SETTLEMENT AGREEMENT

The Wyoming Department of Environmental Quality, Air Quality Division (DEQ/AQD), Herschler Building, 122 West 25th Street, Cheyenne, WY 82002, and Frontier Refining LLC (Frontier), 2828 N. Harwood, Suite 1300, Dallas, TX, 75201, enter into this Settlement Agreement (Agreement) to fully and finally resolve without litigation the alleged violations cited in DEQ Notice of Violation Docket No. 4282-08 (Notice of Violation). As more fully set forth below, the Notice of Violation generally alleges that odors from Frontier's Refinery facility (Facility) located in Laramie County, Wyoming, exceeded that allowed by regulation thereby violating the Wyoming Environmental Quality Act (Act) and Chapter 2, Section 11 of the Wyoming Air Quality Standards and Regulations (Air Quality Rules).

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, Frontier and the DEQ/AQD hereby stipulate and agree as follows:

1. Frontier Refining LLC 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 responsible for enforcing the Act, the Air Quality Rules and permits issued thereunder.

3. Wyo. Stat. Ann. § 35-11-201provides, "[n]o 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 [environmental quality] council."

4. Chapter 2, Section 11(a) of the Air Quality Rules limits the ambient air odor standard to: "(i) An odor emission at the property line which is undetectable at seven dilutions with odor free air as determined by a scentometer as manufactured by the Barnebey-Cheney Company or any other instrument, device, or technique designated by the Division as producing equivalent results. The occurrence of odors shall be measured so that at least two measurements can be made within a period of one hour, these determinations being separated by at least 15 minutes."

5. On April 21, 2008, in response to an odor complaint, a DEQ/AQD Inspector conducted odor monitoring at the Facility. At 4:55 p.m., the Inspector conducted an odor monitoring evaluation at the intersection of 5th Street and Campstool Road, approximately 30 feet east of the former Wyoming Liquor Division office fenceline and detected odors at a 7:1 dilution level. At 5:20 p.m., the Inspector conducted

another odor monitoring evaluation at the same location and again detected odors at a 7:1 dilution level.

6. The DEQ/AQD issued the Notice of Violation to Frontier on May 30, 2008, alleging that the odors from Frontier's Facility exceeded that allowed by regulation.

7. Without admitting liability, and in lieu of litigation, the DEQ/AQD and Frontier agree to resolve the violations alleged above and more fully set forth in the Notice of Violation for a total amount of ten thousand dollars and no cents ($10,000.00) as a stipulated civil penalty. Within thirty (30) days after Frontier has been notified by the DEQ/AQD that the final signature has been affixed to this Agreement, Frontier shall make full payment by check made payable to the DEQ/AQD. Frontier shall mail the payment to Nancy Vehr, Sr. Asst. Attorney General, 123 Capitol Building, Cheyenne, WY 82002.

8. Frontier, by entering into this Agreement, neither admits nor denies the validity of any allegation contained in the Notice of Violation, does not concede or admit to any liability, fault, or non-compliance, and this Agreement constitutes no admission of liability, fault, or non-compliance.

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

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

11. This Agreement shall be admissible by either Frontier or the DEQ/AQD (hereinafter Frontier and the DEQ/AQD may be referred to individually as Party and collectively as Parties) 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 Frontier of liability, fault, or non-compliance.

12. 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 the 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 sovereign 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 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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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.

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:

FRONTIER REFINING LLC:

By: _____ 1/7/2013
Kevin Burke, Refinery Manager Date

STATE OF WYOMING, DEPARTMENT OF ENVIRONMENTAL QUALITY:

By: _____ 1-10-13
Steven A. Dietrich, AQD Administrator Date

By: _____ 1/11/13
Todd Parfitt, DEQ Director Date

APPROVAL AS TO FORM:

_____ 1/4/2013
Nancy E. Vehr, Sr. Asst. Attorney General Date
Attorney for DEQ/AQD

_____ 1/7/2013
Maryt Fredrickson Date
Counsel for Frontier Refining LLC