WYOMING DEPARTMENT OF ENVIRONMENTAL QUALITY
LAND QUALITY DIVISION

SETTLEMENT AGREEMENT

The Wyoming Department of Environmental Quality, Land Quality Division (WDEQ/LQD) and Slate Creek Stone Company, LLC, 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 No. 4644-10, dated March 12, 2010. These violations were a result of mine activities conducted by Slate Creek Stone Company, LLC, operating under the Limited Mining Operation, 1349ET. This mine site is located in Sections 10 and 11, Township 30 North, Range 64 West of Goshen County. The NOV alleges the operator: 1) failed to provide accurate contact information, 2) failed to file required Annual Reports, and 3) failed to reclaim the mine site after mining operations had ceased. The reporting and reclamation activities identified in the notice are violations of the Wyoming Environmental Quality Act (Act) and the applicable Wyoming Environmental Quality/Land Quality Rules and Regulations (WDEQ/LQD R&R).

Wyoming Statute (W.S.) §35-11-901(a)(ii) authorizes the WDEQ/LQD to negotiate a stipulated settlement, including corrective action and a monetary payment, in lieu of litigation. To that end, Slate Creek Stone Company, LLC 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. Slate Creek Stone Company, LLC is the permittee of the dolomite mining operation, 1349ET, located in Goshen County, Wyoming, Sections 10 and 11, Township 30 North, Range 64 West. As part of its operation, Slate Creek Stone Company, LLC mines mineral from this site and distributes or sells the mineral mined for commercial use.

3. Failure to provide an accurate name, address, and phone number is a violation of the WDEQ/LQD R&R, Chapter 10, Section 1(a)(i). Failure to file required Annual Reports is a violation of WDEQ/LQD R&R, Chapter 10, Section 3 pursuant to W.S. §35-11-401(k). Failure to reclaim within 30 days of mining cessation or abandonment is a violation of WDEQ/LQD R&R, Chapter 10, Sections 5(a) and 5(a)(i)(B).

4. A. Slate Creek Stone Company, LLC agrees to provide the WDEQ/LQD with an accurate address and phone number at the time this Settlement Agreement is signed to ensure the WDEQ/LQD can readily contact the company as necessary.
   B. Slate Creek Stone Company, LLC agrees to submit the required Annual Report by September 1, 2010. Future Annual Reports must be submitted by the due date for each year until the vegetation is established and the bond is released.
   C. Slate Creek Stone Company, LLC agrees to grade the 1349ET mine site by September 22, 2010, and seed the reclamation by May 1, 2011 with a preference to seed in the Fall 2010 before November 15th.

5. Slate Creek Stone Company, LLC agrees to pay a total of five thousand dollars ($5,000.00) if any of the deadlines noted in number 4 above are not met as a stipulated settlement as partial resolution to this matter in lieu of litigation under W.S. §35-11-901 (a)(ii). If reclamation grading and seeding deadlines are not met, Slate Creek Stone Company, LLC shall pay five thousand dollars ($5,000.00) directly to the WDEQ/LQD within seven (7) days after missing either deadline. 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: Donald R. McKenzie, Administrator, Wyoming Department of Environmental Quality, Land Quality Division, Herschler Building, 3 Floor-West, 122 West 25th Street, Cheyenne, Wyoming 82002.

6. This signed agreement is due no later than fifteen (15) days from receipt of this letter.

7. This signed Settlement Agreement, submittal of contact information, submittal of the current Annual Report, and successful, timely completion of site reclamation and seeding by Slate

Creek Stone Company, LLC, as specified above shall constitute full satisfaction for and resolution of all claims by the WDEQ/LQD against Slate Creek Stone Company, LLC, based on the violations alleged in NOV, Docket No. 4644-10. Contingent upon Slate Creek Stone Company, LLC compliance with the terms of this Settlement Agreement, the WDEQ/LQD will refrain from taking further enforcement action against Slate Creek Stone Company, LLC 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. 4644-10.

8. Slate Creek Stone Company, LLC waives any statute of limitations which may apply to an enforcement action by the WDEQ/LQD involving the specific matters described in NOV Docket No. 4644-10 in the event that Slate Creek Stone Company, LLC fails to fulfill its obligations under this Settlement Agreement.

9. Nothing in this agreement precludes WDEQ/LQD from taking additional enforcement action, including pursuing additional penalties, should Slate Creek Stone Company, LLC violate the Wyoming Statutes or applicable R&R in the future.

10. This signed 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 Slate Creek Stone Company, LLC and specifically retain all immunity and all defenses available as sovereign 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 Slate Creek Stone Company, LLC, its successors and assigns, and upon the WDEQ/LQD.

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

FOR SLATE CREEK STONE COMPANY, LLC

Signed: _____ Date: Aug 17, 2010

Printed Name: _____

Title: _____

FOR THE WYOMING DEPARTMENT OF ENVIRONMENTAL QUALITY:

_____ Date: 8/19/10
John V. Corra, Director
Wyoming Department of Environmental Quality

_____ Date: 18 Aug 10
Donald R. McKenzie, Administrator
Land Quality Division

JVC/DRM/JWS

cc: Lowell Spackman, WDEQ/LQD, District I
NOV Docket No. 4644-10