

SETTLEMENT AGREEMENT

The Wyoming Department of Environmental Quality, Solid and Hazardous Waste Division (DEQ/SHWD) and Sinclair Wyoming Refining Company (SWRC) 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. 5160-13, dated May 21, 2013. The Notice of Violation allege that SWRC 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, SWRC 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. SWRC operates a refinery in Sinclair, WY.
3. On January 14, 2013, Sinclair Wyoming Refining Company (SWRC) effluent from the ABTU exceeded the benzene limit of 0.5 mg/L. During that time an outlet concentration of 0.63 mg/L of benzene was recorded. Permit Condition Part IV(B).D.7. (2007 Permit) of the permit states, "The Permittee shall maintain the ABTU such that the concentration of benzene in the effluent remains below 0.5 mg/L and the Permittee shall verify this benzene level on a weekly basis." Permit Condition I.D.6. states, "The Permittee shall at all times properly operate and maintain all facilities and systems of treatment and control (and related appurtenances) which are installed or used by the Permittee to achieve compliance with the conditions of this Permit. Proper operation and maintenance includes effective performance, adequate funding, adequate operator staffing, and training, and adequate laboratory and process controls, including appropriate quality assurance/quality control procedures. This provision requires the operation of back-up or auxiliary facilities or similar systems only when necessary to achieve compliance with the conditions of this Permit."

Therefore, DEQ alleges that on January 14, 2013, SWRC was in violation of Permit Condition, Part IV(B).D.7, for exceeding the ABTU effluent limitation of 0.5 mg/L benzene and Permit Condition, Part I.D.6. for failing to operate and maintain the ABTU to adequately treat the influent characteristics in a manner that ensured compliance with the effluent benzene limit.

4. Since receiving the Notice of Violation Docket No. 5160-13 on or about May 21, 2013, SWRC has corrected the above-referenced alleged violations.

5. SWRC in accordance with this Settlement Agreement agrees to pay a total of \$3,359 to the Solid and Hazardous Waste Division as a stipulated penalty for the cited violations. Such payment shall be made no later than September 30, 2013, by check payable to the Wyoming Department of Environmental Quality (Noting Docket #5160-13) 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.
6. SWRC's full compliance with the terms of this Settlement Agreement shall constitute satisfaction for all present and future claims by DEQ against SWRC based on the specific acts or omissions alleged to be violations in Notice of Violation No. 5160-13. Contingent on SWRC's compliance with the terms of this Settlement Agreement, DEQ will refrain from taking further enforcement action against SWRC for these particular alleged acts or omissions.
7. SWRC 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. 5160-13 in the event that SWRC fails to fulfill its obligations under this Settlement Agreement.
8. This Settlement Agreement shall be admissible by either party without objection by the other party in any subsequent action between these parties to enforce this Settlement Agreement.
9. This Settlement Agreement does not constitute admission or concession by SWRC of any liability or fault or a retraction by DEQ of any allegations in NOV # 5160-13.
11. Each party shall bear its own attorney fees and costs, if any, incurred through the date this Settlement Agreement is signed by both parties.
12. This Settlement Agreement is binding upon SWRC, its successors and assigns, and upon the DEQ.
13. This Settlement Agreement may only be amended in writing, signed by both parties.
14. 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.

15. The persons signing this Settlement Agreement certify that they are duly authorized to bind their respective parties to this Settlement Agreement.

16. This agreement is not binding until fully executed by all parties to this Agreement.

FOR: Sinclair Wyoming Refining Company

Signed: Steve Sondergard

Date: 26-SEP-13

Typed: STEVE SONDERGARD

Title: REFINERY MANAGER



FOR: THE WYOMING DEPARTMENT OF ENVIRONMENTAL QUALITY:

Tara Ditt, Director

Date: 10/9/13

Department of Environmental Quality (DEQ)

Alan Edwards, Administrator
DEQ/Solid & Hazardous Waste Division

Date: October 8, 2013

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