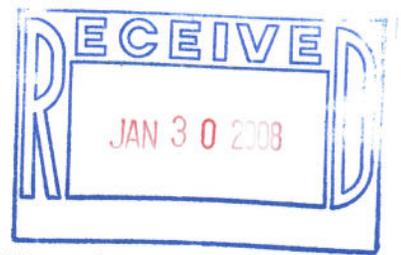


## SETTLEMENT AGREEMENT



The Wyoming Department of Environmental Quality, Solid and Hazardous Waste Division (DEQ/SHWDD) and Silver Eagle Refining Co., a Wyoming 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 Docket No. 4170-07, dated November 2, 2007**. The Notice of Violation alleges that 1) Silver Eagle Refining Co., is in violation of the Wyoming Environmental Quality Act (Act) and applicable Solid and Hazardous Waste Rules & Regulations or permit conditions.

W.S. 35-11-90 (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, Silver Eagle Refining Co. and the DEQ/SHWD hereby stipulate and agree as follows.

1. The DEQ/SHWD is responsible for enforcing the Solid and Hazardous Waste Rules and Regulations.
2. Silver Eagle Refining Co. operates a refinery in Evanston, WY.
3. Wyoming HWRR, Chapter 8, Section 3(e)(i)(C), requires that while hazardous waste is accumulated onsite, each container and tank must be labeled or clearly marked with the words, 'Hazardous Waste.' In a December 5, 2007 meeting between DEQ and Silver Eagle Refining, **DEQ/SHWD has agreed to drop Count 1 from NOV 4170-07**. The DEQ and Silver Eagle reviewed information regarding the timing of on-going maintenance activities which generated the subject spent catalyst hazardous wastes. The DEQ agreed the spent catalyst in the subject containers was in the process of being completely removed from the reactor vessel and inventoried. This count is removed because it was determined the generation of the wastes was in progress, the waste containers were identified and, in this case, a finite period of time should be allowed to assess catalyst condition and minimize waste volumes for off-site shipment prior to completing RCRA labeling.
4. Wyoming HWRR, Chapter 8, Section 3(e)(i)(B), requires the date upon which each period of accumulation begins is clearly marked and visible for inspection on each container. In a December 5, 2007 meeting between DEQ and Silver Eagle Refining, **DEQ/SHWD has agreed to drop Count 1 from NOV 4170-07**. The DEQ and Silver Eagle reviewed information regarding the timing of on-going maintenance activities which generated the subject spent catalyst hazardous wastes. The DEQ agreed the spent catalyst in the subject containers was in the process of being completely removed from the reactor vessel and inventoried. This count is removed because it was determined the generation of the wastes was in progress, the waste containers were identified and, in this case, a finite period of time should be allowed to

assess catalyst condition and minimize waste volumes for off-site shipment prior to completing RCRA labeling.

5. Wyoming HWRR, Chapter 11, Section 7(b)(i)(D), requires the generator to receive a signed copy of a hazardous waste manifest from the disposal facility. A signed copy of Manifest number 000893733 was not received from the disposal facility within thirty (30) days after shipment from the generator.
6. Wyoming HWRR, Chapter 8, Section 4, (c)(i)(B), requires the generator to file an exception report within the required forty five (45) day time-frame if a signed manifest is not returned to the generator from the disposal facility. An exception report was no filed for manifest 000893833.
7. Since receiving the Notice of Violation Docket No. 4170-07 on or about November 10, 2007, Silver Eagle Refining Co. has corrected the above violations. A copy of the signed manifest was forwarded to WDEQ to show return to compliance.
8. Silver Eagle Refining Co. in accordance with this Settlement Agreement, agrees to pay a total of \$3,300 dollars to the Uinta County Fire Department for emergency response equipment, for the cited violations. Such payment shall be made no later than January 30, 2008, by check. A copy of the check must be sent to WDEQ to verify payment was sent.
9. Silver Eagle Refining Co.'s full compliance with the terms of this Settlement Agreement shall constitute satisfaction for all present and future claims by DEQ against Silver Eagle Refining Co. based on the acts or omissions alleged to be violations in Notice of Violation No. 4170-07. Contingent on Silver Eagle Refining Co.'s compliance with the terms of this Settlement Agreement, DEQ will refrain from taking further enforcement action against Silver Eagle Refining Co. for these particular alleged acts or omissions.
10. Silver Eagle Refining Co. 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. 4170-07 in the event that Silver Eagle Refining Co. fails to fulfill its obligations under this Settlement Agreement.
11. This Settlement Agreement shall be admissible by either party without objection by the other party in any subsequent action between these parties.
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.

- assess catalyst condition and minimize waste volumes for off-site shipment prior to completing RCRA labeling.
5. Wyoming HWRR, Chapter 11, Section 7(b)(i)(D), requires the generator to receive a signed copy of a hazardous waste manifest from the disposal facility. A signed copy of Manifest number 000893733 was not received from the disposal facility within thirty (30) days after shipment from the generator.
  6. Wyoming HWRR, Chapter 8, Section 4, (c)(i)(B), requires the generator to file an exception report within the required forty five (45) day time-frame if a signed manifest is not returned to the generator from the disposal facility. An exception report was no filed for manifest 000893833.
  7. Since receiving the Notice of Violation Docket No. 4170-07 on or about November 10, 2007, Silver Eagle Refining Co. has corrected the above violations. A copy of the signed manifest was forwarded to WDEQ to show return to compliance.
  8. Silver Eagle Refining Co. in accordance with this Settlement Agreement, agrees to pay a total of \$3,300 dollars to the Uinta County Fire Department for emergency response equipment, for the cited violations. Such payment shall be made no later than January 30, 2008, by check. A copy of the check must be sent to WDEQ to verify payment was sent.
  9. Silver Eagle Refining Co.'s full compliance with the terms of this Settlement Agreement shall constitute satisfaction for all present and future claims by DEQ against Silver Eagle Refining Co. based on the acts or omissions alleged to be violations in Notice of Violation No. 4170-07. Contingent on Silver Eagle Refining Co.'s compliance with the terms of this Settlement Agreement, DEQ will refrain from taking further enforcement action against Silver Eagle Refining Co. for these particular alleged acts or omissions.
  10. Silver Eagle Refining Co. 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. 4170-07 in the event that Silver Eagle Refining Co. fails to fulfill its obligations under this Settlement Agreement.
  11. This Settlement Agreement shall be admissible by either party without objection by the other party in any subsequent action between these parties.
  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 Silver Eagle Refining Co., its successors and assigns, and upon the DEQ.
- 14. This Settlement Agreement may only be amended in writing, signed by both parties.
- 15. 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.
- 16. The persons signing this Settlement Agreement certify that they are duly authorized to bind their respective parties to this Settlement Agreement.
- 17. This agreement is not binding until fully executed by all parties to this Agreement.

FOR: Silver Eagle Refining Co.

Signed: Dan Richins

Date: 1-30-08

Typed: Dan Richins

Title: Refinery Manager

FOR: THE WYOMING DEPARTMENT OF ENVIRONMENTAL QUALITY:

[Signature], Director  
Department of Environmental Quality (DEQ)

Date: 1/21/08

[Signature], Administrator  
DEQ/Solid & Hazardous Waste Division

Date: 16 Jan 08