

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

**SETTLEMENT AGREEMENT**

The Wyoming Department of Environmental Quality, Land Quality Division (WDEQ/LQD) and Signet Stone & Soil, 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. 4721-10, dated September 17, 2010. The NOV alleges the operator: 1) Failed to obtain WDEQ/LQD authorization prior to the start of mining operations; 2) Failed to protect topsoil resulting in loss of the resource. These violations were a result of mine activities without LQD authorization by Signet Stone & Soil, LLC. The mine site is located in Converse County, Section 36, Township 32 North, Range 74 West. These activities are violations of the Wyoming Environmental Quality Act (Act) and the applicable Wyoming Environmental Quality/Land Quality Noncoal 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 payment of a penalty, in lieu of litigation. To that end, Signet Stone & Soil, 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. WDEQ is the agency with the responsibility for administering the Wyoming Environmental Quality Act including all provisions of the WDEQ/LQD R&R.
2. Signet Stone & Soil, LLC was registered in Wyoming on February 15, 2010. The main office is located in Casper, Wyoming. This is the first mining operation that Signet Stone & Soil, LLC has been involved in.
3. Failure to gain WDEQ/LQD authorization prior to beginning mining operations is a violation of W.S. §35-11-401(a).
4. All topsoil had not been salvaged prior to the mining operation. Failure to salvage, protect and identify topsoil material is a violation of WDEQ/LQD R&R, Chapter 10, Section 4(b).
5. The following information addresses the mitigation measures needed to address the violations listed in Nos. 3 and 4 above:
  - A. Signet Stone & Soil, LLC submitted and obtained WDEQ/LQD approval of a Limited Mining Operation (LMO) authorization on August 18, 2010, under 1500ET. Mining had commenced before this approval as outlined in the NOV. However, no further mitigation is necessary since the LMO has been approved.
  - B. The LQD understands that the quality of the topsoil on the slopes is marginal because of the large volume of rocks. Therefore, no mitigation of any topsoil loss will be required on these slopes. However, Signet Stone & Soil, LLC agrees to reclaim and seed the road east of the topsoil stockpile and to separate the spoil material from the soil on the slope, as best as physically possible. Photo documentation of the seeded area will be submitted to the WDEQ/LQD by May 15, 2011 or as soon as possible when soil moisture is available.
  - C. Signet Stone & Soil, LLC agrees that they understand the requirements set forth in WDEQ/LQD R&R, Chapter 10. Signet Stone & Soil, LLC understands the importance of salvaging and protecting suitable material for reclamation proposes in future operations.
6. This signed settlement agreement is due no later than fifteen (15) days from receipt of the agreement.
7. This signed Settlement Agreement by Signet Stone & Soil, LLC, as specified above, shall constitute full satisfaction for and resolution of all claims based on the violations alleged in

NOV, Docket No. 4721-10. Contingent upon Signet Stone & Soil, LLC, compliance with the terms of this Settlement Agreement, the WDEQ/LQD will refrain from taking further enforcement action against Signet Stone & Soil, LLC for 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. 4721-10.

8. Signet Stone & Soil, 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. 4721-10 in the event that Signet Stone & Soil, LLC fails to fulfill its 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 penalties, should Signet Stone & Soil, 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. 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 Signet Stone & Soil, LLC, 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 Signet Stone & Soil, 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 Signet Stone & Soil, LLC:**

Signed:  \_\_\_\_\_

Date: 10-28-10

Typed: Dave Brown

Title: Manager.

**FOR THE WYOMING DEPARTMENT OF ENVIRONMENTAL QUALITY:**

  
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John V. Corra, Director  
Wyoming Department of Environmental Quality

Date: 11/2/10

  
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Donald R. McKenzie, Administrator  
Land Quality Division

Date: 10/29/10

cc: Lowell Spackman, WDEQ/LQD, District I  
NOV Docket No.4721-10