

SETTLEMENT AGREEMENT

The Wyoming Department of Environmental Quality, Air quality Division ("DEQ/AQD"), Herschler building, 122 West 25th Street, Cheyenne, WY 82002, and Timberline Production Company, LLC ("Timberline"), 800 Werner Court, Suite 220, Casper, Wyoming 82601 enter into this Settlement Agreement ("Agreement") to fully and finally resolve without litigation the violations cited in DEQ Notice of Violation Docket No. 4411-08 ("NOV"). The NOV alleges that Timberline failed to control fugitive dust in violation of the Air Quality Act ("Act"), applicable Wyoming Air Quality Standards and Regulations ("WAQSR") and air quality permit CT-3665 issued to Timberline.

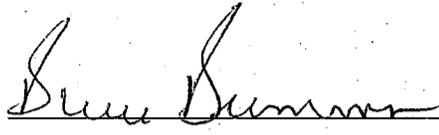
WYO. STAT. ANN. § 35-11-901(a)(ii) (West 2008) authorizes stipulated settlement, including payment of a penalty, in lieu of litigation. To that end, Timberline and the DEQ/AQD hereby stipulate and agree as follows:

1. The DEQ/AQD is responsible for enforcing the Act and WAQSR.
2. WYO. STAT. ANN. § 35-11-201 states: "No person shall cause, threaten or allow the discharge or emission of any air contaminant in any form so as to cause pollution which violates rules, regulations and standards adopted by the council."
3. WYO. STAT. ANN. § 35-11-801 states: "In granting permits, the director may impose such conditions as may be necessary to accomplish the purpose of this act which are not inconsistent with the existing rules, regulations and standards. An administrator shall not issue permits and may issue a license under this act only as specifically authorized in this act."
3. Chapter 6, Section 2 of the WAQSR prescribes the applicability and procedures for issuing permits to sources under DEQ/AQD's construction and modification permitting program.
4. Chapter 6, Section 2(h) of the WAQSR allows reasonable conditions to be imposed upon construction or modification permits, including emission limits, monitoring and reporting requirements.
5. Permit number CT-3665 was issued to Timberline on July 30, 2004.
6. Condition 5 of permit number CT-3665 states: "That all work areas, disturbed areas, and stockpiles shall be treated with water and/or chemical dust suppressants on a schedule sufficient to control fugitive dust."
7. On October 3, 2008, Air Quality Engineers observed significant fugitive dust emissions from haul truck traffic along the work areas resulting in instantaneous opacities near 100%.
8. Timberline agrees to pay the DEQ/AQD one thousand seven hundred fifty dollars and no cents (\$1,750.00) as a stipulated settlement amount. Timberline shall make full payment of the settlement amount by check made payable to the Wyoming Department of Environmental Quality, Air Quality Division, within thirty (30) days after Timberline has been notified by DEQ/AQD that the final signature has been affixed to the Agreement. Timberline shall mail the payment to John S. Burbidge, Senior Assistant Attorney General, 123 Capitol Building, Cheyenne, WY 82002.

19. Each Party represents that they are authorized to enter into this Agreement and agree to be bound hereby. This Agreement shall become binding upon the Parties once executed by all Parties.

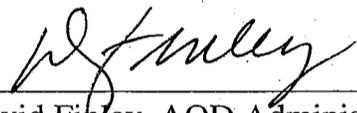
IN WITNESS THEREOF, the Parties, by their duly authorized representatives, have executed this Agreement on the days and dates set out below, and certify that they have read, understood, and agreed to the terms and conditions of this Agreement:

TIMBERLINE, LLC

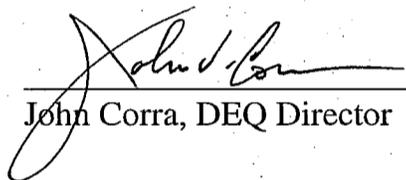
By: 

3-13-09
Date

STATE OF WYOMING, DEPARTMENT OF ENVIRONMENTAL QUALITY:

By: 
David Finley, AQD Administrator

3/25/09
Date

By: 
John Corra, DEQ Director

3/25/09
Date

APPRVAL AS TO FORM:

By: 
John S. Burbridge
Senior Assistant Attorney General
Attorney for DEQ/AQD

3-25-09
Date

TIMBERLINE PRODUCTION COMPANY, LLC
800 WERNER COURT, STE 220
CASPER, WY 82601-1324
(307) 577-7121

FIRST INTERSTATE BANK
104 SOUTH WOLCOTT
CASPER, WYOMING 82601
99-12/1023

19595

PAY ***1750*Dollars*And*00*Cents***

DATE

AMOUNT

04/06/2009

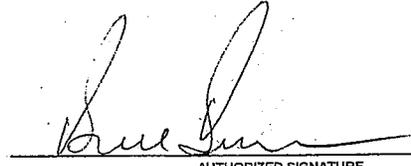
\$****1,750.00

TO THE
ORDER
OF

00858

WYOMING DEQ / AQD

CHEYENNE, WY 82002-



AUTHORIZED SIGNATURE

⑈019595⑈ ⑆102300129⑆0807741251⑈

TIMBERLINE PRODUCTION CO, LLC

19595

VENDOR: 00858 WYOMING DEQ / AQD

DATE: 04/06/2009 TOTAL: \$1,750.00

INVOICE

AMOUNT PAID

DISCOUNT

BACKUP W/H

TAX W/H

NOV NO. 4411-08

1,750.00

0.00

0.00

0.00

Limestone