

July 11, 2007



**TEXAS
CATTLE
FEEDERS
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Mr. Roger Schmitz
Owner/Manager
Schmitz Feedlot, L.L.C.
76 Feeder Rd.
Clayton, NM 88415

Dear Mr. Schmitz:

This letter is in response to your request for clarification of certain environmental requirements pertaining to Schmitz Feedlot, L.L.C.

Environmental Permit Authorization

Schmitz Feedlot, L.L.C. submitted a Notice of Intent to EPA Region 6 to obtain coverage under the General Permit for Concentrated Animal Feeding Operations (CAFOs) on May 10, 1993 (NPDES Permit #NMG010018). While the General Permit itself expired in 1998, all CAFOs that were already authorized by the permit continue to be covered in accordance with the provision in the permit that states, "Coverage under this permit will expire five (5) years from the date of issuance. The conditions of an expired permit continues in force until the effective date of a new permit (40 CFR 122.6)."

It is the responsibility of Schmitz Feedlot to ensure that compliance with the technical requirements of the General Permit are met, which includes maintenance of a Pollution Prevention Plan and all associated supporting documentation and records.

Maximum Authorized Head Count

Following the recent completion of a new waste storage pond and documentation provided by USDA—Natural Resources Conservation Service (NRCS), the storage ponds can contain a combined total of 13.9 acre-feet in the current state (5.5 acre-feet in the original pond and 8.4 acre-feet in the new pond). A copy of the email from Mr. Dean Pritchett confirming the as-built capacities of the storage ponds is attached.

The drainage area includes a total area of 31.8 acres and a confinement pen area of 21.1 acres (phone conversation on July 5, 2007 with Mr. Matt Wiseman). Mr. Bill Beams, appraiser of the property, indicates that the total feedbunk length is 4,200 feet (phone conversation on June 12, 2007).

It is accepted industry practice to determine the reasonable maximum head count of a feedyard by using 150 square feet per head OR 9 inches of bunk space per head. Using these assumptions, the maximum head count of Schmitz Feedlot is 5,600 head (based on bunk space) or 6,127 head (based on pen area). Since bunk space is the limiting factor, the maximum capacity of Schmitz Feedlot would be considered 5,600 head.

Mr. Roger Schmitz
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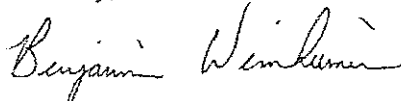
Correspondence with EPA to Amend Maximum Head Count

The maximum one-time capacity of the feedyard submitted to EPA by Schmitz Feedlot in 1993 was 3,000 head. To amend the maximum head count on file with EPA, a letter should be submitted to EPA Region 6 in Dallas to revise the maximum head count to 5,600 head.

Again, it the responsibility of the permittee to ensure compliance with the provisions of the EPA Region 6 CAFO General Permit, including all engineering documentation for waste storage pond capacity, clay liner permeability requirements, proper operation and maintenance, manure and wastewater handling, on-site inspections by feedyard personnel, sampling, records, and any other requirements outline in the permit.

Please call with any questions.

Sincerely,

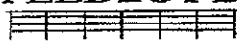


Benjamin Weinheimer, P.E.
Vice President

cc: Mr. Bob Dean
Mr. Dean Pritchett
Mr. Ernest Romero



SCHMITZ
FEEDLOT LLC



76 FEEDER RD
Clayton, NM 88415
505-374-8193 Fax 505-374-8194

July 20, 2007

Mr. Abu Senkayi
US EPA Region 6
1445 Ross Av
Dallas, TX 75202

RE: CAFO General Permit #NMG010018, Schmitz Feedlot, LLC
Delivered by Certified Mail, Return Receipt # 7007 0220 0004 5614 1313

Dear Mr. Senkayi,

Please make the following changes to the permit number listed above:

Old Information:

Feedyard Name:	Schmitz Feedlot, LLC
Feedyard Address:	76 Feeder Rd Clayton, NM 88415
Phone:	505-374-8193 505-374-8194 fax
Contact Person:	Roger Schmitz
County:	Union
NOI Submitted:	5/10/1993
Number of Cattle:	3,000 head
Latitude:	+3530000
Longitude:	-10300130

New Information:

Feedyard Name:	Maverick Feedlot, LLC
Feedyard Address:	76 Feeder Rd Clayton, NM 88415
Phone:	225-343-9152
Contact Person:	Bob Dean
Number of Cattle:	5,600 head

All other information remains unchanged. A second stormwater retention pond was recently completed with the assistance of the USDA-NRCS. Based on the current cattle pen configuration, drainage acres and stormwater retention pond capacity, the feedyard can operate with a maximum number of 5,600 head of cattle.

Sincerely,

A handwritten signature in black ink that reads "Roger Schmitz". The signature is written in a cursive, flowing style.

Roger Schmitz, Owner

Cc: Mr. Richard Powell, New Mexico Environment Department
Matt Wiseman, USDA-NRCS, Clayton NM
Bob Dean