

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

SETTLEMENT AGREEMENT

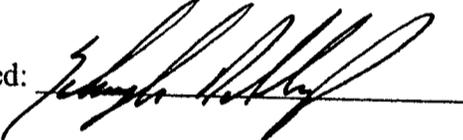
The Wyoming Department of Environmental Quality, Land Quality Division (WDEQ/LQD) and Intermountain Construction and Materials, Inc., a company authorized to do business in Wyoming, enter into this Settlement Agreement to fully and finally resolve without litigation the violation alleged in **Notice of Violation (NOV) Docket Number 4156-07, dated October 15, 2004**. The Notice of Violation (NOV) alleges ICM has failed to segregate stockpiled topsoil from mining activities and protect it from unnecessary compaction and mixing with non-topsoil or subsoil material. The site of this violation is located in NE ¼, NW ¼ of Section 22, Township 52 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, Intermountain Construction and Materials, Inc., 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. Intermountain Construction and Materials, Inc., is the operator of a sand and gravel mining operation located in Johnson County, Wyoming, in Sections 15 and 22, Township 52 North, Range 82 West. As part of its operation, Intermountain Construction and Materials, Inc., mines mineral from this site and distributes or sells the mineral mined for commercial use.
3. Conducting mining operations in the State of Wyoming that fail to segregate stockpiled topsoil from mining activities and protect it from unnecessary compaction and mixing with non-topsoil or subsoil material are violations of W. S. §35-11-406(b)(iii); and WDEQ/LQD NC R&R Chapter 3, Section 2(c)(i)(A) and Section 2(c)(i)(B).
4. Intermountain Construction and Materials, Inc., agrees to pay a total penalty of seven thousand, five hundred dollars (\$7,500.00) as a stipulated settlement as partial resolution to this matter in lieu of litigation under W.S. §35-11-901(a)(ii). Intermountain Construction and Materials, Inc., shall pay \$7,500.00 directly to the WDEQ/LQD. Payment is due and payable within fifteen (15) days of full execution of this Settlement Agreement. Payment to WDEQ/LQD shall be by check 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 25th Street, Cheyenne, Wyoming 82002.
5. This signed Settlement Agreement and payment by Intermountain Construction and Materials, Inc., as specified above shall constitute full satisfaction for and resolution of all claims by the WDEQ/LQD against Intermountain Construction and Materials, Inc., based on the violations alleged in Notice of Violation Docket No. 4156-07. Contingent upon Intermountain Construction and Materials, Inc., compliance with the terms of this Settlement Agreement, the WDEQ/LQD will refrain from taking further enforcement action against Intermountain Construction and Materials, Inc. 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. 4156-07.

6. Intermountain Construction and Materials, Inc., 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. 4156-07 in the event that Intermountain Construction and Materials, Inc., fails to fulfill its obligations under this Settlement Agreement.
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 Intermountain Construction and Materials, Inc., 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 Intermountain Construction and Materials, Inc., and specifically retain all immunity and all defenses available as sovereigns under state and federal law.
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 Intermountain Construction and Materials, Inc., 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: Intermountain Construction and Materials, Inc

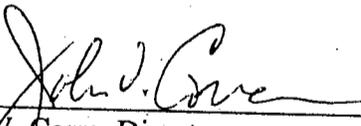
Signed: 

Date: 10-31-07

Typed: Schuyler DelCamp

Title: ELO

FOR THE WYOMING DEPARTMENT OF ENVIRONMENTAL QUALITY:



John V. Corra, Director
WDEQ

Date: 11/7/07



Richard A. Chancellor, Administrator
WDEQ/Land Quality Division

Date: 6 Nov 07

JVC/RAC/MR

cc: Mark Rogaczewski, WDEQ/LQD, District III
Docket Number 4156-07