

WYOMING DEPARTMENT OF ENVIRONMENTAL QUALITY
LAND QUALITY DIVISION

JAN 15 2015

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SETTLEMENT AGREEMENT

The Wyoming Department of Environmental Quality, Land Quality Division (WDEQ/LQD) and Peavler's Mountain Star, Inc., a corporation 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 5488-14 dated December 22, 2014. The NOV alleges: 1) surface disturbance has occurred beyond the 10 acres allowed by the Limited Mining Operation, 2) topsoil from this disturbance had been improperly saved and stockpiled, 3) that an un-permitted waste oil pit had been constructed, and 4) that topsoil stockpiles had not been identified with signs. These are violations of Wyoming Statutes and the applicable WDEQ/LQD Noncoal Rules and Regulations.

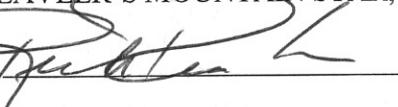
W.S. § 35-11-901(a)(ii) authorizes the WDEQ/LQD to negotiate a stipulated settlement, including a cash settlement payment, in lieu of litigation. To that end, Peavler's Mountain Star, Inc. and the WDEQ/LQD hereby stipulate and agree as follows:

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. WDEQ is the agency with the responsibility for administering the Wyoming Environmental Quality Act including all provisions of the WDEQ/LQD Noncoal Rules and Regulations.
2. Peavler's Mountain Star, Inc., agrees to increase its reclamation bond for its mining operation, 1374ET by \$20,000 to a total of \$30,000 within 30 days of the full execution of this agreement.
3. Peavler's Mountain Star, Inc., agrees to remove any and all petroleum hydrocarbon product from the waste oil pit, properly dispose of it at a landfill with an approved land farm, and provide WDEQ/LQD with proof of disposal receipts. The remaining pit shall be properly reclaimed with topsoil and seed no later than May 31, 2015.
4. Peavler's Mountain Star, Inc. agrees to pay a total of Two Thousand dollars (\$2,000.00) as a stipulated cash settlement payment to resolve this matter in lieu of litigation under W.S. § 35-11-901(a)(ii). Payment is due and payable within thirty (30) days of full execution of this Settlement Agreement. Payment shall be by check made payable to the Wyoming Land Quality Division and shall be sent to: Alan Edwards, Administrator, Wyoming Department of Environmental Quality, Land Quality Division, Herschler Building, 3 Floor-West, 122 West 25th Street, Cheyenne, Wyoming 82002.
5. All partially stripped topsoil west of the active pit, must be fully stripped, salvaged and stockpiled for use in reclamation. Stockpiles must be located and consolidated in a secure location to minimize wind and water erosion or disturbance by mining activity. Topsoil salvage and stockpiling must be completed before mining or other activity resumes in the area, but no later than May 31, 2015.
6. Peavler's Mountain Star, Inc. agrees to commence reclamation of all disturbances over 15 acres on or before May 31, 2015, and shall submit an application to expand the LMO to 15 acres no later than February 15, 2015.
7. Immediately following the topsoil salvage and stockpiling operations required by Item No. 5, all topsoil stockpiles are to be clearly identified with signs as required by WDEQ/LQD Noncoal Rules and Regulations, Chapter 10, Section 4(b).
8. This signed Settlement Agreement and payment of cash settlement amount shall constitute full satisfaction and resolution of all claims by the WDEQ/LQD against Peavler's Mountain Star, Inc., based on the violations alleged in NOV Docket No. 5488-14. Contingent upon Peavler's Mountain Star, Inc.'s compliance with the terms of this Settlement Agreement, the WDEQ/LQD will refrain from taking further enforcement action 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. 5488-14.
9. Peavler's Mountain Star, Inc. 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. 5488-14 in the event that Peavler's Mountain Star, Inc. fails to fulfill his obligations under this Settlement Agreement.
7. Nothing in this agreement precludes WDEQ/LQD from taking additional enforcement action,

including the issuance of a Notice of Violation and Order, should Peavler's Mountain Star, Inc., violate the Wyoming Environmental Quality Act or applicable rules and regulations in the future.

8. This Settlement Agreement shall be admissible by either party without objection by the other party in any subsequent action between these parties.
9. 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 Peavler's Mountain Star, Inc., and specifically retain all immunity and all defenses available as sovereigns under state and federal law.
10. Each party shall bear its own attorney fees and costs, if any, incurred through the date this Settlement Agreement is signed by both parties.
11. This Settlement Agreement is binding upon Peavler's Mountain Star, Inc., its successors and assignees, and upon the WDEQ/LQD.
12. The persons signing this Settlement Agreement certify that they are duly authorized to bind their respective parties to this Settlement Agreement.

FOR: PEAVLER'S MOUNTAIN STAR, INC.:

Signed: 

Date: 1-13-15

Typed: Rick Peavler

Title: President

FOR THE WYOMING DEPARTMENT OF ENVIRONMENTAL QUALITY:



Date: 1/20/2015

Todd Parfitt, Director
Wyoming Department of Environmental Quality



Date: Jan. 16, 2015

Alan Edwards, Administrator
Land Quality Division

xc: JOHN ERICKSON, WDEQ/LQD, District II
NOV Docket Number 5488-14
LMO 1374ET File