WYOMING DEPARTMENT OF ENVIRONMENTAL QUALITY
LAND QUALITY DIVISION

SETTLEMENT AGREEMENT

The Wyoming Department of Environmental Quality, Land Quality Division (WDEQ/LQD) and Croell Redi-Mix, Inc., 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 4181-07, dated December 28, 2008.** The Notice of Violation (NOV) alleges that Croell Redi-Mix, Inc., has conducted more than one operation under W.S. § 35-11-401(e)(vi) within adjacent areas when the operations are to mine the same minerals; and conducted nearby operations of ten acres or less so as to circumvent the general requirements of the Environmental Quality Act. 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, Croell Redi-Mix, 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. Croell Redi-Mix, Inc., (Croell Redi-Mix), is the operator of a sand and gravel mining operation under Limited Mining Operation (LMO) 1395ET located in SW1/4 NE1/4, of Section 7, Township 50 North, Range 77 West, Johnson County, Wyoming. As part of its operation, Croell Redi-Mix processes mineral at this site and distributes or sells the mineral for commercial use.

3. Croell Redi-Mix has also been contracted by Melgaard Construction Co., Inc to perform sand and gravel mining operations under LMO 1228ET located in NW1/4 NW1/4 of Section 7, Township 50 North, Range 77 West in Johnson County, Wyoming. LMO 1228ET and 1395ET are located less than one-half mile apart.

4. Conducting mining operations at two LMO's in the State of Wyoming within one-half mile is a violation of the Wyoming Department of Environmental Quality, Land Quality Division, Noncoal Rules and Regulations, Chapter 10, Section 8(a)(i) that states: "The operator will not be allowed to: Conduct more than one operation under W. S. § 35-11-401(e)(vi) within adjacent areas when the operations are to mine the same minerals." Adjacent lands are defined as all lands within one-half mile of the permit area (W. S. § 35-11-103(e)(vii)).

5. By operating both LMO 1395ET and 1228ET, Croell Redi-Mix is circumventing the Wyoming Department of Environmental Quality, Land Quality Division, Noncoal Rules and Regulations, Chapter 10, Section 8(a)(ii) which states: "The operator will not be allowed to : Conduct nearby operations of ten acres or less so as to circumvent the general requirements of the Environmental Quality Act."

6. Croell Redi-Mix agrees to immediately discontinue mining of gravel and sand from LMO 1228ET. Croell Redi-Mix will be allowed to haul stockpiled materials from LMO 1228ET for additional processing at LMO 1395ET.

7. This signed Settlement Agreement shall constitute full satisfaction for and resolution of all claims by the WDEQ/LQD against Croell Redi-Mix, based on the violation alleged in Notice of Violation Docket No. 4181-07. Contingent upon Croell Redi-Mix, compliance with the terms of this Settlement Agreement, the WDEQ/LQD will refrain from taking further enforcement action against Croell Redi-Mix, 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. 4181-07.

8. Croell Redi-Mix 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. 4181-07.

9. 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 Croell Redi-Mix violate the Wyoming Environmental Quality Act or applicable rules and regulations in the future.

10. This Settlement Agreement shall be admissible by either party without objection by the other party in any subsequent action between these parties.

11. Not withstanding 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 Croell Redi-Mix and specifically retain all immunity and all defenses available as sovereigns under state and federal law.

12. Each party shall bear its own attorney fees and costs, if any, incurred through the date this Settlement Agreement is signed by both parties.

13. **This Settlement Agreement is** binding upon Croell Redi-Mix, its successors and assigns, and upon the WDEQ.

14. The persons signing this Settlement Agreement certify that they are duly authorized to bind their respective parties to this Settlement Agreement.

FOR: Croell Redi-Mix, Inc.

Signed: Roger Croell Date: 1/14/08

Typed: _____

Title: CEO

FOR: The Wyoming Department of Environmental Quality

_____ Date: 1/18/08
John V. Corra, Director
WDEQ

_____ Date: 1-17-08
Donald R. McKenzie, Administrator
WDEQ/Land Quality Division

JVC/MR

cc: Mark Rogaczewski, WDEQ/LQD, District III
Docket Number 4181-07