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WYOMING DEPARTMENT OF ENVIRONMENTAL QUALITY

SETTLEMENT AGREEMENT

The Wyoming Department of Environmental Quality (DEQ), Water Quality Division (WQD), and Wyoming Refining Company (Wyoming Refining) a corporation 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 4992-12 dated May 22, 2012. These violations 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 ~~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. WRC has acknowledged ongoing violations of ammonia effluent limits and an unauthorized release on April 25, 2011. WRC has committed to operational changes to achieve permit compliance in various communications with DEQ. These actions have not been completed at this time.
3. WRC agrees to a settlement of three hundred seventy-four thousand four hundred dollars (\$374,400.00). Of the settlement amount, WRC agrees to provide DEQ with ninety-three thousand six hundred dollars (\$93,600.00) for Supplemental Environmental Projects (SEPs) in the NonPoint Source Program. The SEP funding will be awarded to sub recipients for projects with the goal of reducing or eliminating NonPoint Source pollution. Any funds remaining after completion of these projects may be used by DEQ for future, unspecified SEPs with priority given to water quality related projects. WRC shall remit a check in the amount of ninety three thousand six hundred dollars and no cents (\$93,600.00) payable to the Wyoming Department of Environmental Quality, Water Quality Division within 30 days of the effective date of this Settlement Agreement.
4. WRC shall remit a check for the remaining balance of the settlement in the amount of two hundred eighty thousand eight hundred dollars and no cents (\$280,800.00) payable to the Wyoming Department of Environmental Quality, Water Quality Division within 30 days of the effective date of this Settlement Agreement.
5. This signed Settlement Agreement and payment by WRC as specified above, along with the full compliance with all terms of this Settlement Agreement shall constitute full satisfaction for and resolution of all claims by the DEQ against WRC based on the violations alleged in NOV Docket Number 4992-12. Contingent upon WRC's full compliance with the terms of this Settlement Agreement the DEQ will refrain from taking further enforcement action against WRC for these particular violations. By this Settlement Agreement, the parties intend to resolve with prejudice all allegations that were asserted in NOV Docket Number 4992-12.
6. WRC waives any statute of limitations which may apply to an enforcement action by the DEQ involving the specific matters described in NOV Docket Number 4992-12 in the event that WRC fails to fulfill their obligations under this Settlement Agreement.
7. Nothing in this agreement precludes DEQ from taking additional enforcement action, including the issuance of a NOV, Order, and/or pursuing additional penalties, should WRC violate the Act or applicable rules and regulations in the future.
8. This Settlement Agreement or any actions taken in accordance with its provisions, does not constitute an admission by WRC 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 4992-12. Except as specifically provided for herein, nothing in this Agreement shall prejudice, waive, or impair any right, remedy, or defense that WRC may have against any entity.
9. 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.

10. 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 WRC and specifically retain all immunity and all defenses available as sovereigns under state and federal law.

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

12. WRC 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 WRC, their successors and assigns, and upon the DEQ.

~~By signing this Settlement Agreement certifying 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: W. R. Neufeld

Typed: Warren R. Neufeld

Title: VP Environment & Government Relations

Date: 11/15/12

FOR THE WYOMING DEPARTMENT OF ENVIRONMENTAL QUALITY:

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

Date: 10/30/12

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

Date: 10/30/12

JVC/JFW/KMW/bb/12-1017

cc: David Gwisdalla, 8ENF-W-NP, EPA Region 8 (PDF)
Bill J. DiRienzo ► Kevin M. Wells (PDF)
IPS (for scanning) ► Docket 4992-12
Keith Guille, DEQ Public Information Officer (PDF File of signed copy by all parties)
DEQ Director