

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

SETTLEMENT AGREEMENT

The Wyoming Department of Environmental Quality / Land Quality Division (WDEQ-LQD) and Good Mining Company, LLC (aka Brian "Pablo" Good, herein referred to as GMC) enter into this Settlement Agreement to fully and finally resolve without litigation the violations alleged in the **Notice of Violation (NOV) and Order, Docket Number 11-4201A**. The NOV alleges: GMC failed to obtain a permit prior to initiating mining activity on his property located in Section 30, Township 54N, Range 92W, as required by W.S. § 35-11-401(a).

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, GMC 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 Wyoming State Government and is principally situated in Cheyenne, Wyoming. The WDEQ is the agency principally responsible for administering the Wyoming Environmental Quality Act, including all provisions of the WDEQ-LQD Non-Coal Rules and Regulations.
2. GMC shall not conduct any further mining operations at this property, except reclamation activities as described below, until such time as operations are authorized by WDEQ-LQD.
3. GMC shall complete the reclamation of the affected lands adjacent to Bear Creek by grading and contouring the overburden materials, retrieving and spreading topsoil and seeding the affected lands. DEQ-LQD acknowledges that this work was completed on November 30, 2012.
4. It is WDEQ's understanding that GMC desires to mine the subject property. Therefore, in order to resolve the NOV and proceed through the permitting process simultaneously, GMC agrees to submit to WDEQ an application to transfer mine permit no. 533 from Black Hills Bentonite, LLC (BHB) to GMC no later than January 31, 2013. The application package shall include a properly executed permit transfer form (LQD form 1t) and a properly executed license to mine form (LQD form 3) for GMC, including the required filing fee.
5. GMC also agrees to submit to WDEQ a permit revision application which will include a permit revision form (LQD form 11), a mine plan, reclamation plan and environmental information as required to cover the lands that have been and are proposed to be affected by GMC's operations no later than February 28, 2013. If the revision will increase the affected area by more than 20%, the revision will be deemed significant and require public notice. LQD shall review the permit transfer application and the permit revision application and notify GMC of any deficiencies within 60 days of receipt. GMC shall respond in a diligent and timely manner to address any noted deficiencies. LQD shall notify GMC once the applications are determined to be complete.
6. Upon submission of the permit revision application to WDEQ, GMC shall also submit the following within 30 days:
 - a. A stipulated penalty of seven thousand five hundred dollars (\$7,500) in the form of a check payable to WDEQ-LQD.
 - b. A reclamation bond in the amount of thirteen thousand dollars (\$13,000) in a form acceptable to the LQD to replace BHB's bond for mine permit no. 533.
 - c. A reclamation bond in the amount of forty thousand dollars (\$40,000.00) in a form acceptable to LQD to cover the estimated cost to the State to reclaim the existing mine-related disturbance, including a reasonable contingency.
7. In the event GMC fails to submit an application to transfer permit 533 by January 31, 2013 or a permit revision application by February 28, 2013, GMC agrees to pay the penalty of \$7,500 and submit the reclamation bond for \$40,000 to LQD no later than March 31, 2013.
8. Execution of this Settlement Agreement, payment of penalty, posting of reclamation performance bonds and reclamation of the disturbed area adjacent to Bear Creek shall constitute satisfaction and resolution of the alleged violations specifically contained in the NOV Docket No. 11-4201A. Contingent upon GMC's compliance with the terms of this

Settlement Agreement, the WDEQ/LQD will refrain from taking further enforcement action against GMC for the violations cited in the NOV Docket No. 11-4201A

9. Upon satisfaction of the terms of this settlement agreement, LQD shall issue the transfer of mine permit no. 533 and notify GMC to commence public notice of the mine permit revision.
10. GMC waives any statute of limitations which may apply to an enforcement action by the WDEQ/LQD involving specific matters described in the NOV and Order, Docket No. 11-4201A in the event that GMC fails to fulfill its obligations under this Settlement Agreement.
11. Nothing in this Settlement Agreement precludes the WDEQ/LQD from taking additional enforcement action, including the issuance of a Notice of Violation, Order, and/or pursuing additional penalties should GMC violate the Wyoming Environmental Quality Act or applicable WDEQ/LQD Rules and Regulations in the future.
12. This Settlement Agreement shall be admissible by either party without objection by the other party in any subsequent action between these parties.
13. Notwithstanding any other language in the Settlement Agreement, the State of Wyoming, and the WDEQ do not waive Sovereign Immunity by entering into this Settlement Agreement with GMC and specifically retain all immunity and defenses available as sovereigns under State and Federal law.
14. Each party shall bear its own attorney fees and costs, if any, incurred through the date of this Settlement Agreement is signed by both parties.
15. This Settlement Agreement is binding upon GMC, its successors and assignees, and upon the WDEQ/LQD.
16. The persons signing this Settlement Agreement certify that they are duly authorized to bind their respective parties to this Settlement Agreement.

For: **GOOD MINING COMPANY, LLC**

Signed: 

Date: Feb 15-13

Typed: Brian Good

Title: Owner

For: **WYOMING DEPARTMENT OF ENVIRONMENTAL QUALITY**


Todd Parfitt, Director
Department of Environmental Quality

Date: 3/19/13


Nancy Nuttbrock, Administrator
Land Quality Division

Date: 3/18/13

Cc: Carol Bilbrough, WDEQ/LQD Cheyenne
Mark Moxley, WDEQ/LQD Lander
Docket No. 11-4201A