SETTLEMENT AGREEMENT AMONG
The UNITED STATES DEPARTMENT OF THE INTERIOR,
The NEW YORK STATE DEPARTMENT OF ENVIRONMENTAL CONSERVATION and
ATLANTIC RICHFIELD COMPANY for the
SINCLAIR REFINERY SUPERFUND SITE

I. Introduction

A. The United States of America, on behalf of the Department of the Interior ("DOI"), and the New York State Department of Environmental Conservation ("NYSDEC") (jointly referred to as the "Trustees"), and Atlantic Richfield Company ("Settling Defendant") (the Trustees and Settling Defendant are referred to collectively as the "Parties,") enter into this Settlement Agreement ("Agreement" or "Settlement Agreement") to resolve, without litigation, the Trustees' civil claims under the Comprehensive Environmental Response, Compensation, and Liability Act ("CERCLA"), 42 U.S.C. § 9601 *et seq*.; the Oil Pollution Act of 1990 ("OPA"), 33 U.S.C. § 2701 *et seq*.; the natural resource damages provisions of the Clean Water Act, 33 U.S.C. § 1321(f)(4) and (5) ("CWA"), 33 U.S.C. § 1251; and any applicable state law for injury to, destruction of, loss of, and/or loss of use of natural resources, including the reasonable costs of assessing the damage, resulting from the release of hazardous substances at or from the Sinclair Refinery Superfund Site, located in Allegany County, New York (the "Site"). Settling Defendant is the successor in interest of Sinclair Refining Company.

B. The Trustees have shared trust responsibilities for the natural resources injured at or by the Site (other than groundwater which is solely a state resource and for which NYSDEC has sole trust responsibility) and this Settlement Agreement is executed by both agencies in their capacity as Natural Resource Trustees.

C. Under OPA, each responsible party for a facility from which oil is discharged into or upon navigable waters is liable for damages for injury to, destruction of, loss of, or loss of use of, natural resources, including the reasonable costs of assessing the damage. 33 U.S.C. § 2702.

D. Under CERCLA, a person who at the time of disposal of any hazardous substance owned or operated any facility at which such hazardous substances were disposed of is liable for damages for injury to, destruction of, or loss of natural resources, including the reasonable costs of assessing such injury, destruction, or loss resulting from such a release. 42 U.S.C § 9607(a).

E. Under CWA the owner or operator of a facility from which oil or a hazardous substance is discharged to a water of the United States is liable for any costs incurred by the Federal or state government in the restoration or replacement of natural resources damaged or destroyed as a result of the discharge. 33 U.S.C. § 1321(4).

F. The execution of this Agreement shall not constitute, nor is it in any way an admission by the Settling Defendant of any liability.

II. Parties Bound

The provisions of this Settlement Agreement shall apply to and be binding upon the Settling Defendant and all of its successors and assigns, and upon the Trustees.

III. Definitions

Except as otherwise expressly provided herein, the terms used in this Settlement Agreement which are used in CERCLA or in the Natural Resource Damage Assessment regulations promulgated by DOI pursuant to CERCLA (43 C.F.R. Part 11) shall have the meanings assigned to them by CERCLA or by such regulations. Terms which are not used in CERCLA but are used in OPA or CWA shall have the meanings assigned to them by OPA and its regulations, or CWA and its regulations, respectively.

IV. Payment of Certain Costs and Damages

A. Within thirty (30) days after the Effective Date of this Settlement Agreement, the Settling Defendant shall pay two hundred seventy five thousand dollars ($275,000) to the Trustees as specified below:

1. Two hundred seventy three thousand, five hundred ($273,500) dollars shall be paid to the DOI Natural Resource Damage Assessment and Restoration Fund ("NRDAR Fund") for the following:

(a) Nine thousand dollars ($9,000) will reimburse DOI for the natural resource damage assessment ("NRDA") costs which it has incurred relating to this Site; and

(b) Two hundred sixty four thousand, five hundred dollars ($264,500) will fund projects to restore, rehabilitate, replace, and/or acquire the equivalent of the natural resources injured at or by the Site, including the costs of restoration planning and oversight activities.

2. One thousand five hundred dollars ($1,500) shall be paid to NYSDEC to reimburse NYSDEC for the NRDA costs which it has incurred relating to the Site.

B. Payment of the amount set forth in Section IV.A.1. shall be by EFT or in the form of a check made payable to the U.S. Department of the Interior, in accordance with instructions to be provided by the U.S. Fish and Wildlife Service. At the time of payment, Settling Defendant shall send a written notice of payment and a copy of any transmittal documentation to:

Mark Barash, Senior Attorney
Office of the Northeast Regional Solicitor
U.S. Department of the Interior
One Gateway Center - Suite 612
Newton, MA 02458-2881

With a copy to:

Chief
Environmental Enforcement Section
U.S. Department of Justice
P.O. Box 7611
Ben Franklin Station
Washington, DC 20044

C. Payment of the amount set forth in Section IV.A.2. shall be in the form of a check made payable to "NYSDEC-Natural Resource Damages Fund." Payment shall be made in accordance with instructions to be given by NYSDEC. At the time of payment, the Settling Defendant shall send a written notice of payment and a copy of any transmittal documentation to:

Sharon Brooks
Office of General Counsel
NYS Dept. of Environmental Conservation
625 Broadway, 14th Floor
Albany, New York 12233-1500

D. If the Settling Defendant fails to make either of the payments specified at Section IV.A.1 and IV.A.2 when due, the Settling Defendant shall pay interest on those payments at the rate specified in 33 U.S.C. § 2705(b)(4). Interest shall be calculated from the Effective Date of this settlement to the date of payment.

E. In addition, if the Settling Defendant fails to make either of the payments specified at Section IV.A.1 and IV.A.2 when due, it shall pay a stipulated penalty for each day or portion thereof that each payment is overdue until all overdue payments (including stipulated penalties) are paid in full. A stipulated penalty of $500 per day for failure to make the payment specified at Section IV.A.1. shall be paid to the NRDAR fund in accordance with the payment instructions in Section IV.B. A stipulated penalty of $500 per day for failure to make the payment specified at Section IV.A.2. shall be paid to the NYSDEC Natural Resources Damages Fund in accordance

with the payment instructions in Section IV.C. The stipulated penalty is due and payable within 30 days of the date of the demand for payment of the stipulated penalty by the relevant Trustee.

F. Payments made under Subparagraph IV.E. shall be in addition to any other remedies or sanctions available to the Trustees by virtue of the Settling Defendant's failure to comply with the requirements of this Settlement Agreement. Notwithstanding any other provisions of this Section IV, the Trustees may, in their unreviewable discretion, waive payment of any portion of the stipulated penalty that has accrued pursuant to this Settlement Agreement.

G. The Settling Defendant shall be liable for attorneys' fees and costs incurred by the Trustees to collect any amount due under this Settlement Agreement that is not timely paid.

V. Covenant Not to Sue and Reservation of Rights by the Trustees

A. In consideration of the payments to be made by the Settling Defendant, the Trustees covenant not to sue or maintain any lawsuit, action, administrative proceeding, or any other proceeding against the Settling Defendant for: (i) damages for injury to, destruction of, loss of, or loss of use of natural resources caused by releases of hazardous substances at or from the Site, and (ii) except as set forth in Section IV above, costs (including NRDA costs), attorneys' fees, other fees, or expenses incurred by the Trustees to recover such natural resource damages relating to injuries at or from the Site, including damage assessment costs.

B. This covenant not to sue is not effective until, and is conditioned upon, complete and satisfactory performance by the Settling Defendant of its obligations under Section IV of this Settlement Agreement.

C. Notwithstanding any other provision of this Settlement Agreement, the Trustees reserve, and this Settlement Agreement is without prejudice to any claims not included in Section VI, including, but not limited to:

(1) claims based upon a failure of the Settling Defendant to meet a requirement of this Settlement Agreement;

(2) criminal claims;

(3) claims for response costs or damages that the United States, other than DOI, may have under applicable law; and

(4) the right to institute proceedings against the Settling Defendant, in this action or in a new action seeking recovery of natural resource damages, based on new information received by the Trustees that indicates that there is injury to, destruction of, loss of, or loss of use of natural resources of a type that was unknown to the Trustees and that could not reasonably have been known or anticipated by the Trustees, or of a magnitude that is substantially greater than was known or could reasonably have been known by the Trustees, on the date of their execution of this Settlement Agreement.

VI. Covenant Not to Sue by the Settling Defendant

A. Settling Defendant hereby covenants not to sue and agrees not to assert any claims or causes of action against the Trustees, including their departments, agencies or instrumentalities, or their employees, agents, experts or contractors, for claims

(1) related to natural resource damages at the Site;

(2) any direct or indirect claim for reimbursement from the Oil Spill Liability Trust Fund;

(3) any claim for costs, attorneys' fees, other fees, or expenses incurred in connection with the Settlement Agreement.

B. In any subsequent administrative or judicial proceeding initiated by the United States

or the State of New York related to the Site, the Settling Defendant shall not assert, and may not maintain, any defense or claim based upon principles of waiver, res judicata, collateral estoppel, issue preclusion, claim-splitting, or other defense based upon any contention that the claims raised by the United States or the State of New York in the subsequent proceeding were or should have been settled in this Settlement Agreement; provided, however, that nothing in this Section VI affects the enforceability of the covenants set forth in Section V herein.

VII. Signatories

Each of the undersigned representatives of the Parties certifies that he or she is fully authorized to enter into the terms and conditions of this Agreement and to execute and bind legally such Party to this document.

VIII. Entire Agreement

This Settlement Agreement constitutes the final, complete, and exclusive agreement and understanding between the Parties with respect to the settlement embodied in the Agreement and supersedes all prior agreements and understandings, whether oral or written. No other document, nor any representation, inducement, agreement, understanding or promise constitutes any part of this Agreement or the settlement it represents, nor shall it be used in construing the terms of this Agreement.

IX. Modification

The terms of this Agreement may be modified only by a subsequent written agreement signed by all of the Parties.

X. Execution

This Agreement may be executed in several counterparts, each of which shall constitute an original, and all of which shall constitute one and the same instrument.

XI. DOJ Approval and Public Comment

The effectiveness of this Settlement Agreement (except with respect to Section VIII) is subject to DOI's receipt of final approval from the U.S. Department of Justice ("DOJ"). Prior to granting such approval, DOJ requires DOI to publish a notice of the Settlement Agreement in the Federal Register as well as a local newspaper of general circulation ("Notice"). The Notice must invite members of the public to submit comments regarding the Agreement to DOI for its review and evaluation for a period of 30 days after publication of the Federal Register notice. The Settling Defendant agrees not to withdraw their consent to the Settlement Agreement pending consideration of public comments and approval of DOJ. If public comments disclose facts or considerations which indicate that this Settlement Agreement is inappropriate, improper, or inadequate, DOI, in consultation with DOJ, may withdraw its approval of the Settlement Agreement. Should DOI withdraw its approval, this Agreement shall be null and void.

XII. Effective Date

The effective date of this Settlement Agreement shall be the date upon which the United States issues written notice to Settling Defendant that the public comment period pursuant to Section XI has closed and that comments received, if any, do not require modification or United States withdrawal from this Settlement Agreement.

UNITED STATES DEPARTMENT OF THE INTERIOR

Date: *10/31/2016*

By:

Name: Andrew Tittler

Title: Field Solicitor

STATE OF NEW YORK
DEPARTMENT OF ENVIRONMENTAL CONSERVATION

By: Date: 10/19/2015

Name:

Title:

ATLANTIC RICHFIELD COMPANY

By: Date:

Name: Christopher J Greco Attorney-in-Fact

Title: Portfolio Manager