

SETTLEMENT AGREEMENT

The Wyoming Department of Environmental Quality, Air Quality Division ("DEQ/AQD"), Herschler Building, 122 West 25th Street, Cheyenne, WY 82002, and Hermes Consolidated, LLC dba Wyoming Refining Company ("Wyoming Refining"), 1600 Broadway, Suite 2300, Denver, CO 80202-4923, enter into this Settlement Agreement ("Agreement") to fully and finally resolve without litigation the alleged violations cited in DEQ Notice of Violation Docket No. 4914-11 ("NOV"). As more fully set forth below, the NOV generally alleges that Wyoming Refining failed to test the prefact heater (H-01) within 60 days of issuance of Waiver WV-4717 for the Newcastle Refinery facility ("Facility") located in Weston County, Wyoming, thereby violating the Wyoming Environmental Quality Act ("Act"), applicable Wyoming Air Quality Standards and Regulations ("WAQSR") and Condition No. 2 of DEQ/AQD Waiver WV-4717.

Wyo. Stat. Ann. § 35-11-901(a)(ii)(West 2010) authorizes stipulated settlement, including payment of a penalty, implementation of compliance schedules or other settlement conditions in lieu of litigation. To that end, Wyoming Refining and the DEQ/AQD hereby stipulate and agree as follows:

1. Hermes Consolidated, LLC, dba Wyoming Refining Company, is a Delaware limited liability company that owns and/or operates the Facility.
2. The DEQ/AQD is responsible for enforcing the Act, the WAQSR and permits issued thereunder, including DEQ/AQD Waiver WV-4717.
3. Wyo. Stat. Ann. § 35-11-801(a) 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 Wyoming's construction and modification permitting program.
5. On or about July 24, 2006, the DEQ/AQD issued Waiver WV-4717 to Wyoming Refining for the Facility. Condition No. 2 of Waiver WV-4717 required testing of the prefact heater (H-01) within 60 days of the waiver's issuance.
6. On April 28, 2011 and again on September 20, 2011, two DEQ/AQD engineers conducted inspections and record reviews of the Facility. The NOV alleges that during these inspections and record reviews, the two engineers observed that the prefact heater (H-01) had not been tested as required by Condition No. 2 of Waiver WV-4717.

7. On October 25, 2011, the DEQ/AQD issued the NOV to Wyoming Refining alleging that Wyoming Refining failed to test the prefact heater (H-01) as required by Condition No. 2 of Waiver WV-4717.

8. In lieu of litigation, the DEQ/AQD and Wyoming Refining agree to resolve the violations alleged in the NOV for a total amount of eight thousand dollars and no cents (\$8,000.00) as a stipulated civil penalty. Within thirty (30) days after Wyoming Refining has been notified in writing by the DEQ/AQD that the final signature has been affixed to this Agreement, Wyoming Refining shall make full payment by check made payable to the DEQ/AQD. Wyoming Refining shall mail the payment to Nancy Vehr, Sr. Asst. Attorney General, 123 Capitol Building, Cheyenne, WY 82002.

9. Wyoming Refining, by entering into this Agreement, neither admits nor denies the validity of any allegation contained in the NOV, nor does Wyoming Refining concede or admit to any liability or fault, and this Agreement constitutes no admission of fault or non-compliance.

10. Full compliance by Wyoming Refining with this signed Agreement shall constitute full satisfaction for and resolution of all claims by the DEQ/AQD against Wyoming Refining based on the NOV and for the particular alleged violation. Upon full compliance with this signed Agreement, the DEQ/AQD and the State of Wyoming hereby release and covenant not to sue or seek any further enforcement against Wyoming Refining, its successors, assigns, affiliates, parents, officers, directors, employees and representatives for any other common law claims, statutory claims, or other claims or causes of action based on the NOV and for the particular alleged violation.

11. Wyoming Refining 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 Wyoming Refining fails to fulfill its obligations under this Agreement.

12. This Agreement shall be admissible by either Wyoming Refining or DEQ/AQD without objection by the other Party only in an action between these Parties relating to the violations alleged herein; provided, however, that nothing herein constitutes an admission by Wyoming Refining of liability or fault.

13. Neither Party hereto shall have any claim against the other for attorneys' fees or other costs incurred with the allegations resolved hereby, including costs incurred in the preparation of this 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 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 DEQ/AQD do not waive sovereign immunity by entering into this Agreement and specifically retain immunity and all defenses available to them as sovereign 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 this 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 any 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.

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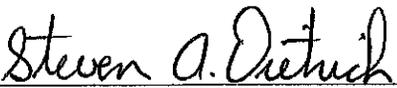
19. Each Party represents that they are authorized to enter into this Agreement and agree to be bound hereby. This Agreement shall become binding upon the Parties once executed by all Parties.

IN WITNESS WHEREOF, 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:

HERMES CONSOLIDATED, LLC dba WYOMING REFINING COMPANY:

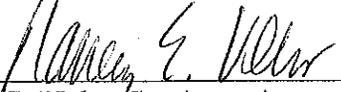
By:  11/28/11
Name: Michael Warren Date
Title: Environmental Site Manager

STATE OF WYOMING, DEPARTMENT OF ENVIRONMENTAL QUALITY:

By:  12-5-11
Steven A. Dietrich Date
AQD Administrator

By:  12/6/11
John Corra, DEQ Director Date

APPROVAL AS TO FORM:

 11/17/11
Nancy E. Vehr, Sr. Asst. Attorney General Date
Attorney for DEQ/AQD