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IN THE FIRST JUDICIAL DISTRICT COURT
IN AND FOR LARAMIE COUNTY, STATE OF WYOMING

PEOPLE OF THE STATE OF)
WYOMING,)

Plaintiff,)

v.)

Docket No. 180-392

SOUTHERN CROSS)
ENVIRONMENTAL SERVICES, LLC,)

Defendant.)

CONSENT DECREE

The People of the State of Wyoming, through the Wyoming Attorney General's Office and the Wyoming Department of Environmental Quality ("DEQ"), filed a complaint pursuant to Section 901(a) of the Wyoming Environmental Quality Act ("Act"), Wyo. Stat. Ann. § 35-11-901(a), against Southern Cross Environmental Services, LLC, alleging that Southern Cross violated the Act. DEQ and Southern Cross (collectively referred to hereinafter as "Parties") agree, and the Court by entering this Consent Decree finds, that this Consent Decree has been negotiated by the Parties at arm's-length and in good faith pursuant to Wyo. Stat. Ann. § 35-11-901(a)(ii), and will avoid or settle certain litigation among the Parties, and that this Consent Decree is fair, reasonable, and in the public interest.

THEREFORE, the Parties have agreed to the following terms for resolving this litigation prior to trial, and with the consent of the Parties IT IS HEREBY ORDERED, ADJUDGED, and DECREED as follows:

I. Jurisdiction and Venue

A. This Court has jurisdiction over the subject matter of this civil action pursuant to Wyo. Stat. Ann. § 35-11-901(a).

Clerk of District Court certifies copies were distributed on 12-11-12 to:

Williamson -m
Holbrook -m

B. This Court has jurisdiction over the parties in this civil action pursuant to Wyo. Stat. Ann. § 5-1-107(a).

C. Venue is proper in Laramie County pursuant to Wyo. Stat. Ann. § 35-11-903(c).

II. Parties

A. Southern Cross Environmental Services is a "person" as defined in Wyo. Stat. Ann. § 35-11-103(a)(vi).

B. DEQ is the executive branch agency of Wyoming state government responsible for enforcing the Act.

III. Background

A. Southern Cross Environmental Services owns and operates a commercial oilfield wastewater disposal facility in Carbon County, Wyoming.

B. In its Complaint, DEQ alleged that Southern Cross constructed and operated two treatment works at the disposal facility in violation of Wyo. Stat. Ann. § 35-11-301(a)(iii).

IV. Settlement

A. Southern Cross Environmental Services agrees to pay to DEQ's non-point source supplemental environmental project fund one hundred and twenty thousand dollars (\$120,000).

i. Southern Cross Environmental Services shall pay in monthly installments of at least three thousand dollars (\$3,000) on or before the tenth day of each month. Payments shall be sent to William Tillman, Water and Wastewater Section, Wyoming Department of Environmental Quality, Herschler Building 4-W, 122 West 25th Street, Cheyenne, Wyoming 82002.

ii. Southern Cross Environmental Services shall pay its first monthly installment within forty-five (45) days of the date of entry of this Consent Decree.

iii. Southern Cross Environmental Services may repay the outstanding balance at any time.

B. Within thirty (30) days of the date of entry of this Consent Decree, Southern Cross Environmental Services agrees to remove the frac rings located in Section 3, Township 15, Range 93W in Carbon County, Wyoming.

C. Within forty-five (45) days of the date of entry of this Consent Decree, Southern Cross Environmental Services agrees to test the soil underneath the removed frac rings and within a twenty (20) foot radius of the removed frac rings for hydrocarbon and chemical contamination, including, but not necessarily limited to, benzene, toluene, xylene, and oil and grease.

D. Southern Cross Environmental Services agrees to send to DEQ the results of the soil testing required under the foregoing paragraph (C).

E. If testing indicates hydrocarbon or chemical contamination, Southern Cross Environmental Services agrees to remediate the soil by disposing of the contaminated soil at a licensed hazardous waste facility and replacing the soil with clean fill.

F. This Consent Decree resolves without litigation the contested and disputed claims between the State of Wyoming and Southern Cross Environmental Service that were specifically alleged in the Complaint. The parties are aware of the expense and uncertainty of litigation, and prefer to resolve their differences as to the matters covered by this Consent Decree by negotiation, thereby bringing this matter to a conclusion.

V. Release and Covenant Not to Sue and Dismissal with Prejudice

A. DEQ agrees that full compliance with this Consent Decree as specified in Section IV shall constitute full satisfaction of the claims specifically alleged in the Complaint initiating this action.

B. In consideration of Southern Cross Environmental Services' performance of the terms specified under Section IV of this Consent Decree and full compliance with the terms of this Consent Decree, DEQ and the State of Wyoming hereby release and covenant not to sue Southern Cross Environmental Services and its respective successors, assigns, affiliates, parents, officers, directors, employees and representatives, as to any common law, statutory, or other claims or causes of action which were specifically alleged in the Complaint.

C. This covenant not to sue is expressly conditioned upon the complete and satisfactory performance by Southern Cross Environmental Services of all terms of this Consent Decree.

D. Following Southern Cross Environmental Services' full compliance with the terms of this Consent Decree, the DEQ will file a satisfaction of judgment pursuant to Wyo. Stat. Ann. § 1-16-308.

E. The terms of Sections IV and V shall survive termination of the Consent Decree.

VI. Parties Bound

A. This Consent Decree shall apply to and be binding upon Southern Cross Environmental Services, its successors and assigns, and upon the DEQ and the State of Wyoming.

B. Nothing in this Consent Decree relieves Southern Cross Environmental Services of its duty to comply with the Act, or precludes DEQ from taking enforcement actions for other or future violations not specifically addressed in this Consent Decree.

C. Southern Cross Environmental Services shall remain solely responsible for its compliance with the terms of this Consent Decree, and all applicable federal, state and local laws and regulations.

VII. Terms Not Severable

The terms of this Consent Decree, which embodies the comprehensive stipulated settlement between the Parties, are not severable.

VIII. Reservation of Rights

A. By signing this Consent Decree, Southern Cross Environmental Services neither admits nor denies that it violated any provision of the Act. By entering into this Consent Decree, Southern Cross Environmental Services neither admits nor denies the validity of any allegation contained in the Complaint. DEQ does not retract the violations specifically alleged in the Complaint.

B. DEQ and the State of Wyoming reserve all legal and equitable remedies available to enforce the provisions of this Consent Decree, including seeking injunctive relief and civil penalties.

C. DEQ and the State of Wyoming do not waive sovereign immunity by entering into this Consent Decree and retain immunity and all defenses available to them as sovereigns under all state and federal law, except that any of the Parties may bring an action to seek interpretation or enforcement of this Consent Decree. Each party shall bear its own costs, fees, and expenses in any such action.

IX. Termination of Consent Decree

Except as otherwise provided in Section V, the terms and conditions of this Consent Decree shall terminate upon DEQ's filing of written notice to the Court confirming the completion of Southern Cross Environmental Services' obligations under this Consent Decree and the Court's entry of a Termination and Dismissal order.

X. Attorneys' Fees/Costs of Action

Each Party shall bear its own attorneys' fees and costs of this action.

XI. Retention of Jurisdiction

The Court shall retain jurisdiction to enforce the terms and conditions of this Consent Decree, to enter such orders as are appropriate under the Consent Decree, and to resolve all disputes as may be necessary or appropriate for the construction or to carry out the terms of this Consent Decree.

XII. Authority

The signatories certify that they are duly authorized to bind their respective Parties to this Consent Decree.

DATED this 10 day of Dec., 2012.



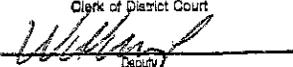
District Judge

STATE OF WYOMING COUNTY OF LARAMIE, SS CHEYENNE

I, Sandy Landers, Clerk of the District Court in and for the County of Laramie, Wyoming, do hereby certify that the within and foregoing is a full true and correct copy of the original thereof as the same appears on file or of record in my office and that the same is in full force and effect as of this date.

Witness my hand and seal of said court this 11 day of Dec, 2012.

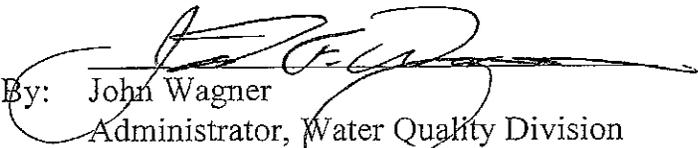
SANDY LANDERS
Clerk of District Court

By 
Deputy

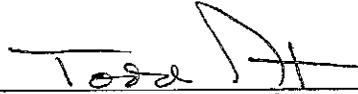
WE HEREBY CONSENT to the entry of this Consent Decree:

FOR THE WYOMING DEPARTMENT OF ENVIRONMENTAL QUALITY:

Date: Nov. 8, 2012

By: 
John Wagner
Administrator, Water Quality Division
Department of Environmental Quality

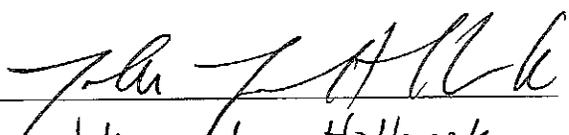
Date: Nov. 8, 2012

By: 
~~John Corra~~ Todd Parfitt
Director
Department of Environmental Quality

FOR SOUTHERN CROSS ENVIRONMENTAL SERVICES, LLC:

Date: Nov. 2, 2012

By:


John L. Holbrook

Controller

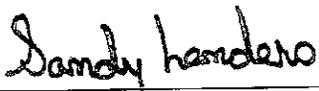
Southern Cross Environmental Services
LLC

CERTIFICATE OF SERVICE

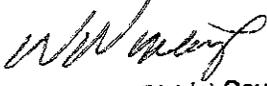
I hereby certify that on the 11 day of Dec, 2012, a true and correct copy of the foregoing *Consent Decree* was mailed, postage prepaid to the following persons:

John Holbrook, Controller
Southern Cross Environmental Services, LLC
510 South 600 East
Salt Lake City, UT 84102

Jeremiah I. Williamson
Wyoming Attorney General's Office
123 State Capitol
Cheyenne, WY 82002



Clerk of District Court


Deputy Clerk District Court