SETTLEMENT AGREEMENT

The Wyoming Department of Environmental Quality, Air Quality Division (DEQ/AQD), Herschler Building, 122 West 25th Street, Cheyenne, WY 82002, and Williams Field Services Company, LLC (Williams), One Williams Center MD 50-5, Tulsa, OK 74172, enter into this Settlement Agreement (Agreement) to fully and finally resolve without litigation the alleged violation cited in DEQ Notice of Violation Docket No. 5043-12 (Notice of Violation). As more fully set forth below, the Notice of Violation generally alleges that Williams vented vapors from an open valve and failed to route vapors to the emission control device at the Frewen Unit 17-10D PAD facility (Facility) located in Sweetwater County, Wyoming, thereby violating the Wyoming Environmental Quality Act (Act), applicable Wyoming Air Quality Standards and Regulations (WAQSR), and Condition No. 9 of Permit CT-12372.

Wyo. Stat. Ann. § 35-11-901(a)(ii) (2012) authorizes stipulated settlement, including payment of a penalty, implementation of compliance schedules, or other settlement conditions in lieu of litigation. To that end, Williams and the DEQ/AQD hereby stipulate and agree as follows:

1. Williams is a Delaware limited liability company that owns and/or operates the Facility.

2. The DEQ/AQD is the executive branch agency of Wyoming government that is responsible for enforcing the Act, the WAQSR, and permits issued thereunder, including Permit CT-12372.

3. 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."

4. 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."

5. 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.

6. On December 9, 2011, the DEQ/AQD issued Permit CT-12372 to Williams for the Frewen Unit 17-10D PAD facility. Condition No. 9 of Permit CT-12372 requires emission control equipment to be "operated during all periods of dehydration unit operation such that the emissions are controlled at all times."

7. On August 22, 2012, the DEQ/AQD issued Notice of Violation No. 5043-12 to Williams alleging that on June 20, 2012, a DEQ/AQD Engineer/Inspector observed vapors venting from an open valve at the Frewen Unit 17-10D PAD facility. The DEQ/AQD further alleged that by venting vapors and not routing vapors to the emission control device, Williams violated the Act, the WAQSR, and Condition No. 9 of Permit CT-12372.

8. In lieu of litigation under Wyo. Stat. Ann. § 35-11-901(a)(ii), the DEQ/AQD and Williams agree to resolve the Notice of Violation for the total amount of seven thousand dollars and no cents ($7,000.00) payable as follows:

A. Stipulated Civil Penalty. Williams shall pay the DEQ/AQD three thousand five hundred dollars and no cents ($3,500.00) as a stipulated civil penalty. Williams shall make full payment by check made payable to the Wyoming Department of Environmental Quality, Air Quality Division, within thirty (30) days after Williams has been notified by the DEQ/AQD that the final signature has been affixed to this Agreement. Williams shall mail the payment to Nancy Vehr, Sr. Asst. Attorney General, 123 Capitol Building, Cheyenne, WY 82002.

B. Supplemental Environmental Project. In addition to paying the stipulated civil penalty, Williams agrees to complete the following supplemental environmental project.

i. A supplemental environmental project is a project that is beneficial for the environment and is otherwise not required by applicable statutes, regulations, permits or orders. Williams' supplemental environmental project (Project) will benefit the environment through activities conducted by the University of Wyoming Environmental Engineering Internship Program.

ii. Williams agrees to complete this Project by submitting a check made payable to the University of Wyoming in the amount of three thousand five hundred dollars and no cents ($3,500.00) for the University of Wyoming Environmental Engineering Internship Program account WYDEQ6867. Williams shall make full payment for this Project within thirty (30) days after Williams has been notified by the DEQ/AQD that the final signature has been affixed to this Agreement. Williams shall submit the payment to Shannyn Adkins, University of Wyoming, Sponsored Programs, 1000 East University Avenue, Dept. 3355, Laramie, WY 82071. Within thirty (30) days after completing this Project, Williams shall provide evidence that it completed this Project to: DEQ/AQD, Attn: Mr. Robert Gill, 122 West 25th Street, Cheyenne, WY 82002.

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

10. Full compliance with this signed Agreement shall constitute full satisfaction for all claims by the DEQ/AQD against Williams based on the Notice of Violation and, solely in reliance on this Agreement, the DEQ/AQD will refrain from taking further enforcement action against Williams for this particular alleged violation.

11. In the event that Williams fails to fulfill its obligations under this Agreement, Williams waives any statute of limitations which may apply to an enforcement action by the DEQ/AQD involving the specific matters alleged in the Notice of Violation.

12. This Agreement shall be admissible by either Williams or the DEQ/AQD (hereinafter Williams and the 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; provided, however, that nothing herein constitutes an admission by Williams of liability, fault or noncompliance.

13. Neither Party shall have any claim against the other for attorney fees or other costs incurred with the resolution of these allegations, 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 five (5) 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 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 and their successors 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 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.

WILLIAMS FIELD SERVICES COMPANY, LLC:

By: _____ 12/19/2012
T.J. Rinke, General Manager for Wamsutter Date

STATE OF WYOMING, DEPARTMENT OF ENVIRONMENTAL QUALITY:

By: Steven A. Dietrich 1-7-13
Steven A. Dietrich, AQD Administrator Date

By: _____ 1/8/13
Todd Parfitt, DEQ Director Date

APPROVAL AS TO FORM:

_____ 11/15/2012
Nancy E. Vehr, Sr. Asst. Attorney General Date
Attorney for DEQ/AQD