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TEXAS
COMMISSION
ON ENVIRONMENTAL
QUALITY

2008 MAR -7 AM 9:46

CHIEF CLERKS OFFICE

February 29, 2008

Docket Clerk
Texas Commission of Environmental Quality
P.O. Box 13087
Austin, TX 78711

RE: Case No. SOAH DOCKET NO. 582-07-4078 TECQ DOCKET NO. 2006-2025-MWD-E;
EXECUTIVE DIRECTOR OF THE TEXAS COMMISSION ON ENVIRONMENTAL
QUALITY vs. PALO GAUCHO, INC.; BEFORE THE STATE OFFICE OF
ADMINISTRATIVE HEARINGS

Dear Sir:

I am enclosing our Suggestion of Bankruptcy for filing with your Court. I have enclosed a self-addressed, stamped envelope and would appreciate you forwarding a file stamped copy to our office.

If you should have any questions, please do not hesitate to contact me.

Sincerely,

GIPSON AND NORMAN



Mary Nolin
Legal Assistant

MN/
Enclosure

NO. SOAH DOCKET NO. 582-07-4078
TECQ DOCKET NO. 2006-2025-MWD-E

EXECUTIVE DIRECTOR OF THE TEXAS § BEFORE THE STATE OFFICE
COMMISSION ON ENVIRONMENTAL §
QUALITY §
(Petitioner) § OF
§
VS. §
§
PALO GAUCHO, INC. §
(Respondent) § ADMINISTRATIVE HEARINGS

SUGGESTION OF BANKRUPTCY

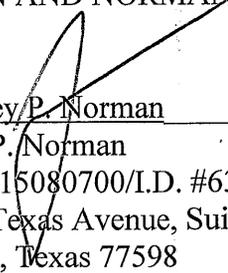
COMES NOW PALO GAUCHO, INC., party to the following legal proceeding:

In the United States Bankruptcy Court
For the Southern District of Texas
Galveston Division
PALO GAUCHO, INC., DEBTOR
Bankruptcy Case No. 08-31075
(Chapter 7)

and respectfully suggest to the Court in the referenced proceeding that on February 22, 2008 it filed its Chapter 7 Petition in Bankruptcy in the United States Bankruptcy Court for the Southern District of Texas, Houston Division, styled: In Re: PALO GAUCHO, INC., Debtor, Bankruptcy Case No. 08-31075. PALO GAUCHO, INC. further suggests that execution on any judgment entered or any other proceedings in this matter are stayed by §362 of Title 11 of the United States Bankruptcy Code.

Respectfully submitted,

GIPSON AND NORMAN


/s/ Jeffrey P. Norman
Jeffrey P. Norman
SBOT #15080700/I.D. #6375
450 N. Texas Avenue, Suite A
Webster, Texas 77598
281/332-4800 Telephone
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ATTORNEY FOR DEBTOR

CHIEF CLERKS OFFICE

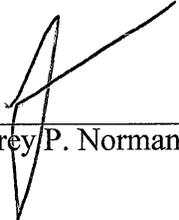
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QUALITY

CERTIFICATE OF SERVICE

I, Jeffrey P. Norman, do hereby certify that on February 29, 2008, a true and correct copy of the foregoing instrument has been served on Paul D. Keeper, Administrative Law Judge for EXECUTIVE DIRECTOR OF THE TEXAS COMMISSION ON ENVIRONMENTAL QUALITY at the address listed below by deposit in the United States Mail, First Class postage prepaid.

Paul D. Keeper, Administrative Law Judge
P.O. Box 13025
Austin, TX 78711-3025



Jeffrey P. Norman