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**SETTLEMENT AGREEMENT**

The Wyoming Department of Environmental Quality (DEQ), Water Quality Division (WQD), and Frontier Refining (Frontier) a 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 (NOV) Docket Number 4201-08 dated January 10, 2008. This violation occurred in Laramie County, Wyoming.**

W.S. §35-11-901(a)(ii) authorizes the DEQ to negotiate a stipulated settlement, including payment of a penalty, in lieu of litigation. To that end, Frontier and the DEQ hereby stipulate and agree as follows:

1. The DEQ, 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. DEQ is the agency with the responsibility for administering the Wyoming Environmental Quality Act (Act) including all provisions of the Wyoming Water Quality Rules and Regulations (WWQRR).

2. Frontier agrees to pay a penalty of six thousand dollars and no cents (\$6,000.00) as a settlement to resolve the above referenced NOV. Payment to the DEQ is due and payable within thirty (30) days of the full execution of this Settlement Agreement. Payment to DEQ shall be by check made payable to the Wyoming Department of Environmental Quality, Water Quality Division and shall be sent to: Mr. Kevin M. Wells, Compliance & Enforcement Coordinator, Department of Environmental Quality, Water Quality Division, Herschler Building 4<sup>th</sup> Floor-West, 122 West 25<sup>th</sup> Street, Cheyenne, Wyoming 82002. The check should reference NOV Docket Number 4201-08.

3. Frontier shall submit to the DEQ a detailed report to include the cause of the unauthorized discharge and methods for future prevention along with the remediation work completed on the affected areas including associated costs. This information shall be submitted by March 14, 2008 and addressed to the same address as above.

4. This signed Settlement Agreement and payment by Frontier as cited in NOV 4201-08, shall constitute full satisfaction for and resolution of all claims by the DEQ against Frontier based on the violations alleged in NOV Docket Number 4201-08. Contingent upon Frontier's full compliance with the terms of this Settlement Agreement, the DEQ will refrain from taking further enforcement action against Frontier for these particular violations. By this Settlement Agreement, the parties intend to resolve with prejudice all allegations that were asserted in NOV Docket Number 4201-08.

5. Frontier waives any statute of limitations which may apply to an enforcement action by the DEQ involving the specific matters described in NOV Docket Number 4201-08 in the event that Frontier fails to fulfill its obligations under this Settlement Agreement.

6. Nothing in this agreement precludes DEQ from taking additional enforcement action; including the issuance of a NOV, Order, and/or pursuing additional penalties, should Frontier violate the Act, applicable rules and regulations, or WYPDES permit requirements in the future.

7. This Settlement Agreement or any actions taken in accordance with its provisions, does not constitute an admission by Frontier to any allegations, findings, determinations or conclusions contained in this Agreement, nor is this a retraction by the DEQ of the specific allegations in NOV Docket Number 4201-08. Except as specifically provided for herein, nothing in this Agreement shall prejudice, waive, or impair any right, remedy, or defense that Frontier may have against any entity.

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 its terms.

9. Notwithstanding any other language in this Settlement Agreement, the State of Wyoming and DEQ do not waive sovereign immunity by entering into this Settlement Agreement with Frontier and specifically retain all immunity and all defenses available as sovereigns under state and federal law.

10. Each party shall bear its own attorney fees and costs, if any, incurred through the date this Settlement Agreement is signed by both parties.

11. Frontier and the DEQ agree to comply with and be bound by the terms of this agreement and further agree they will not contest the basis or validity of this Settlement Agreement in any action taken by DEQ to enforce the terms of this Settlement Agreement. Therefore this Settlement Agreement is

***SETTLEMENT AGREEMENT BETWEEN DEQ/WQD AND FRONTIER REFINING, INC.***

binding upon Frontier, its successors and assigns, and upon the DEQ.

12. The persons signing this Settlement Agreement certify that they are duly authorized to bind their respective parties to this Settlement Agreement. Full execution of this Settlement Agreement shall be determined by the latest date of all parties signing.

**FOR: FRONTIER REFINING, INC.**

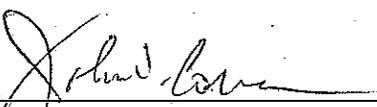
Signed: 

Typed: Mike Milam

Title: Vice President & Refinery Manager

Date: March 7, 2008

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

  
John V. Corra  
Director  
Department of Environmental Quality

Date: 2/13/08

  
John F. Wagner  
Administrator  
DEQ/Water Quality Division

Date: 2/13/08

JVC/JFW/KMW/rm/8-0116

- cc: Aaron Urdiales, 8ENF-W-NP, EPA Region 8 (PDF)  
Bill J. DiRienzo ► Brian K. Lovett ► Leah J. Krafft  
IPS (for scanning) ► Docket 4201-08  
Keith Guille, DEQ Public Information Officer (PDF File of signed copy by all parties)

**BEFORE THE**  
**DEPARTMENT OF ENVIRONMENTAL QUALITY**  
**STATE OF WYOMING**

**IN THE MATTER OF THE NOTICE OF  
VIOLATION & ORDER ISSUED TO:**

**Mr. David J. Danford  
Frontier Refining, Inc.  
P.O. Box 1588  
Cheyenne, Wyoming 82003**

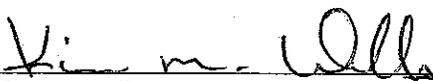
**DOCKET NUMBER 4201-08**

**NOTICE OF COMPLIANCE**

The Department of Environmental Quality (DEQ), Water Quality Division (WQD) issued Notice of Violation Docket Number 4201-08 to Frontier Refining (Frontier) on January 10, 2008. The NOV alleged that Frontier was in violation for an unauthorized discharge of a refining by-product to "waters of the state" under the Wyoming Environmental Quality Act (Act) and applicable Wyoming Water Quality Rules and Regulations (WWQRR).

The Notice of Violation required Frontier to pay a total penalty of six thousand dollars and no cents (\$6,000.00) to the DEQ. Based on the March 7, 2008 letter and receipt of the \$6,000.00 penalty by DEQ, Frontier has complied with the conditions of the Settlement Agreement for Docket Number 4201-08 and the DEQ finds that all terms have been satisfied.

Dated this 10<sup>th</sup> day of March, 2008.

  
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Kevin M. Wells  
WYPDES Compliance & Enforcement Coordinator  
Water Quality Division  
Wyoming DEQ

KMW/rm/8-0194

Cc: Lee Hanley, 8ENF-W-NP, EPA Region 8 (PDF)  
Bill J. DiRienzo ► Brian K. Lovett ► Leah J. Krafft (PDF)  
IPS (for scanning) ► Dockets 4201-08  
Keith Guille, DEQ Public Information Officer (PDF File Only)  
DEQ Director