

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

SETTLEMENT AGREEMENT

The Wyoming Department of Environmental Quality, Land Quality Division (WDEQ/LQD) and Melgaard Construction Company, Inc. (Melgaard), 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. 5516-14, dated December 22, 2014. The NOV alleges: A portion of the haul/access road and spur of the truck turnaround road had been constructed in the SE1/4 Section 30, T. 48N., R. 72W. This represented an unapproved disturbance at Limited Mining Operation 1540ET and violation of the Wyoming Environmental Quality Act (ACT)W.S. §35-11-401(e)(vi).

Failure of Melgaard Construction Company, Inc. to notify the Land Quality Division of the location of the haul/access road and spur of the truck turnaround road and to provide written permission from the landowner before disturbing lands is a violation of W.S. §35-11-401(e)(vi).

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, Melgaard Construction Company, Inc. 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. Melgaard Construction Company, Inc., is the operator of Limited Mining Operation 1540ET located in Campbell County, Wyoming, in the NE1/4 NE1/4 Section 31, T.48N., R.72W. and the NW1/4 NE1/4 Section 32, T. 48, R.72W for the pit proper, and the NW1/4 NW1/4 Section 32, T. 48, R.72W for the haul/access road. As part of its operation, Melgaard Construction Company, Inc., mines mineral from this site and distributes or sells the mineral mined for commercial use.
3. Limited Mining Operations (LMO) in the State of Wyoming are allowed under W.S. §35-11-401(e).
4. Melgaard shall submit a complete LMO application including map and bond within 30 days of the receipt of the NOV. No penalty will be assessed as Melgaard has submitted a complete LMO application, map and bond within the prescribed time frame.
5. This signed Settlement Agreement by Melgaard as specified above shall constitute full satisfaction for and resolution of all claims by the WDEQ/LQD against Melgaard, based on the violations alleged in NOV, Docket No. 5516-14. Contingent upon Melgaard's compliance with the terms of this Settlement Agreement, the WDEQ/LQD will refrain from taking further enforcement action against Melgaard, 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. 5516-14.
6. Melgaard 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. 5516-14 in the event that Melgaard fails to fulfill its 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, Order and/or pursuing additional penalties, should Melgaard violate the Wyoming Environmental Quality Act or applicable rules and regulations in the future.

**SETTLEMENT AGREEMENT BETWEEN WDEQ/LQD AND MELGAARD CONSTRUCTION COMPANY,
INC.**

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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 Melgaard 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 Melgaard, its successors and assigns, 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 Melgaard Construction Company, Inc.:

Signed: Curtis J. Betcher PE

Date: 1/7/14

Typed: Curtis J. Betcher PE

Title: Engineer

FOR THE WYOMING DEPARTMENT OF ENVIRONMENTAL QUALITY:

Todd Parfitt
Todd Parfitt, Director
Wyoming Department of Environmental Quality

Date: 1/20/2015

Alan Edwards
Alan Edwards, Interim Administrator
Land Quality Division

Date: Jan. 16, 2015

TP/AA/KK

cc: Mark Rogaczewski, WDEQ/LQD, District III
NOV Docket No. 5516-14