

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

SETTLEMENT AGREEMENT

The Wyoming Department of Environmental Quality, Land Quality Division (WDEQ/LQD), Timberline Production, Company, LLC (TPC), Mobile Concrete, Inc. (MC), and McMurry Ready Mix (MRM), all 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 No. 4332-08** issued on August 1, 2008. The NOV alleges the following: 1) MC disturbed acres outside the approved permit boundary, 2) MC failed to protect topsoil in stockpiles, 2) MRM failed to obtain the required License to Mine prior to removing material in the quarry, and 3) TPC as the permittee and responsible party for permitting and mining activities, failed to comply with the regulations and permit requirements. The mine site is located in Niobrara County, in portions of Section 26, Township 32 North, Range 65 West. These activities are violations of the Wyoming Environmental Quality Act (Act) and the applicable Wyoming Department of Environmental Quality/Land Quality Division Rules and Regulations (WDEQ/LQD R&R).

Wyoming Statute (W.S.) § 35-11-701(c) authorizes the WDEQ/LQD to attempt to eliminate the cause of the violations by conference and conciliation, in lieu of litigation. To that end, TPC, MC, MRM and the WDEQ/LQD hereby stipulate and agree as follows:

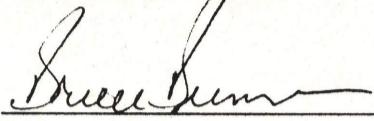
1. The WDEQ/LQD, pursuant to W.S. § 35-11-104, is a department in the executive branch of the state government of Wyoming and is principally situated in Cheyenne, Wyoming. DEQ is the agency with the responsibility for administering the Wyoming Environmental Quality Act including all provisions of the WDEQ/LQD R&R.
2. TPC is the permittee of the Permit 712(s) mine operation located in Section 26, Township 32 North, Range 65 West in Niobrara County. MC holds the License to Mine for the operation and is the primary operator of the mine. MRM was subcontracted to process material on site. Approximately 17 acres have been disturbed with the quarry operations to date. Mining of limestone continues to progress north and east on this mine site. An amendment to add 4.3 acres to the permit is currently under review with the LQD District 1 Office. Typically, material is mined, crushed and stockpiled on the site.
3. The NOV listed the following violations:
 - A. Mining related activities that created disturbance outside the permit boundary is a violation of the WDEQ ACT, § 35-11-405(a).
 - B. Failure to adequately protect stockpiled topsoil is a violation of the approved permit and WDEQ/LQD R&R Chapter 3, section 2,(c)(i)(B).
 - C. Failure to obtain a License to Mine prior to removing quarry rock with mining equipment is a violation of the WDEQ ACT § 35-11-410(a).
 - D. Failure of the permittee to responsibly comply with the regulations for all permitting and mining activities is a violation of WDEQ ACT § 35-11-414(a).
4. The mine operator MC agrees to the following:
 - A. Stake the perimeter of the permit boundary at the corners to show the limits in which mining is allowed.
 - B. Complete the Incidental Boundary Revision (IBR) for WDEQ/ LQD approval,

including any review comments, by January 15, 2009. The first round comments will be addressed by October 31, 2008.

- C. Topsoil pushed away from the perimeter of the highwall shall be collected and placed in a single stockpile in a safe area away from mine traffic and advancement of the highwall. This stockpile shall be protected with a toe ditch and seeded with an approved seed mix no later than October 15, 2008. The toe-ditch around the new topsoil stockpile shall be repaired and enforced or moved to a safe location away from mining activities within the permit boundary. This stockpile will be seeded with the approved seed mix no later than October 15, 2008. All topsoil and overburden stockpile locations shall be shown on the Annual Report map.
 - D. Although not cited in the Notice of Violation, LQD is concerned with the recent new disturbance that all available topsoil may not be salvaged. Therefore, for all new disturbances within the permit, a topsoil depth verification survey shall be conducted on 200 ft centers before the highwall advances. The results of the survey must be submitted in the Annual Reports. A permit revision will be required to define and outline the extent of the survey, which shall be submitted to the LQD no later than December 30, 2008.
5. TPC agrees to review and acknowledge with signature all permitting actions associated with Permit 712(s) as the responsible permit holder. This acknowledgement will accompany each permitting action submitted to the WDEQ/LQD.
 6. Subject to the waiver hereafter set forth, TPC agrees to pay Two Thousand Five Hundred Dollars (\$2,500) and MC agrees to pay Ten Thousand Dollars (\$10,000) directly to the WDEQ/LQD as stipulated settlements as partial resolution to this matter in lieu of litigation under W.S. §35-11-901(a)(ii). Full payment in the amount of Twelve Thousand Five Hundred Dollars (\$12,500) shall accompany this Settlement Agreement with the signatures of both parties. This signed agreement and payment are due no later than October 3, 2008. Payment to WDEQ/LQD shall be checks made payable to the Wyoming Department of Environmental Quality/Land Quality Division and shall be sent to: Donald R McKenzie, Administrator, Wyoming Department of Environmental Quality, Land Quality Division, Herschler Building, 3 Floor-West, 122 West 25th Street, Cheyenne, Wyoming 82002.
 7. This signed Settlement Agreement by TPC and MC as specified above shall constitute full satisfaction for and resolution of all claims by the WDEQ/LQD against TPC and MC based on the violations alleged in this Settlement Agreement. Contingent upon TPC and MC compliance with the terms of this Settlement Agreement, the WDEQ/LQD will refrain from taking further enforcement action against TPC and MC for these particular violations cited in this Settlement Agreement.
 8. TPC and MC waive any statute of limitations which may apply to an enforcement action by the WDEQ/LQD involving the specific matters described here in, under item No. 3 above, in the event that TPC and MC fail to fulfill their obligations under this Settlement Agreement.
 9. Nothing in this agreement precludes WDEQ/LQD from taking additional enforcement action, including the issuance of a Notice of Violation, and/or pursuing additional penalties, should TPC, MC and MRM violate the Wyoming Statutes or applicable R&R in the future.
 10. This Settlement Agreement shall be admissible by all parties without objection by any of the other parties in any subsequent action between these parties.
 11. 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 TPC, MC and MRM specifically retain all immunity and all defenses available as sovereigns under state and federal law.

12. This Settlement Agreement is binding upon TPC and MC successors and assigns, and upon the WDEQ/LQD.
13. The persons signing this Settlement Agreement certify that they are duly authorized to bind their respective parties to this Settlement Agreement.

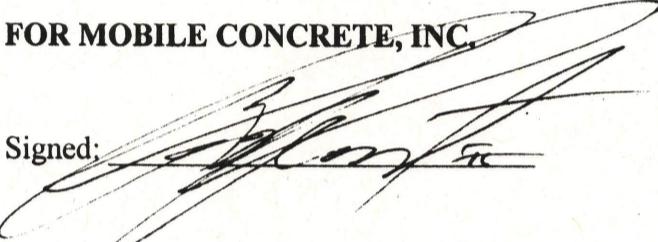
FOR TIMBERLINE PRODUCTION COMPANY

Signed:  Date: 10-10-08

Typed: Bruce Bummer

Title: Member

FOR MOBILE CONCRETE, INC.

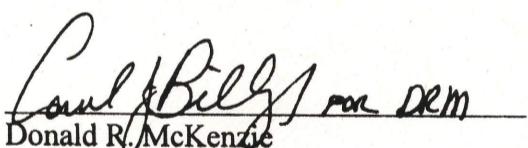
Signed:  Date: 10-10-08

Typed: Arthur Dale Boatright II

Title: President

FOR THE WYOMING DEPARTMENT OF ENVIRONMENTAL QUALITY:

 Date: 10-16-08
John V. Corra, Director
Wyoming Department of Environmental Quality

 Date: Oct 16, 2008
Donald R. McKenzie
Land Quality Division

JVC/DRM/PCR:LKS

cc: Becky Brosius NOV Files (712s)
Lowell Spackman, WDEQ/LQD, District I Supervisor

WYOMING DEPARTMENT OF ENVIRONMENTAL QUALITY
LAND QUALITY DIVISION
CHEYENNE, WYOMING

Permit No. 712(s)

AMENDMENT TO NOTICE OF VIOLATION

PERMIT/OPERATOR:

Name Timberline Production Company (TPC)

Mine Manville Quarry

County and State Niobrara County, Wyoming

Mailing Address TPC, 800 Werner Ct., Ste 220, Casper, WY 82601

Mobile Concrete, Inc, P.O. Box 1129, Casper, WY 82602

McMurry Ready Mix, P.O. Box 2488, Casper, WY 82602

Type of Mineral Limestone

Under the authority of the Wyoming Environmental Quality Act:

Notice of Violation (NOV) No. 4332-08, dated August 1, 2008

is amended on this date as follows:

Item No. 5, which states there was a violation of the Environmental Quality Act § 35-11-410(a) by McMurry Ready Mix (MRM) for failure to obtain a License to Mine prior to removing material from the quarry, is deleted from the NOV.

Reasons: It was agreed during the Settlement Agreement Meeting on September 5, 2008 that the crushing contractor, MRM, was not in the process of actively excavating overburden or mineral to conduct their crushing operation. Therefore, all claims outlined in the NOV toward MRM have been terminated. It has been the LQD policy that contract crushing was not required to have a License to Mine.

Effective Date September 29, 2008

Donald R. McKenzie

Printed Name of Administrator, Land Quality Division

Donald R. McKenzie
Signature of Administrator, Land Quality Division

John V. Corra

Printed Name of Director, Department of Environmental Quality

John V. Corra
Signature of Director, Department of Environmental Quality