

**WYOMING DEPARTMENT OF ENVIRONMENTAL QUALITY  
WATER QUALITY DIVISION**

**SETTLEMENT AGREEMENT**

The Wyoming Department of Environmental Quality (WDEQ) and North Star Utility (North Star) enter into this Settlement Agreement to fully and finally resolve without litigation the violation alleged in the WDEQ Notice of Violation (NOV), Docket Number 4098-07, dated June 22, 2007. The NOV alleges the construction of a public water supply well without a permit. This is a violation of the Wyoming Environmental Quality Act. The location of the violation is in the Southeast Quarter of the Southeast Quarter of Section 20 of Township 37 North (T37N), Range 118 West (R118W) in Lincoln County.

Wyoming Statute (W.S.) 35-11-901 (a) (ii) authorizes the WDEQ to negotiate a stipulated settlement in lieu of litigation. To that end, North Star and the WDEQ hereby stipulate and agree as follows:

- 1 of 14        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 rules.
- 2 of 14        North Star is the owner of a public water supply well located in Section 20 of T37N, R118W in Lincoln County.
- 3 of 14        The construction of a public water supply well without a permit to construct is a violation of W.S. 35-11-301(a) (v).
- 4 of 14        North Star agrees to pay a penalty of eight thousand dollars (\$8,000.00) as a stipulated settlement condition in lieu of litigation. Four thousand dollars (\$4,000.00) shall be suspended if Item 5 of 14 of the Settlement Agreement is completed as described. If Items 5 of 14 of the Settlement Agreement is not met as specified the suspended four thousand dollars (\$4,000.00) shall be due within thirty (30) days notice by the WDEQ. Payment to WDEQ shall be by check and made payable to the Wyoming Department of Environmental Quality/Water Quality Division and shall be sent to: Don McKenzie, Wyoming Department of Environmental Quality, Water Quality Division, Herschler Building, 4 Floor-West, 122 West 25<sup>th</sup> Street, Cheyenne, Wyoming 82002.
- 5 of 14        North Star commits to completing the permitting process for the construction permit application, tracked under 07-189, within thirty (30) days of the last signature date of this settlement agreement.
- 6 of 14        The WDEQ commits to completing the permitting process for the construction permit application, tracked under 07-189, within thirty (30) days of the last signature date of this settlement agreement.
- 7 of 14        This signed Settlement Agreement, as specified above, shall constitute full satisfaction for and resolution of all claims by the WDEQ against North Star based on the violations alleged in NOV Docket Number 4098-07. Contingent upon North Star's compliance with the terms of this Settlement Agreement, the WDEQ will refrain from taking further enforcement action against North Star for the violation cited in this Settlement Agreement. By this Settlement Agreement, the parties intend to resolve with prejudice all allegations that were asserted in NOV Docket Number 4098-07.
- 8 of 14        North Star waives any statute of limitations which may apply to an enforcement action by the WDEQ involving the specific matters described in NOV Docket Number 4098-07 in the event that North Star fails to fulfill its obligations under

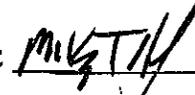
**SETTLEMENT AGREEMENT BETWEEN WDEQ AND NORTH STAR**

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this Settlement Agreement.

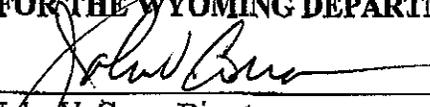
- 9 of 14 Nothing in this agreement precludes WDEQ from taking additional enforcement action, including the issuance of a Notice of Violation, Order and/or pursuing additional penalties, should North Star violate the Wyoming Environmental Quality Act or applicable rules and regulations in the future.
- 10 of 14 This Settlement Agreement shall be admissible by either party without objection by the other party in any subsequent action between these parties.
- 11 of 14 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 North Star, and specifically retain all immunity and all defenses available as sovereigns under state and federal law.
- 12 of 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.
- 13 of 14 This Settlement Agreement is binding upon North Star, its successors and assigns, and upon the WDEQ.
- 14 of 14 The persons signing this Settlement Agreement certify that they are duly authorized to bind their respective parties to this Settlement Agreement.

**FOR NORTH STAR**

Signed:   
 Typed: Michael T Helper  
 Title: President

Date: 7/31/07

**FOR THE WYOMING DEPARTMENT OF ENVIRONMENTAL QUALITY:**

  
 John V. Corra, Director  
 WDEQ

Date: 8/1/07

  
 John F. Wagner, Administrator  
 WDEQ/WQD

Date: 8/1/07

xc: Don McKenzie, WDEQ, Cheyenne  
 Mark Baron, WDEQ, Lander  
 Docket Number 4098-07