road 2083 on Farm-to-Market Road 2398, west of Ozona, Crockett County, Texas (the "Station").
2. The Station consists of one or more sources as defined in TEX. HEALTH & SAFETY CODE § 382.003(12).
3. The Commission and the Respondent agree that the Commission has jurisdiction to enter this Agreed Order, and that the Respondent is subject to the Commission's jurisdiction.
4. The Respondent received notice of the violations alleged in Section II ("Allegations") on or about February 20, 2008.
5. The occurrence of any violation is in dispute and the entry of this Agreed Order shall not constitute an admission by the Respondent of any violation alleged in Section II ("Allegations"), nor of any statute or rule.

6. An administrative penalty in the amount of Three Thousand Six Hundred Twenty-Five Dollars (\$3,625) is assessed by the Commission in settlement of the violations alleged in Section II ("Allegations"). The Respondent has paid Two Thousand Nine Hundred Dollars (\$2,900) of the administrative penalty and Seven Hundred Twenty-Five Dollars (\$725) is deferred contingent upon the Respondent'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 the Respondent fails to timely and satisfactorily comply with all requirements of this Agreed Order, the Executive Director may require the Respondent 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 the Respondent 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 the Respondent 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 Station, the Respondent is alleged to have failed to certify compliance with General Operating Permit No. O-00371, in violation of 30 TEX. ADMIN. CODE § 122.146(1) and (2) and TEX. HEALTH & SAFETY CODE § 382.085(b), as documented during an investigation conducted on February 14, 2008. Specifically, the Respondent failed to submit the annual compliance certification for the period of August 21, 2006 to August 20, 2007 within 30 days after the end of the certification period, which was September 19, 2007.

III. DENIALS

The Respondent generally denies each allegation in Section II ("Allegations").

IV. ORDERING PROVISIONS

1. It is, therefore, ordered by the TCEQ that the Respondent pay an administrative penalty as set forth in Section I, Paragraph 6 above. The payment of this administrative penalty and the Respondent'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: J. Cleo Thompson Investment Management, LLC, Docket No. 2008-0420-AIR-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 the Respondent shall, within 30 days after the effective date of this Agreed Order, submit an annual compliance certification for the August 21, 2006 to August 20, 2007 permit compliance certification period.

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:

Air Section, Manager
San Angelo Regional Office
Texas Commission on Environmental Quality
622 S. Oakes, Suite K
San Angelo, Texas 76903- 7035

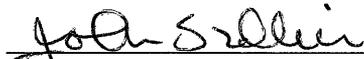
3. The provisions of this Agreed Order shall apply to and be binding upon the Respondent. The Respondent is ordered to give notice of the Agreed Order to personnel who maintain day-to-day control over the Station operations referenced in this Agreed Order.
4. If the Respondent fails to comply with any 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, the Respondent's failure to comply is not a violation of this Agreed Order. The Respondent shall have the burden of establishing to the Executive Director's satisfaction that such an event has occurred. The Respondent shall notify the Executive Director within seven days after the Respondent 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 the Respondent shall be made in writing to the Executive Director. Extensions are not effective until the Respondent 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 the Respondent 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 the Respondent, or three days after the date on which the Commission mails notice of the Order to the Respondent, 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



For the Executive Director

8/25/2008
Date

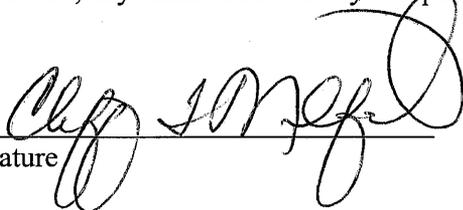
I, the undersigned, have read and understand the attached Agreed Order. I am authorized to agree to the attached Agreed Order on behalf of the entity indicated below my signature, and I do agree to the terms and conditions specified therein. I further acknowledge that the TCEQ, in accepting payment for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

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

- A negative impact on compliance history;
- Greater scrutiny of any permit applications submitted;
- 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;
- Automatic referral to the Attorney General's Office of any future enforcement actions; and
- TCEQ seeking other relief as authorized by law.

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

Signature



Date

6/25/08

Name (Printed or typed)

Authorized Representative of

J. Cleo Thompson Investment Management, LLC

Title

CEO

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.

