

Settlement Agreement

The Wyoming Department of Environmental Quality, Solid and Hazardous Waste Division (DEQ/SHWDD) and Newpark Environmental Services, enter into this Settlement Agreement to fully and finally resolve without litigation the violations alleged in **Notice of Violation No. 3922-06, dated August 31, 2006**. The Notice of Violation alleges that: 1) Newpark Environmental Services, is in violation of the Wyoming Environmental Quality Act (ACT) and applicable Solid and Hazardous Waste Rules & Regulations or permit conditions.

W.S. 35-11-901(a)(ii) authorizes the DEQ to negotiate a stipulated settlement, including payment of a penalty, compliance schedules, or other enforcement conditions, in lieu of litigation. To that end, Newpark Environmental Services and DEQ/SHWD hereby stipulate and agree as follows:

1. The DEQ/SHWD is responsible for enforcing the Solid and Hazardous Waste Rules & Regulations.
2. Newpark Environmental Services operates a petroleum contaminated soils treatment facility near Boulder, WY.
3. Wyoming SWRR, Chapter 6, Section 6(f); Newpark Environmental Services, TTS Permit revised November 12, 2003, Environmental Monitoring (2.B.iii.k), Groundwater Sampling Program, Page 19, B, requires within thirty (30) days after completing sampling and analysis, Newpark Environmental Services must determine whether there has been a statistically significant increase over background at each monitoring well. Newpark Environmental Services could not provide information to determine whether a statistically significant increase over background at each monitoring well has occurred.
4. Wyoming SWRR, Chapter 6, Section 6(d); Newpark Environmental Services, TTS Permit revised November 12, 2003, Environmental Monitoring (2.B.iii.J.XII), Page 12, requires following the removal of each waste set from the bioremediation treatment area, or at a minimum interval of 24 months, the exposed sub grade will be sampled and analyzed to evaluate whether petroleum contaminated soils has impacted the site. Newpark Environmental Services could not provide information to determine whether PCS has impacted site subsoils.
5. Wyoming SWRR, Chapter 6, Section 5(a)(xiv); Newpark Environmental Services, TTS Permit revised November 12, 2003, Waste Characterization and disposal (2.b.iii.J.XII), page 12, requires (average 3 times per year), each set



windrow will be composite sampled per the standard operation procedures in Appendix E. Newpark Environmental Services could not provide information to determine waste characterization of PCS.

6. Wyoming SWRR, Chapter 6, Section 6(f), 5(a)(xviii)(G); Newpark Environmental Services, TTS Permit revised November 12, 2003, Reporting, Appendix E, requires a report be prepared at the conclusion of baseline chemical analysis and for annual sampling and analysis to summarize field measurements, the results of chemical analysis and to plot trend-lines of data from groundwater monitoring. Newpark Environmental Services could not provide information to verify annual sampling, analysis, and groundwater monitoring is being conducted.

7. Wyoming SWRR, Chapter 4(a)(ii); Newpark Environmental Services, TTS Permit revised November 12, 2003, Solid Waste Management Units (2.b.iii.J.IV), page 9, requires each waste set to be defined by Petroleum Contaminated Soils Generator, Chemical Profile, and Soil-type. Signs during the 5/23/06 inspection were not legible.

8. Since receiving the Notice of Violation No. 3922-06 on or about September 5, 2006, Newpark Environmental Services has corrected all of the above violations. All documentation has been provided to confirm that all violations listed under #3-7, have now been adequately addressed.

9. Newpark Environmental Services shall work with Wyoming Game and Fish/Lander Field Office for the Lander front mule deer habitat improvement project as a supplemental environmental project (SEP). The Lander front mule deer habitat improvement project shall commence by May 15, 2007 after execution of this Settlement Agreement by both parties, and shall be completed no later than September 15, 2007. Newpark Environmental Services shall document the costs incurred with this SEP. Newpark Environmental Services is responsible for \$78,720 for this SEP. Newpark Environmental Services shall pay up to \$78,720 to the approved contractor of Wyoming Game and Fish. Any addition costs are voluntary and are not required by this Settlement Agreement.

10. If Newpark Environmental Services does not commence and complete the Lander front mule deer habitat improvement project in accordance with this Settlement Agreement, it agrees to pay a total of \$78,720 dollars to the Solid and Hazardous Waste Division as stipulated penalty for the cited violations. If the documented SEP costs, as approved by DEQ/SHWD, are less than \$78,720, Newpark Environmental Services shall pay the difference as a stipulated penalty. Such payments shall be made no later than September 20, 2007, by check made payable to the Wyoming Department of Environmental Quality and addressed to the Wyoming Department of Environmental Quality, Attention: WDEQ/SHWD, Herschler Building, 4th Floor West Wing, 122 W. 25th Street, Cheyenne, WY 82002.

11. Newpark Environmental Services full compliance with the terms of this Settlement Agreement shall constitute satisfaction for all present and future claims by DEQ against Newpark Environmental Services based on the acts or omissions alleged to be violations in Notice of Violation No. 3922-06. Contingent on Newpark Environmental Services compliance with the terms of this Settlement Agreement, DEQ will refrain from taking further enforcement action against Newpark Environmental Services for these particular alleged acts or omissions.
12. Newpark Environmental Services waives any statute of limitations which may apply to an enforcement action by the DEQ/SHWD involving the specific matters described in Notice of Violation No. 3922-06 in the event that Newpark Environmental Services fails to fulfill its obligations under this Settlement Agreement.
13. This Settlement Agreement shall be admissible by either party without obligation by the other party in any subsequent action between these parties.
14. Each party shall bear its own attorney fees and costs, if any, incurred through the date this Settlement Agreement is signed by both parties.
15. This Settlement Agreement is binding upon Newpark Environmental Services, its successors and assigns, and upon the DEQ.
16. This Settlement Agreement may only be amended in writing, signed by both parties.
17. The State of Wyoming and the Department of Environmental Quality, Solid and Hazardous Waste Division, do not waive sovereign immunity by entering into this Settlement Agreement, and specifically retain all immunity and all defenses to them as sovereigns pursuant to Wyo. Stat. § 1-39-104(a) and all other state law.
18. The persons signing this Settlement Agreement certify that they are duly authorized to bind their respective parties to this Settlement Agreement.

FOR: NEWPARK ENVIRONMENTAL SERVICES

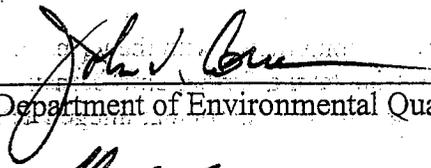
Signed: Sammy Cooper Date: 4.23.07

Typed: Sammy Cooper

Title: President

Newpark Environmental Services Settlement Agreement, Notice of Violation No. 3922-06, August 31, 2006

FOR: THE WYOMING DEPARTMENT OF ENVIRONMENTAL QUALITY


_____, Director
Department of Environmental Quality (DEQ)

Date: 3/4/07


_____, Administrator
DEQ Solid and Hazardous Waste Division

Date: 2 May 07