

Wells

RECEIVED

SEP 14 2010
WATER QUALITY DIVISION
WYOMING

DEPARTMENT OF ENVIRONMENTAL QUALITY
STATE OF WYOMING

IN THE MATTER OF THE NOTICE)
OF VIOLATION ISSUED TO:)

DOCKET NO. 4688-10

US Department of Energy)
Rocky Mountain Oilfield Testing Center)
907 N. Poplar Street, Suite 150)
Casper, Wyoming 82601)

SETTLEMENT AGREEMENT

The Wyoming Department of Environmental Quality (DEQ), Water Quality Division (WQD), and US Department of Energy, Rocky Mountain Oilfield Testing Center (DOE), 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 4688-10 dated May 21, 2010. These violations occurred in Natrona County, Wyoming.**

W.S. §35-11-901(a)(ii) authorizes the DEQ to negotiate a stipulated settlement, in lieu of litigation. To that end, DOE 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. DOE (DOE) operates oil and gas production facilities in Wyoming. DOE holds numerous Wyoming Pollution Discharge Elimination System (WYPDES) permits in Wyoming. The WYPDES permits were issued by the Wyoming Department of Environmental Quality (DEQ), Water Quality Division (WQD).

3. DOE has provided the WQD with documentation indicating actions taken or scheduled to be taken to maintain compliance with WYPDES permit requirements and corrective actions taken for the unpermitted spill noted in Notice of Violation #4688-10. This documentation includes the corrective actions implemented at the release site including retention pits, absorbent booms, vacuum trucks, and clean fill. DOE also indicated all high water production geothermal wells have been rebuilt to include new master valves, wing valves, new piping and flow tees. Based upon the information submitted by DOE, DEQ considers the corrective action already implemented to be sufficient to fully resolve the violation without further penalty.

4. This signed Settlement Agreement by DOE shall constitute full satisfaction for and resolution of all claims by the DEQ against DOE based on the violations alleged in NOV Docket Number 4688-10. Contingent upon DOE's full compliance with the terms of this Settlement Agreement, the DEQ will refrain from taking further enforcement action against DOE for these particular violations. By this Settlement Agreement, the parties intend to resolve with prejudice all allegations that were asserted in NOV Docket Number 4688-10.

5. DOE waives any statute of limitations which may apply to an enforcement action by the DEQ involving the specific matters described in NOV Docket Number 4688-10 in the event that DOE fails to fulfill its obligations under this Settlement Agreement.

6. Nothing in this agreement precludes the DEQ from taking additional enforcement action; including the issuance of a NOV, Order, and/or pursuing additional penalties, should DOE 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 DOE 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 4688-10. Except as specifically provided for herein, nothing in this Agreement shall prejudice, waive, or

impair any right, remedy, or defense that DOE 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.

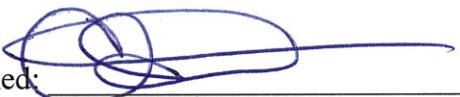
9. Notwithstanding any other language in this Settlement Agreement, the State of Wyoming and DEQ do not waive sovereign immunity by entering into this Settlement Agreement with DOE and specifically retain all immunity and all defenses available as sovereigns under state and federal law.

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. DOE 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 the DEQ to enforce the terms of this Settlement Agreement. Therefore this Settlement Agreement is binding upon DOE, 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: U.S. DEPARTMENT OF ENERGY

Signed:  _____

Typed: CLARK A. JUVAR

Title: DIRECTOR

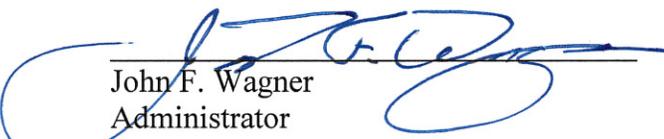
Date: 9/12/10

FOR THE WYOMING DEPARTMENT OF ENVIRONMENTAL QUALITY:



John V. Corra
Director
Department of Environmental Quality

Date: 8/27/10



John F. Wagner
Administrator
DEQ/Water Quality Division

Date: 8/26/10

JVC/JFW/KMW/bb/rm/10-0723

cc: David Gwisdalla, 8ENF-W-NP, EPA Region 8 (PDF)
Bill J. DiRienzo ► Kevin M. Wells (PDF)
IPS (for scanning) ► Docket 4688-10
Keith Guille, DEQ Public Information Officer (PDF File of signed copy by all parties)