

EXECUTIVE SUMMARY - ENFORCEMENT MATTER
DOCKET NO.: 2008-0756-AIR-E TCEQ ID: RN101718740 CASE NO.: 35862
RESPONDENT NAME: KING RANCH, INC.

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 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

SITE WHERE VIOLATION(S) OCCURRED: west of Highway 141 and seven miles west of Kingsville, Kleberg County

TYPE OF OPERATION: cattle ranch

SMALL BUSINESS: Yes No

OTHER SIGNIFICANT MATTERS: Two complaints were received, alleging that the Respondent was conducting unauthorized burning at the site. There is no record of additional pending enforcement actions regarding this facility location.

INTERESTED PARTIES: The complainants have not indicated a desire to protest this action or speak at Agenda. No one other than the ED and the Respondent expressed an interest in this matter.

COMMENTS RECEIVED: The *Texas Register* comment period expired January 26, 2009. No comments were received.

CONTACTS AND MAILING LIST:
TCEQ Attorney: Ms. Anna M. Cox, Litigation Division, MC 175, (512) 239-0974
 Ms. Lena Roberts, Litigation Division, MC 175, (512) 239-0019
TCEQ Enforcement Coordinator: Mr. James Nolan, Air Enforcement Section, MC 149, (512) 239-6634
TCEQ Regional Contact: Mr. David Turner, Corpus Christi Regional Office, MC R-14, (361) 825-3113
Respondent: Mr. Jack Hunt, President, King Ranch, Inc., P.O. Box 1090, Kingsville, Texas 78364
Respondent's Attorney: Mr. Gordon Johnson, Johnson & Johnson, Attorneys and Counselors at Law, 1122 Colorado Street, Suite 208, Austin, Texas 78701

VIOLATION SUMMARY CHART:

VIOLATION INFORMATION	PENALTY CONSIDERATIONS	CORRECTIVE ACTIONS TAKEN/REQUIRED
<p>Type of Investigation:</p> <p><input checked="" type="checkbox"/> Complaint <input type="checkbox"/> Routine <input type="checkbox"/> Enforcement Follow-up <input type="checkbox"/> Records Review</p> <p>Dates of Complaints Relating to this Case: February 6, 2008, and February 8, 2008</p> <p>Date of Investigation Relating to this Case: February 6, 2008</p> <p>Date of NOE Relating to this Case: April 2, 2008</p> <p>Background Facts: The case was referred to the Litigation Division on August 14, 2008. The Respondent signed the agreed order on November 7, 2008.</p> <p>Current Compliance Status: No outstanding Technical Requirements.</p> <p>AIR:</p> <p>1. Failed to prevent a discharge of air contaminants which cause or have a tendency to cause a traffic hazard, failing to post flag-persons on affected roads, and failing to complete a burn on the same day not later than one hour before sunset [TEX. HEALTH & SAFETY CODE § 382.085(b) and 30 TEX. ADMIN. CODE §§ 101.5, 111.201, and 111.219(4) and (6)(A)].</p> <p>2. Failed to complete a burn on the same day not later than one hour before sunset [TEX. HEALTH & SAFETY CODE § 382.085(b) and 30 TEX. ADMIN. CODE §§ 111.201 and 111.219(6)(A)].</p>	<p>Total Assessed: \$3,570</p> <p>Total Deferred: \$0 <input type="checkbox"/> Expedited Order <input type="checkbox"/> Financial Inability to Pay <input type="checkbox"/> SEP Conditional Offset</p> <p>Total Paid to General Revenue: \$3,570</p> <p>The Respondent paid the administrative penalty in full.</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 type="checkbox"/> Yes <input checked="" type="checkbox"/> No</p> <p>Applicable Penalty Policy: September 2002</p>	<p>Corrective Action(s) Taken:</p> <p>The Executive Director recognizes that both fires were completely extinguished February 7, 2008.</p>



Penalty Calculation Worksheet (PCW)

Policy Revision 2 (September 2002)

PCW Revision April 29, 2008

DATES	Assigned	7-Apr-2008		
	PCW	17-Sep-2008	Screening	8-May-2008
			EPA Due	

RESPONDENT/FACILITY INFORMATION			
Respondent	King Ranch, Inc.		
Reg. Ent. Ref. No.	RN101718740		
Facility/Site Region	14-Corpus Christi	Major/Minor Source	Minor

CASE INFORMATION			
Enf./Case ID No.	35862	No. of Violations	2
Docket No.	2008-0756-AIR-E	Order Type	1660
Media Program(s)	Air	Enf. Coordinator	James Nolan
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: **2.0% Enhancement**

Culpability **Subtotal 4**

Notes: **No** **0.0% Enhancement**

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	<input checked="" type="checkbox"/>	(mark with x)

Notes: **0.0% Reduction**

Total EB Amounts **Subtotal 6**
Approx. Cost of Compliance **0.0% 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: **0.0%**

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: **Reduction**

PAYABLE PENALTY

Screening Date 8-May-2008

Docket No. 2008-0756-AIR-E

PCW

Respondent King Ranch, Inc.

Policy Revision 2 (September 2002)

Case ID No. 35862

PCW Revision April 29, 2008

Reg. Ent. Reference No. RN101718740

Media [Statute] Air

Enf. Coordinator James Nolan

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 <i>(number of NOVs meeting criteria)</i>	0	0%
	Other written NOVs	1	2%
Orders	Any agreed final enforcement orders containing a denial of liability <i>(number of orders meeting criteria)</i>	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 <i>(number of judgements or consent decrees meeting criteria)</i>	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 <i>(number of counts)</i>	0	0%
Emissions	Chronic excessive emissions events <i>(number of events)</i>	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 <i>(number of audits for which notices were submitted)</i>	0	0%
	Disclosures of violations under the Texas Environmental, Health, and Safety Audit Privilege Act, 74th Legislature, 1995 <i>(number of audits for which violations were disclosed)</i>	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 Respondent has received one NOV for non-similar violations in the past five years.

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

Screening Date 8-May-2008 **Docket No.** 2008-0756-AIR-E **PCW**
Respondent King Ranch, Inc. *Policy Revision 2 (September 2002)*
Case ID No. 35862 *PCW Revision April 29, 2008*
Reg. Ent. Reference No. RN101718740
Media [Statute] Air
Enf. Coordinator James Nolan
Violation Number
Rule Cite(s) 30 Tex. Admin. Code §§ 101.5, 111.201, and 111.219(4) and (6)(A); Tex. Health & Safety Code § 382.085(b)
Violation Description Failed to prevent a discharge of air contaminants which cause or have a tendency to cause a traffic hazard and failure to post flag-persons on affected roads and to complete burning on the same day not later than one hour before sunset, as documented during an investigation conducted on February 6, 2008. Specifically, the Respondent failed to extinguish residual fires before the required time in the Olmos Pasture, which resulted in a traffic hazard on Highway 141.
Base Penalty

>> Environmental, Property and Human Health Matrix

Release	Harm			Percent
	Major	Moderate	Minor	
Actual	<input type="text"/>	<input checked="" type="checkbox"/>	<input type="text"/>	<input type="text" value="25%"/>
Potential	<input type="text"/>	<input type="text"/>	<input type="text"/>	

>> Programmatic Matrix

Falsification	Major	Moderate	Minor	Percent
<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text" value="0%"/>

Matrix Notes The fire resulted in the release of a significant amount of pollutants which did not exceed protective levels.

Adjustment

Violation Events

Number of Violation Events Number of violation days

mark only one with an x

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

Violation Base Penalty

One monthly event is recommended.

Economic Benefit (EB) for this violation	Statutory Limit Test
Estimated EB Amount <input type="text" value="\$0"/>	Violation Final Penalty Total <input type="text" value="\$2,550"/>
This violation Final Assessed Penalty (adjusted for limits) <input type="text" value="\$2,550"/>	

Economic Benefit Worksheet

Respondent King Ranch, Inc.
Case ID No. 35862
Reg. Ent. Reference No. RN101718740
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 of \$

Delayed Costs

Equipment				0.00	\$0	\$0	\$0
Buildings				0.00	\$0	\$0	\$0
Other (as needed)				0.00	\$0	\$0	\$0
Engineering/construction				0.00	\$0	\$0	\$0
Land				0.00	\$0	n/a	\$0
Record Keeping System				0.00	\$0	n/a	\$0
Training/Sampling				0.00	\$0	n/a	\$0
Remediation/Disposal				0.00	\$0	n/a	\$0
Permit Costs				0.00	\$0	n/a	\$0
Other (as needed)	\$2,500	6-Feb-2008	7-Feb-2008	0.00	\$0	n/a	\$0

Notes for DELAYED costs

Estimated cost to provide additional staff and equipment to oversee outdoor burning activities. Date required and Final date are the beginning and end of burn activities.

Avoided Costs

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

Disposal				0.00	\$0	\$0	\$0
Personnel				0.00	\$0	\$0	\$0
Inspection/Reporting/Sampling				0.00	\$0	\$0	\$0
Supplies/equipment				0.00	\$0	\$0	\$0
Financial Assurance [2]				0.00	\$0	\$0	\$0
ONE-TIME avoided costs [3]				0.00	\$0	\$0	\$0
Other (as needed)				0.00	\$0	\$0	\$0

Notes for AVOIDED costs

Approx. Cost of Compliance

\$2,500

TOTAL

\$0

Screening Date 8-May-2008

Docket No. 2008-0756-AIR-E

PCW

Respondent King Ranch, Inc.

Policy Revision 2 (September 2002)

Case ID No. 35862

PCW Revision April 29, 2008

Reg. Ent. Reference No. RN101718740

Media [Statute] Air

Enf. Coordinator James Nolan

Violation Number

Rule Cite(s) 30 Tex. Admin. Code §§ 111.201 and 111.219(6)(A); Tex. Health & Safety Code § 382.085(b)

Violation Description

Failed to complete burning on the same day not later than one hour before sunset, as documented during an investigation conducted on February 6, 2008. Specifically, residual fires in the North Vina pasture were not extinguished until February 7, 2008, the day after they were initiated.

Base Penalty

>> Environmental, Property and Human Health Matrix

Release	Harm			Percent
	Major	Moderate	Minor	
Actual			X	<input type="text" value="10%"/>
Potential				

>> Programmatic Matrix

Falsification	Major	Moderate	Minor	Percent
				<input type="text" value="0%"/>

Matrix Notes The failure to extinguish fires prior to sunset resulted in the release of an insignificant amount of pollutants which did not exceed protective levels.

Adjustment

Violation Events

Number of Violation Events Number of violation days

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

Violation Base Penalty

One single event is recommended.

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 King Ranch, Inc.
Case ID No. 35862
Reg. Ent. Reference No. RN101718740
Media Air
Violation No. 2

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				0.00	\$0	\$0	\$0
Buildings				0.00	\$0	\$0	\$0
Other (as needed)				0.00	\$0	\$0	\$0
Engineering/construction				0.00	\$0	\$0	\$0
Land				0.00	\$0	n/a	\$0
Record Keeping System				0.00	\$0	n/a	\$0
Training/Sampling				0.00	\$0	n/a	\$0
Remediation/Disposal				0.00	\$0	n/a	\$0
Permit Costs				0.00	\$0	n/a	\$0
Other (as needed)				0.00	\$0	n/a	\$0

Notes for DELAYED costs

Economic benefit is addressed under Violation 1.

Avoided Costs

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

Disposal				0.00	\$0	\$0	\$0
Personnel				0.00	\$0	\$0	\$0
Inspection/Reporting/Sampling				0.00	\$0	\$0	\$0
Supplies/equipment				0.00	\$0	\$0	\$0
Financial Assurance [2]				0.00	\$0	\$0	\$0
ONE-TIME avoided costs [3]				0.00	\$0	\$0	\$0
Other (as needed)				0.00	\$0	\$0	\$0

Notes for AVOIDED costs

Approx. Cost of Compliance

\$0

TOTAL

\$0

Compliance History

Customer/Respondent/Owner-Operator:	CN600715858 King Ranch, Inc.	Classification: AVERAGE	Rating: 2.61
Regulated Entity:	RN101718740 KING RANCH	Classification: AVERAGE	Site Rating: 0.50
ID Number(s):	WASTEWATER AGRICULTURE PERMIT	TXG920609	
Location:	W OF HWY 141 7 MI W OF KINGSVILLE, Kleberg County	Rating Date: 9/1/2007 Repeat Violator: NO	
TCEQ Region:	REGION 14 - CORPUS CHRISTI		
Date Compliance History Prepared:	May 20, 2008		
Agency Decision Requiring Compliance History:	Enforcement		
Compliance Period:	April 15, 2003 to April 15, 2008		

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

Name: Audra Ruble Phone: 361-825-3126

Site Compliance History Components

- | | |
|--|-----|
| 1. Has the site been in existence and/or operation for the full five year compliance period? | No |
| 2. Has there been a (known) change in ownership of the site during the compliance period? | No |
| 3. If Yes, who is the current owner? | N/A |
| 4. If Yes, who was/were the prior owner(s)? | N/A |
| 5. When did the change(s) in ownership occur? | N/A |

Components (Multimedia) for the Site :

- A. Final Enforcement Orders, court judgements, 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 | 01/03/2005 | (345957) |
| 2 | 08/24/2006 | (509389) |
| 3 | 06/08/2007 | (563120) |
- E. Written notices of violations (NOV). (CCEDS Inv. Track. No.)
- | | | |
|--------------|--|-----------------------|
| Date: | 08/24/2006 | (509389) |
| Self Report? | NO | Classification: Minor |
| Citation: | 30 TAC Chapter 321, SubChapter B 321.36(g)(1) | |
| Rqmt Prov: | PERMIT Part III Section A (12)(b) | |
| Description: | Failure to collect soil samples for each Land Management Unit (LMU) owned, operated, controlled, rented, or leased by the CAFO operator where manure, litter, or wastewater was applied during the preceding year. | |
| Self Report? | NO | Classification: Minor |
| Citation: | 30 TAC Chapter 321, SubChapter B 321.36(j)(3) | |
| Rqmt Prov: | PERMIT Part IV Section B(1)(c) | |
| Description: | Failure to submit an annual report to include the total amount of manure, litter, and wastewater land applied to each land management unit (LMU) during the reporting period of January 1 to December 31 of the previous year. | |
- 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
KING RANCH, INC.
RN101718740

§
§
§
§
§

BEFORE THE
TEXAS COMMISSION ON
ENVIRONMENTAL QUALITY

AGREED ORDER
DOCKET NO. 2008-0756-AIR-E

I. JURISDICTION AND STIPULATIONS

At its _____ agenda, the Texas Commission on Environmental Quality ("Commission" or "TCEQ") considered this agreement of the parties, resolving an enforcement action regarding King Ranch, Inc. ("King Ranch") under the authority of TEX. WATER CODE ch. 7 and TEX. HEALTH & SAFETY CODE ch. 382. The Executive Director of the TCEQ, represented by the Litigation Division, and King Ranch represented by Gordon Johnson of the law firm of Johnson & Johnson, appear before the Commission and together stipulate that:

1. King Ranch owns and operates cattle ranching operation located west of Highway 141 and seven miles west of Kingsville, Kleberg County, Texas (the "Site").
2. This Agreed Order is entered into pursuant to TEX. WATER CODE §§ 7.051 and 7.070. The Commission has jurisdiction of this matter pursuant to TEX. WATER CODE § 5.013 because it alleges violations of TEX. HEALTH & SAFETY CODE ch. 382 and TCEQ rules.
3. The Commission and King Ranch agree that the Commission has jurisdiction to enter this Agreed Order, and that King Ranch is subject to the Commission's jurisdiction.
4. King Ranch received notice of the violations alleged in Section II ("Allegations") on or about April 7, 2008.
5. The occurrence of any violation is in dispute and the entry of this Agreed Order shall not constitute an admission by King Ranch of any violation alleged in Section II ("Allegations"), nor of any statute or rule.
6. An administrative penalty in the amount of three thousand five hundred seventy dollars (\$3,570.00) is assessed by the Commission in settlement of the violations alleged in Section II ("Allegations"). King Ranch has paid three thousand five hundred seventy dollars (\$3,570.00) of the administrative 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 King Ranch have agreed on a settlement of the matters alleged in this enforcement action, subject to the approval of the Commission.
9. The Executive Director recognizes that King Ranch completely extinguished the fire at the Olmos Pasture on February 6, 2008 and the fire at the North Vina Pasture on February 7, 2008.
10. 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 King Ranch has not complied with one or more of the terms or conditions in this Agreed Order.
11. 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.
12. 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

1. During an investigation conducted on February 6, 2008, a TCEQ Corpus Christi Regional Office investigator documented that King Ranch violated:
 - a. TEX. HEALTH & SAFETY CODE § 382.085(b) and 30 TEX. ADMIN. CODE §§ 101.5, 111.201, and 111.219(4) and (6)(A) by failing to prevent a discharge of air contaminants which cause or have a tendency to cause a traffic hazard, failing to post flag-persons on affected roads, and failing to complete a burn on the same day not later than one hour before sunset. Specifically, King Ranch failed to extinguish residual fires before the required time in the Olmos Pasture, which resulted in a traffic hazard on Highway 141.
 - b. TEX. HEALTH & SAFETY CODE § 382.085(b) and 30 TEX. ADMIN. CODE §§ 111.201 and 111.219(6)(A) by failing to complete a burn on the same day not later than one hour before sunset. Specifically, the residual fires in the North Vina Pasture were not extinguished until February 7, 2008, the day after they were initiated.
2. King Ranch received notice of the violations on or about April 7, 2008.

III. DENIALS

King Ranch generally denies each allegation in Section II ("Allegations").

IV. ORDERING PROVISIONS

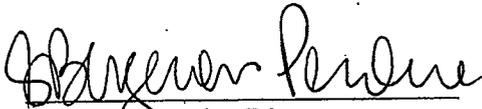
1. It is, therefore, ordered by the TCEQ that King Ranch pay an administrative penalty as set forth in Section I, Paragraph 6, above. The payment of this administrative penalty and King Ranch's compliance with all the terms and conditions set forth in this Agreed Order resolve only the Allegations in Section II. The Commission shall not be constrained in any manner from considering or requiring corrective action or penalties for violations which are not raised here. Administrative penalty payments shall be made payable to "Texas Commission on Environmental Quality" and shall be sent with the notation "Re: King Ranch, Inc., Docket No. 2008-0756-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. The provisions of this Agreed Order shall apply to and be binding upon King Ranch.
3. This Agreed Order, issued by the Commission, shall not be admissible against King Ranch 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.
4. 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.
5. Under 30 TEX. ADMIN. CODE § 70.10(b) and TEX. GOV'T. CODE § 2001.142, the effective date of this Agreed Order is the date of hand-delivery of the Order to King Ranch, or three days after the date on which the Commission mails notice of the Order to King Ranch, 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

12/18/08

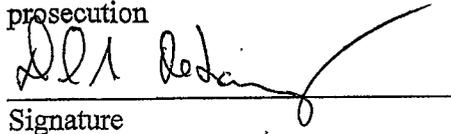
Date

I, the undersigned, have read and understand the attached Agreed Order. I represent that 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 King Ranch's failure to timely pay the penalty amount, may result in:

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

In addition, I understand that any falsification of any compliance documents may result in criminal prosecution



Signature

11-7-08

Date

David S. Delaney

Name (Printed or typed)
Authorized representative of
King Ranch, Inc.

VP and General Mgr

Title