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**SETTLEMENT AGREEMENT**

The Wyoming Department of Environmental Quality (DEQ), Water Quality Division (WQD), and Wyoming Refining Company (Wyoming Refining) 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 4273-08 dated May 27, 2008. This alleged violation occurred in Weston 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, Wyoming Refining 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. Since receiving the NOV, Wyoming Refining has responded to the DEQ in a letter dated July 9, 2008 with proposed operational and equipment changes being considered to resolve the alleged violations stated in the NOV.

3. Wyoming Refining agrees to pay a penalty of one hundred thirty seven thousand dollars and no cents (\$137,000.00) 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 4273-08.**

4. This signed Settlement Agreement and payment of penalty by Wyoming Refining as cited above shall constitute full satisfaction for and resolution of all claims by the DEQ against Wyoming Refining based on the alleged effluent violations documented from October 1, 2001 through March 31, 2008 from discharges that occurred at the permitted outfall 001 as alleged in NOV Docket Number 4273-08. These alleged effluent violations can be viewed in Attachment A of this Settlement Agreement. Contingent upon Wyoming Refining's full compliance with the terms of this Settlement Agreement, the DEQ will refrain from taking further enforcement action against Wyoming Refining for these particular alleged violations. By this Settlement Agreement, the parties intend to resolve with prejudice all allegations that were asserted in NOV Docket Number 4273-08.

5. Wyoming Refining waives any statute of limitations which may apply to an enforcement action by the DEQ involving the specific matters described in NOV Docket Number 4273-08 in the event Wyoming Refining 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 Wyoming Refining violate the Act, applicable rules and regulations, or WYPDES permit requirements after March 31, 2008.

7. This Settlement Agreement or any actions taken in accordance with its provisions, does not constitute an admission by Wyoming Refining to any allegations, findings, determinations or conclusions contained in this Agreement or NOV Docket Number 4273-08, nor is this a retraction by the DEQ of the specific allegations in NOV Docket Number 4273-08. Except as specifically provided for herein, nothing in this Agreement shall prejudice, waive, or impair any right, remedy, or defense that Wyoming Refining 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 Wyoming Refining 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, costs, and expenses, if any, incurred through the date this Settlement Agreement is signed by both parties.

11. Wyoming Refining 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 binding upon Wyoming Refining, 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: WYOMING REFINING COMPANY**

Signed: Bob Neufeld

Typed: Bob Neufeld

Title: Vice President Environmental and Governmental Relations

Date: January 28, 2009

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

John V. Corra  
John V. Corra  
Director  
Department of Environmental Quality

Date: 1/14/09

John F. Wagner  
John F. Wagner  
Administrator  
DEQ/Water Quality Division

Date: 1/14/09

JVC/JFW/KMW/bb/9-0030

Enclosure: Attachment A-Exceedance Table

cc: Lee Hanley, 8ENF-W-NP, EPA Region 8 (PDF)  
Bill J. DiRienzo ► Brian K. Lovett ► Leah J. Krafft (PDF)  
IPS (for scanning) ► Docket 4273-08  
Keith Guille, DEQ Public Information Officer (PDF File of signed copy by all parties)  
DEQ Director

**SETTLEMENT AGREEMENT BETWEEN DEQ/WQD AND WYOMING REFINING COMPANY**

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