DEPARTMENT OF ENVIRONMENTAL QUALITY
STATE OF WYOMING

IN THE MATTER OF THE NOTICE	)
OF VIOLATION ISSUED TO:	)
	)
Benchmark Energy, LLC	)
PO Box 8747	)
Pratt, KS 67124	)

SETTLEMENT AGREEMENT

The Wyoming Department of Environmental Quality (DEQ), Water Quality Division (WQD), and Benchmark Energy, LLC, (Benchmark) a company authorized to do business in Wyoming, enter into this Settlement Agreement to fully and finally resolve without litigation the violation alleged in **Notice of Violation (NOV) Docket Number 4915-11 dated November 14, 2011. These violations occurred in Campbell County, Wyoming.**

W.S. §35-11-901(a)(ii) authorizes the DEQ to negotiate a stipulated settlement, including payment of a penalty and corrective actions, in lieu of litigation. To that end, Benchmark 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. Benchmark has provided the DEQ with documentation demonstrating the steps taken to address the alleged violations covered by this NOV, including the ongoing operational programs designed to prevent violations in the future. Following implementation of the corrective actions Benchmark shall provide to the WQD an update of the completed corrective actions including photos if available.

3. Benchmark agrees to pay a total of one thousand nine hundred twenty dollars and no cents ($1,920.00) as a stipulated penalty. Payment to the DEQ is due within thirty (30) days of full execution of this Settlement Agreement and shall be by check made payable to the Wyoming Department of Environmental Quality, Water Quality Division. Payment should be sent to Mr. Kevin M. Wells, Natural Resource Program Manager, Department of Environmental Quality, Water Quality Division, Herschler Building 4th Floor-West, 122 West 25th Street, Cheyenne, Wyoming 82002. **The check should reference NOV Docket Number 4915-11.**

4. Benchmark's full compliance with the terms of this signed settlement agreement shall constitute satisfaction for and resolution of all claims by the DEQ against Benchmark based upon the specific allegations in NOV docket number 4915-11. Contingent upon Benchmark's compliance with the terms of this Settlement Agreement, the DEQ will refrain from taking further enforcement action against Benchmark for these particular violations.

5. Benchmark waives any statute of limitations which may apply to an enforcement action by the DEQ involving the specific matters described in NOV Docket Number 4915-11 in the event that Benchmark 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 Benchmark violate the Act, applicable rules and regulations, or WYPDES permit requirements in the future.

7. This settlement agreement represents a good faith settlement and resolution of the NOV in lieu of litigation and shall not constitute or be construed as an admission by Benchmark or a retraction by DEQ of the specific allegations in NOV docket number 4915-11.

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 Benchmark 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. Benchmark 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 Benchmark, 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: BENCHMARK ENERGY, LLC

Signed: _____

Typed: Jerry Nash

Title: Managing Member

Date: 5/21/12

FOR THE WYOMING DEPARTMENT OF ENVIRONMENTAL QUALITY:

_____ Date: 4/25/12

John V. Corra
Director
Department of Environmental Quality

_____ Date: 4/25/12

John F. Wagner
Administrator
DEQ/Water Quality Division

JVC/JFW/KMW/bb/12-0360

cc: David Gwisdalla, 8ENF-W-NP, EPA Region 8 (PDF)
Bill J. DiRienzo ► Kevin M. Wells (PDF)
IPS (for scanning) ► Docket 4915-11
Keith Guille, DEQ Public Information Officer (PDF File of signed copy by all parties)
DEQ Director