

**WYOMING DEPARTMENT OF ENVIRONMENTAL QUALITY
LAND QUALITY DIVISION**

SETTLEMENT AGREEMENT

The Wyoming Department of Environmental Quality, Land Quality Division (WDEQ/LQD) and Fletcher Construction Company (Fletcher), 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 4117-07, dated July 26, 2007**. The Notice of Violation (NOV) alleges that disturbances associated with a Limited Mining Operation (LMO) application (TFN 4 5/365) equaled approximately 2 acres as measured using a Global Positioning System. The disturbance occurred prior to submission of the LMO application. The site of this violation is located in Section 16, Township 55 North, Range 83 West. This is a violation of the Wyoming Environmental Quality Act (Act) and applicable Wyoming Department of Environmental Quality/Land Quality Non-Coal Rules and Regulations (WDEQ/LQD NC R&R).

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

1. The WDEQ, 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. DEQ is the agency with the responsibility for administering the Wyoming Environmental Quality Act including all provisions of the WDEQ/LQD R&R.
2. Fletcher is the applicant for a scoria mining operation to be located in Sheridan County, Wyoming, in Section 16, Township 55 North, Range 83 West.
3. Limited Mining Operations in the State of Wyoming are allowed under W. S. §35-11-401 (e).
4. Fletcher shall complete the acquisition of their LMO application (TFN 4 5/365) in a diligent manner. This includes submission of a bond acceptable to the LQD and acquiring the necessary permits for the Air Quality Division.
5. This signed Settlement Agreement by Fletcher as specified above shall constitute full satisfaction for and resolution of all claims by the WDEQ/LQD against Fletcher, based on the violations alleged in Notice of Violation Docket No. 4117-07. Contingent upon Fletcher's compliance with the terms of this Settlement Agreement, the WDEQ/LQD will refrain from taking further enforcement action against Fletcher, 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. 4117-07.
6. Fletcher waives any statute of limitations which may apply to an enforcement action by the WDEQ/LQD involving the specific matters described in Notice of Violation Docket No. 4117-07.
7. 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 Fletcher violate the Wyoming Environmental Quality Act or applicable rules and regulations in the future.
8. This Settlement Agreement shall be admissible by either party without objection by the other party in any subsequent action between these parties.
9. 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 Fletcher and specifically retain all immunity and all defenses available as sovereigns under state and federal law.

[Signature] 8/15/07

10. Each party shall bear its own attorney fees and costs, if any, incurred through the date this Settlement Agreement is signed by both parties.
11. **This Settlement Agreement is binding upon Fletcher, its successors and assigns, and upon the WDEQ.**
12. The persons signing this Settlement Agreement certify that they are duly authorized to bind their respective parties to this Settlement Agreement.

FOR: Fletcher Construction Company

Signed: George P. Fletcher

Date: August 15, 2007

Typed: George P. Fletcher

Title: President

FOR: The Wyoming Department of Environmental Quality

John V. Corra
John V. Corra, Director
WDEQ

Date: 8/21/07

Richard A. Chancellor
Richard A. Chancellor, Administrator
WDEQ/Land Quality Division

Date: 8/21/07

JVC/RAC/DC

cc: Mark Rogaczewski, WDEQ/LQD, District III
Docket Number 4117-07