Keith Guille

SETTLEMENT AGREEMENT

The Wyoming Department of Environmental Quality, Air quality Division ("DEQ/AQD"), Herschler Building, 122 West 25th Street, Cheyenne, WY 82002, and Copano Pipelines/Rocky Mountains, LLC ("Copano"), 5762 E. U.S. HWY 14-16, Arvada, Wyoming 82831 enter into this Settlement Agreement ("Agreement") to fully and finally resolve without litigation the violations cited in DEQ Notice of Violation Docket No. 4547-09 ("NOV"). The NOV alleges that Copano failed to install a thermocouple to measure the inlet catalyst temperatures as required by permits MD-1088 Extension, CT-4092A, MD-7445, CT-4090, MD-6029, MD-1102, MD-1146 Extension located at Collums Compressor Station, Dow # 2 Compressor Station, Sales 14 Compressor Station, Sampson Ranch 33 Compressor Station, L.S. Draw Compressor Station, and Wild Horse Compressor Station ("Facilities"), in Campbell, Johnson and Sheridan Counties, Wyoming, in violation of the Air Quality Act ("Act"), applicable Wyoming Air Quality Standards and Regulations ("WAQSR") and the above listed permits.

WYO. STAT. ANN. § 35-11-901(a)(ii) (West 2009) authorizes stipulated settlement, including payment of a penalty, in lieu of litigation. To that end, Copano 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."

4. 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.

5. Permits MD-1088 Extension, CT-4092A, MD-7445, CT-4090, MD-6029, MD-1102, and MD-1146 Extension contain a condition that states: "Install a thermocouple to measure the inlet catalyst temperature."

6. On June 8 & 9, 2009, a DEQ/AQD inspector reviewed records of Copano's compressor stations operating under the permits listed in paragraph 5 above and noted that thermocouples to measure the inlet catalyst temperatures had not been installed at any of the facilities.

7. Copano agrees to pay the DEQ/AQD forty four thousand dollars and no cents ($44,000.00) as a stipulated settlement amount. Copano 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 Copano has been notified by DEQ/AQD that the final signature has been affixed to the Agreement. Copano shall mail the payment to John S. Burbridge, Senior Assistant Attorney General, 123 Capitol Building, Cheyenne, WY 82002.

8. Copano, by entering into this Agreement, does not concede or admit to any liability, and this Agreement constitutes no admission of fault or noncompliance.

9. Full compliance with the signed Agreement shall constitute full satisfaction for all claims by the DEQ/AQD against Copano based on the NOV and, solely in reliance on the Agreement, the DEQ/AQD will refrain from taking further enforcement action against Copano for that particular violation.

In addition, full compliance with the signed Agreement shall constitute full satisfaction of all claims discovered by the DEQ/AQD after the issuance of the NOV at the following facilities:

Brinkerhoff 17 Station (2 engines), Sheridan County, Wyoming

Brinkerhoff 19 Compressor Station(1 engine), Sheridan County, Wyoming

Brinkerhoff 22 Compressor Station(1 engine), Sheridan County, Wyoming

Brinkerhoff 6 Compressor Station(2 engines), Sheridan County, Wyoming

Fitch Compressor Station(1 engine), Campbell County, Wyoming

Hank Williams Compressor Station(2 engines), Sheridan County, Wyoming

Hape Compressor Station(2 engines), Sheridan County, Wyoming

Inkline Compressor Station(1 engine), Campbell County, Wyoming

Ivy Creek Compressor Station(1 engine), Campbell County, Wyoming

Kingsbury Compressor Station(4 engines), Campbell County, Wyoming

Kline Draw Compressor Station(1 engine), Campbell County, Wyoming

Kuhn 35 Compressor Station(1 engine), Johnson County, Wyoming

Hank Williams-Malli Compressor Station(1 engine), Sheridan County, Wyoming

Middle Prong Compressor Station(1 engine), Campbell County, Wyoming

Wild Horse-Odegard Compressor Station(1 engine), Campbell County, Wyoming

OK Creek Compressor Station(2 engines), Sheridan County, Wyoming

Peterson Compressor Station(2 engines), Sheridan County, Wyoming

Railroad Compressor Station(2 engines), Campbell County, Wyoming

Rucki 15 Compressor Station(3 engines), Sheridan County, Wyoming

Sales 14 Compressor Station(2 engines), Sheridan County, Wyoming

10. Copano waives any statute of limitations which may apply to an enforcement action by the DEQ/AQD involving the specific matters described in the NOV in the event that Copano fails to fulfill its obligations under this Agreement.

11. This Agreement shall be admissible by either Copano or DEQ/AQD (herinafter Copano and DEQ/AQD may be referred to individually as "Party" and collectively as "Parties") without objection by the other Party in any action between these Parties relating to the violations alleged herein.

12. Neither Party hereto shall have any claim against the other for attorney's fees or other costs incurred with the allegations resolved hereby, including costs incurred in the preparation of the Agreement. Each Party shall bear its own attorney fees and costs, if any, incurred through the date this Agreement is signed by both Parties. Each Party assumes the risk of any liability arising from its own conduct. Neither Party agrees to insure, defend or indemnify the other.

13. Any changes, modifications, revisions or amendments to this Agreement which are mutually agreed upon by the Parties shall be incorporated by written instrument, executed and signed by all Parties to this Agreement.

14. The construction, interpretation and enforcement of this Agreement shall be governed by the laws of the State of Wyoming. The Courts of the State of Wyoming shall have jurisdiction over this Agreement and the Parties, and the venue shall be the First Judicial District, Laramie County, Wyoming.

15. This Agreement, consisting of four (4) pages represents the entire and integrated agreement between the Parties and supersedes all prior negotiations, representations, and agreements, whether written or oral.

16. The State of Wyoming and the DEQ/AQD do not waive sovereign immunity by entering into this Agreement and specifically retain immunity and all defenses available to them as sovereigns pursuant to WYO. STAT. ANN. § 1-39-104(a) and all other state law.

17. The Parties do not intend to create in any other individual or entity the status of third party beneficiary, and this Agreement shall not be construed so as to create such status. The rights, duties and obligations contained in the Agreement shall operate only between the Parties to this Agreement, and shall inure solely to the benefit of the Parties to this Agreement. The Parties to this Agreement intend and expressly agree that only Parties signatory to this Agreement shall have legal or equitable right to seek to enforce this Agreement, to seek any remedy arising out of a Party's performance or failure to perform any term or condition of this Agreement, or to bring an action for the breach of this Agreement.

18. 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.

REMAINDER OF PAGE INTENTIONALLY LEFT BLANK

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:

COPANO PIPELINE/ROCKY MOUNTAIN, LLC
s s

By: Terry Herauf
Terry Herauf, General Manager

9-18-09
Date

STATE OF WYOMING, DEPARTMENT OF ENVIRONMENTAL QUALITY:

By: D Finley
David Finley, AQD Administrator

9/24/09
Date

By: John Corra
John Corra, DEQ Director

9/25/09
Date

APPRVAL AS TO FORM:

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

9-23-09
Date