BEFORE THE
DEPARTMENT OF ENVIRONMENTAL QUALITY
STATE OF WYOMING

IN THE MATTER OF THE NOTICE OF VIOLATION	)	
ISSUED TO WHITING OIL & GAS CORPORATION,	)	
MR. JAMES J. VOLKER, PRESIDENT	)	**No. 4610-09**
1700 BROADWAY, SUITE 2300	)	
DENVER, CO 80290	)	

SETTLEMENT AGREEMENT

The Wyoming Department of Environmental Quality, Air Quality Division ("DEQ/AQD"), Herschler building, 122 West 25th Street, Cheyenne, WY 82002, and Whiting Oil and Gas Corporation ("Whiting"), 1700 Broadway, Suite 2300, Denver, Colorado 80290 enter into this Settlement Agreement ("Agreement") to fully and finally resolve without litigation the violations cited in DEQ/AQD Notice of Violation Docket No. 4610-09 ("NOV"). The NOV alleges that Whiting failed to obtain air quality permits prior to the construction and operation of the Blue Woods Federal 34-23, Blue Woods Federal 43-4, North Anderson Canyon 30-16, North Anderson Canyon 31-21, North Anderson Canyon 44-20 facilities located in Sweetwater and Lincoln Counties, Wyoming, in violation of the Air Quality Act ("Act") and applicable Wyoming Air Quality Standards and Regulations ("WAQSR"). Following issuance of the NOV, Whiting disclosed to the DEQ/AQD that engines had been placed into operation at the Whiskey Springs C1 well pad in Uinta County prior to obtaining a permit modification. Collectively, the engines, facilities and wells described in this Agreement shall be represented as ("Facilities")

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, Whiting 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. § 35-11-801(c) states: "A permit to construct is required before the construction or modification of any industrial facility capable of causing or increasing air or water pollution in excess of standards established by the department is commenced."

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(a)(i) of the WAQSR states, "Any person who plans to construct any new facility or source, modify any existing facility or source, or to engage in the use of which may cause the issuance of or an increase in the issuance of air contaminants into the air of this state shall obtain a construction permit from the State of Wyoming, Department of Environmental Quality, before any actual work is begun on the facility."

5. The DEQ/AQD's review of Whiting's permit applications for the Facilities listed in the NOV, showed that Whiting submitted the applications approximately five to twelve months past the permit application due date required under the DEQ/AQD's Oil & Gas Production Facilities, Chapter 6, Section 2 Permitting Guidance (August 2007). The DEQ/AQD ultimately concluded that

emissions from these wells were below requirements for controls and issued waivers.

6. Whiting submitted an application dated January 14, 2010, (received by the DEQ/AQD on January 21, 2010), in part to permit a Waukesha VRG 330 compressor engine at the Whiskey Springs C-1 well pad located in Uinta County, Wyoming, which replaced the Caterpillar 3304 engine authorized by Permit CT-3789. In addition, the submittal was also for the purpose of permitting a like-kind replacement of a Waukesha 1197 engine at the Whiskey Springs C-1 well pad. During discussion of the NOV on January 26, 2010, Whiting requested the DEQ/AQD include the Whiskey Springs engines in this Agreement and the DEQ/AQD agrees to include such engines as part of the Facilities covered by this Agreement.

7. Failure to obtain an air quality permit prior to commencing construction and operation of the Facilities is a violation of WYO. STAT. ANN. § 35-11-801 and WAQSR, Chapter 6, Section 2(a)(i).

8. The DEQ/AQD and Whiting agree that to resolve the alleged violations with respect to the Facilities, Whiting will pay the DEQ/AQD seven thousand five hundred dollars and no cents ($7,500.00) as a stipulated settlement amount. Whiting 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 Whiting has been notified by DEQ/AQD that the final signature has been affixed to the Agreement. Whiting shall mail the payment to John S. Burbridge, Senior Assistant Attorney General, 123 Capitol Building, Cheyenne, WY 82002.

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

10. Full compliance with the signed Agreement shall constitute full satisfaction for all claims by the DEQ/AQD against Whiting based on the NOV and the Whiskey Springs C-1 well pad engine and, solely in reliance on the Agreement, the DEQ/AQD will refrain from taking further enforcement action against Whiting for these particular violations.

11. Whiting 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 Whiting fails to fulfill its obligations under this Agreement.

12. This Agreement shall be admissible by either Whiting or the DEQ/AQD (hereinafter Whiting 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.

13. 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.

14. Any future 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.

15. 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.

16. 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.

17. 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.

18. 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 the Parties that are a 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.

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.

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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:

WHITING OIL AND GAS CORPORATION

By: _____ 5/11/2010
James T. Brown
Senior Vice President
Date

STATE OF WYOMING, DEPARTMENT OF ENVIRONMENTAL QUALITY:

By: _____ 5/21/10
_____, AQD Administrator
Date

By: _____ 5/19/10
John V. Corra
DEQ Director
Date

APPROVAL AS TO FORM:

By: _____ 5.19.10
John S. Burbridge
Senior Assistant Attorney General
Counsel for DEQ/AQD
Date

By: _____ 5-14-10
Mary A. Throne
Throne Law Office, P.C.
Counsel for Whiting Oil & Gas Corporation
Date