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LAND QUALITY DIV.  
DIST #1

WYOMING DEPARTMENT OF ENVIRONMENTAL QUALITY  
LAND QUALITY DIVISION

SETTLEMENT AGREEMENT

The Wyoming Department of Environmental Quality, Land Quality Division (WDEQ/LQD) and Canyon Concrete a company authorized to do business in Wyoming, enter into this Settlement Agreement to fully and finally resolve without litigation the violations alleged in Notice of Violation (NOV) Docket Number 4053-07, dated April 19, 2007. The NOV alleges: 1) The affected acreage at the operation exceeds the 10-acre limit for a Limited Mining Operation; 2) The Topsoil stockpiles were not signed; 3) A fine/reject stockpile was sloughing sediment into Owl Creek; 4) Petroleum containers were not properly disposed of; 5) Delinquent Annual Report submittals. These violations are located in Lot 5 and SW ¼ SE ¼ Sections 18, Township 43 North, Range 95 West, LMO #1013ET. This is a violation of the Wyoming Statutes (W.S.) and the applicable WDEQ/LQD Noncoal Rules and Regulations (R&R).

W.S. §35-11-901(a)(ii) authorizes the WDEQ/LQD to negotiate a stipulated settlement, including payment of a penalty, in lieu of litigation. To that end, Canyon Concrete and the WDEQ/LQD hereby stipulate and agree as follows:

1. The WDEQ/LQD pursuant to W.S. §35-11-104, is a department in the executive branch of the state government of Wyoming and is principally situated in Cheyenne, Wyoming. WDEQ is the agency with the responsibility for administering the Wyoming Environmental Quality Act including all provisions of the WDEQ/LQD R&R.
2. Canyon Concrete agrees to pay a **total penalty of Ten Thousand dollars (\$10,000.00)** as a stipulated settlement as partial resolution to this matter in lieu of litigation under W.S. §35-11-901(a)(ii). Canyon Concrete shall pay Ten Thousand dollars (\$10,000.00) directly to the WDEQ/LQD. Installment payments will be allowed in (five) \$2000.00 increments. Payment is due and payable within thirty (30) days of full execution of this Settlement Agreement. Payment to WDEQ/LQD shall be by check and made payable to the Wyoming Department of Environmental Quality/Land Quality Division and shall be sent to: Richard A. Chancellor, Administrator, Wyoming Department of Environmental Quality, Land Quality Division, Herschler Building, 3 Floor-West, 122 West 25<sup>th</sup> Street, Cheyenne, Wyoming 82002.
3. Canyon Concrete agrees to **increase their reclamation bond by \$10,000** to account for the additional acreage of disturbance. The bond increase instrument shall be submitted to the Wyoming Department of Environmental Quality/Land Quality Division at the above Cheyenne address no later than **June 30, 2007**.
4. Canyon Concrete agrees to submit a **Small Mine Permit application no later than July 31, 2007**. Please note: Canyon Concrete shall not continue to mine outside their original permitted 7.8 acre area until the area is approved for a Small Mine Permit. *July 31<sup>st</sup> CJA*
5. Canyon Concrete agrees to **move the fine/reject material stockpile at least 20 feet away from the creek no later than July 31, 2007**. A 20 ft. undisturbed buffer should be maintained along the streambank.
6. **All topsoil shall be consolidated** into several large stockpiles no later than **July 31, 2007**. Stockpiles shall be at least 20 feet from the streambank and shall be properly signed.
7. Canyon Concrete agrees to store petroleum products properly and all containers shall be properly disposed of at an authorized landfill.
8. Future Annual Reports shall be submitted by August 26<sup>th</sup> of every year.
9. This signed Settlement Agreement, payment of penalty, posting bond, small mine permit application, relocation of fines/reject stockpile, proper petroleum storage and disposal, signing and consolidating topsoil stockpiles, and submission of Annual Reports shall constitute full satisfaction and resolution of all claims by the WDEQ/LQD against Canyon Concrete based on the violations in NOV and Order, Docket No.4053-07. Contingent upon Canyon Concrete's compliance with the

SETTLEMENT AGREEMENT BETWEEN WDEQ/LQD AND CANYON CONCRETE LMO #1013

terms of this Settlement Agreement, the WDEQ/LQD will refrain from taking further enforcement action against Canyon Concrete for these particular violations cited in this Settlement Agreement. By this Settlement Agreement, the parties intend to resolve with prejudice all allegations that were asserted in NOV Docket No.4053-07

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10. Canyon Concrete waives any statute of limitations which may apply to an enforcement action by the WDEQ/LQD involving the specific matters described in NOV and Order, Docket No.4053-07 in the event that Canyon Concrete fails to fulfill its obligations under this Settlement Agreement.
11. Nothing in this agreement precludes WDEQ/LQD from taking additional enforcement action, including the issuance of a Notice of Violation, Order and/or pursuing additional penalties, should Canyon Concrete violate the Wyoming Environmental Quality Act or applicable rules and regulations in the future.
12. This Settlement Agreement shall be admissible by either party without objection by the other party in any subsequent action between these parties.
13. Notwithstanding any other language in this Settlement Agreement, the State of Wyoming and WDEQ do not waive sovereign immunity by entering into this Settlement Agreement with Canyon Concrete and specifically retain all immunity and all defenses available as sovereigns under state and federal law.
14. Each party shall bear its own attorney fees and costs, if any, incurred through the date this Settlement Agreement is signed by both parties.
15. This Settlement Agreement is binding upon Canyon Concrete, its successors and assignees, and upon the WDEQ/LQD.
16. The persons signing this Settlement Agreement certify that they are duly authorized to bind their respective parties to this Settlement Agreement.

FOR: CANYON CONCRETE:

Signed: Cynthia DeVries Date: 7/18/07  
Typed: Cynthia S. DeVries  
Title: Corporate Secretary

FOR THE WYOMING DEPARTMENT OF ENVIRONMENTAL QUALITY:

John V. Corra Date: 8/03/07  
John V. Corra, Director  
Wyoming Department of Environmental Quality  
Richard A. Chancellor Date: 2 Aug 07  
Richard A. Chancellor, Administrator  
Land Quality Division

cc: Mark Moxley, WDEQ/LQD, District II  
Carol Bilbrough WDEQ/LQD Cheyenne  
Docket Number 4053-07