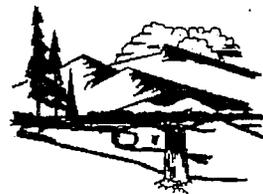




# Department of Environmental Quality



To protect, conserve and enhance the quality of Wyoming's environment for the benefit of current and future generations.

John Corra, Director

Dave Freudenthal, Governor

**CERTIFIED MAIL**

August 27, 2007

7005 0390 0000 3501 5967

**Bridger Coal Company**  
Pat Akers  
P.O. Box 68  
Point of Rocks, WY 82942

RE: Settlement Agreement, Docket Number 4123-07

Dear Mr. Akers:

Attached is a copy of the Settlement Agreement for Docket Number 4123-07, between the Wyoming Department of Environmental Quality (WDEQ) and Bridger Coal Company for the construction of two public water supply wells without a permit to construct. This written settlement agreement is a result of a verbal settlement agreement that was reached during a meeting, in the Lander WDEQ office on Thursday August 23, 2007, with Norman Hargis and Scott Palmer of Bridger Coal Company.

The Water Quality Division is willing to resolve the violation stated in the Notice of Violation Docket Number 4123-07 with this out-of-court settlement agreement. Please sign and return the enclosed settlement agreement to Mr. Mark Baron, P.E., Southwest District Engineer, 510 Meadowview Drive, Lander, WY 82520. If you have any questions, please contact me at 307-332-3144 or 307-335-6962.

Mark D. Baron, P.E.  
Southwest District Engineer  
Water Quality Division

MDB

Enclosure: Settlement Agreement

xc: IPS  
Don McKenzie, P.E., W&WW, Cheyenne  
Keith Guile, DEQ Public Information Officer



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

**SETTLEMENT AGREEMENT**

The Wyoming Department of Environmental Quality (WDEQ) and Bridger Coal Company (Bridger) enter into this Settlement Agreement to fully and finally resolve without litigation the violation alleged in the WDEQ Notice of Violation (NOV), Docket Number 4123-07, dated August 1, 2007. The NOV alleges the construction of two public water supply wells without a permit. This is a violation of the Wyoming Environmental Quality Act. The location of the violation is in the Northwest Quarter of Section 13 of Township 21 North (T21N), Range 110 West (R110W) in Sweetwater 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, Bridger and the WDEQ hereby stipulate and agree as follows:

- 1 of 15        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 15        Bridger is the owner of two public water supply wells located in Section 13 of T21N, R110W in Sweetwater County.
- 3 of 15        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 15        Bridger 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 6 of 15 of the Settlement Agreement is completed as described. If Item 6 of 15 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 15        The WDEQ commits to completing the permitting process review for the construction permit application, tracked under 07-452, within thirty (30) days of the last signature date of this settlement agreement.
- 6 of 15        Bridger commits to responding to the WDEQ permit review for the construction permit application, tracked under 07-452, within sixty (60) days of the last signature date of this settlement agreement.
- 7 of 15        The WDEQ commits to issuing a construction permit, tracked under 07-452, provided that the construction plans and specifications demonstrate compliance with the Chapter 3 and Chapter 12 Wyoming Water Quality Rules and Regulations. The permit is to be issued within ninety (90) days of the last signature date of this settlement agreement.
- 8 of 15        This signed Settlement Agreement, as specified above, shall constitute full satisfaction for and resolution of all claims by the WDEQ against Bridger based on the violations alleged in NOV Docket Number 4123-07. Contingent upon Bridger's compliance with the terms of this Settlement Agreement, the WDEQ will refrain from taking further enforcement action against Bridger 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 4123-07.

**SETTLEMENT AGREEMENT BETWEEN WDEQ AND BRIDGER**

- 9 of 15 Bridger waives any statute of limitations which may apply to an enforcement action by the WDEQ involving the specific matters described in NOV Docket Number 4123-07 in the event that North Star fails to fulfill its obligations under this Settlement Agreement.
- 10 of 15 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 Bridger violate the Wyoming Environmental Quality Act or applicable rules and regulations in the future.
- 11 of 15 This Settlement Agreement shall be admissible by either party without objection by the other party in any subsequent action between these parties.
- 12 of 15 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 Bridger, and specifically retain all immunity and all defenses available as sovereigns under state and federal law.
- 13 of 15 Each party shall bear its own attorney fees and costs, if any, incurred through the date this Settlement Agreement is signed by both parties.
- 14 of 15 This Settlement Agreement is binding upon Bridger, its successors and assigns, and upon the WDEQ.
- 15 of 15 The persons signing this Settlement Agreement certify that they are duly authorized to bind their respective parties to this Settlement Agreement.

**FOR BRIDGER**

Signed: \_\_\_\_\_

Date: \_\_\_\_\_

Typed: \_\_\_\_\_

Title: \_\_\_\_\_

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

\_\_\_\_\_  
John V. Corra, Director  
WDEQ

Date: \_\_\_\_\_

\_\_\_\_\_  
John F. Wagner, Administrator  
WDEQ/WQD

Date: \_\_\_\_\_

xc: Don McKenzie, P.E., WDEQ, Cheyenne  
Mark Baron, P.E., WDEQ, Lander  
Docket Number 4123-07