SETTLEMENT AGREEMENT

The Wyoming Department of Environmental Quality, Air Quality Division (DEQ/AQD), Herschler Building, 122 West 25th Street, Cheyenne, WY 82002, and Antelope Refining, LLC (Antelope Refining), 919 Milam Street, Suite 2100, Houston, TX 77002, enter into this Settlement Agreement (Agreement) to fully and finally resolve without litigation the alleged violations cited in DEQ Notice of Violation Docket No. 5181-13 (Notice of Violation). The Notice of Violation alleged that Antelope Refining operated two 7.0 MMBtu/hr Born crude charge heaters at its Douglas Refinery after July 1, 2013, in violation of condition 27 of Permit MD-11913.

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

1. Antelope Refining is a Delaware limited liability company that owns and/or operates the Douglas Refinery.

2. The DEQ/AQD is responsible for enforcing Article 2 of the Wyoming Environmental Quality Act and the Air Quality Rules. Wyo. Stat. Ann. § 35-11-110.

3. On March 20, 2012, DEQ/AQD issued Permit MD-11913 to Graco Energy, LLC, for the Douglas Refinery. Graco transferred this facility and applicable permits to Antelope Refining on or about April 11, 2012.

4. Condition 27 of permit MD-11913 limits operation of the Refinery by providing: "The authorization to operate the two (2) 7.0 MMBtu/hr Born crude charge heaters shall expire on July 1, 2013."

5. Antelope Refining notified the DEQ/AQD that the two Born crude charge heaters were still in operation as of July 12, 2013 in violation of condition 27 of permit MD-11913.

6. Without admitting liability, and in lieu of litigation pursuant to Wyo. Stat. Ann. § 35-11-901(a)(ii), Antelope Refining agrees to pay to the DEQ/AQD the amount of five thousand dollars and no cents ($5,000.00) as a stipulated penalty to resolve the violations alleged in the Notice of Violation. Antelope Refining agrees to make full payment by check made payable to the Wyoming DEQ/AQD, within thirty (30) days after Antelope Refining has been notified by DEQ/AQD that the final signature has been affixed to this Agreement. Antelope Refining agrees to mail the payment to Jeremiah Williamson, Assistant Attorney General, 123 State Capitol, Cheyenne, WY 82002.

7. Antelope Refining, by entering into this Agreement, does not concede or admit to any liability or fault, and this Agreement constitutes no admission of liability, fault, or noncompliance with any allegations, findings, determinations or conclusions contained in this Agreement or in the Notice of Violation. Except as specifically provided for herein, nothing in this Agreement shall prejudice, waive or impair any right, remedy, or defense that Antelope Refining may have against any entity.

8. Full compliance with this signed Agreement shall constitute full satisfaction for all claims by the DEQ/AQD against Antelope Refining based on the Notice of Violation and, solely in reliance on this Agreement, the DEQ/AQD will refrain from taking further enforcement action against Antelope Refining for these particular alleged violations. With this Agreement, the Parties intend to resolve with prejudice all allegations that were asserted in the Notice of Violation and otherwise set forth in this Agreement.

9. In the event that Antelope Refining fails to fulfill its obligations under this Agreement, Antelope Refining waives any statute of limitation claims that may apply in an enforcement action by the DEQ/AQD involving the specific matters described in the Notice of Violation and otherwise set forth in this Agreement.

10. This Agreement shall be admissible by either Antelope Refining or the DEQ/AQD without objection by the other only in an action between DEQ/AQD and Antelope Refining relating to the violations alleged herein.

11. Neither DEQ/AQD nor Antelope Refining 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.

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

13. 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.

14. 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.

15. 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.

16. 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.

17. Each party represents that they are authorized to enter into this Agreement, agree to comply with and to be bound by the terms of this Agreement, and further agree that they will not contest the basis or validity of this Agreement. 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:

ANTELOPE REFINING, LLC:

By: _____ 10/8/13
Jeffrey W. Gifford, VP of HSSE — Date

STATE OF WYOMING, DEPARTMENT OF ENVIRONMENTAL QUALITY

By: Steven A. Dietrich 10-21-13
Steven A. Dietrich, AQD Administrator — Date

By: _____ 10/21/13
Todd Parfitt, DEQ Director — Date

APPROVAL AS TO FORM:

_____ 10/16/13
Jeremiah Williamson, Assistant Attorney General — Date
Attorney for DEQ/AQD