EXHIBIT A

IN THE UNITED STATES BANKRUPTCY COURT
FOR THE SOUTHERN DISTRICT OF TEXAS
CORPUS CHRISTI DIVISION

In re:	)	
	)	Case No. 05-21207
ASARCO LLC, et al.	)	Chapter 11
	)	
Debtors.	)	

SETTLEMENT AGREEMENT REGARDING THE TRI-STATE MINING DISTRICT SITES

WHEREAS, the Tri-State Mining District Sites ("Tri-State Site") consists of the Tar Creek Superfund Site located in Ottawa County, Oklahoma, the Cherokee County Superfund Site, the Oronogo-Duenweg Lead Mining Belt (Jasper County) Superfund Site in Jasper County, Missouri, the Newton County Mine Tailings Superfund Site, and any location at which hazardous substances from any of these Sites have come to be located (collectively, the "Sites");

WHEREAS, pursuant to its authority under section 104 of the Comprehensive Environmental Response, Compensation, and Liability Act, 42 U.S.C. § 9604 ("CERCLA"), the United States Environmental Protection Agency ("EPA") previously added each of the Sites to the National Priority List;

WHEREAS, the United States and the States of Kansas, Missouri, and Oklahoma have alleged that ASARCO, LLC ("ASARCO" or "Debtor") is a potentially responsible party with respect to each of the Sites;

WHEREAS, the United States has alleged that it has incurred past response costs, and will incur additional future response costs, under CERCLA with respect to each of the Sites for which ASARCO allegedly is liable;

WHEREAS, the State of Kansas has alleged that it has incurred past response costs, and will incur additional future response costs, and has incurred natural resource damages for resources under its trusteeship under CERCLA with respect to one or more of the Sites for which ASARCO allegedly is liable;

WHEREAS, the State of Missouri has alleged that it has incurred costs for the assessment of natural resource damages, has incurred natural resource damages for resources under its trusteeship, and will incur future response costs under CERCLA with respect to one or more of the Sites for which ASARCO allegedly is liable;

WHEREAS, the State of Oklahoma has alleged that it has incurred past response costs and natural resource damages for resources under its trusteeship under CERCLA with respect to one or more of the Sites for which ASARCO allegedly is liable;

WHEREAS, the United States has alleged that it has incurred past costs, and will incur future costs, for the assessment of natural resource damages at the Tri-State Site;

WHEREAS, the United States and States of Kansas, Missouri, and Oklahoma (collectively, the "States") have alleged that natural resources under their joint trusteeship in the Tri-State Site have been injured, giving rise to natural resource damages for which ASARCO allegedly is liable;

WHEREAS, ASARCO filed with the United States Bankruptcy Court for the Southern District of Texas a voluntary petition for relief under Title 11 of the United States Bankruptcy Code on August 9, 2005 (the "Bankruptcy Case");

WHEREAS, the United States on behalf of EPA and the Department of Interior, Bureau of Indian Affairs ("BIA") and the States of Kansas, Missouri and Oklahoma filed respective Proofs of Claim in the Bankruptcy Case (*i.e.,* numbers 8375, 10745 and 10746 by the United

States, number 11086 by the State of Kansas, number 11134 by the State of Missouri, and numbers 7989 and 10544 by the State of Oklahoma) setting forth claims against ASARCO under Section 107 of CERCLA for various past and/or future response costs as defined under CERCLA in connection with one or more of the Sites;

WHEREAS, the United States on behalf of the Department of the Interior ("DOI"), both in its own capacity and, under the authority of 40 CFR § 300.600(b)(2), in its capacity as trustee on behalf of the Cherokee Nation, the Eastern Shawnee Tribe of Oklahoma, the Seneca-Cayuga Tribe of Oklahoma, the Wyandotte Nation, the Peoria Tribe of Indians of Oklahoma, and the Ottawa Tribe of Oklahoma, and the States on behalf of their respective trustees also filed Proofs of Claim (number 10745 by the United States, number 11094 by the State of Kansas, number 11116 by the State of Missouri, and number 10857 by the State of Oklahoma) setting forth claims against ASARCO under Section 107 of CERCLA for natural resource damages and costs of assessment with respect to releases of hazardous substances at or from the Tri-State Site;

WHEREAS, ASARCO has disputed the claims with respect to the Tri-State Site and each of the Sites filed by the United States and/or the respective States as set forth in the Proofs of Claim and various expert reports submitted by the United States and the respective States;

WHEREAS, the Court established a process for estimating the claims of the United States and the States with respect to the Tri-State Site;

WHEREAS, the Court has set a date for a hearing for the purpose of estimating the claims of the United States and the States with respect to the Tri-State Site;

WHEREAS, the parties hereto desire to settle, compromise and resolve their disputes without the necessity of an estimation hearing;

WHEREAS, in consideration of, and in exchange for, the promises and covenants herein, the parties hereby agree to the terms and provisions of this Settlement Agreement ("Settlement Agreement"); and

WHEREAS, this Settlement Agreement is in the public interest and is an appropriate means of resolving this matter.

NOW, THEREFORE, without the admission of liability or any adjudication on any issue of fact or law, and upon the consent and agreement of the parties by their attorneys and authorized officials, it is hereby agreed as follows:

I. JURISDICTION

1. The Bankruptcy Court has jurisdiction over the subject matter hereof pursuant to 28 U.S.C. §§ 157, 1331, and 1334.

II. PARTIES BOUND; SUCCESSION AND ASSIGNMENT

2. This Settlement Agreement applies to, is binding upon, and shall inure to the benefit of the parties hereto, their legal successors and assigns, and any trustee, examiner or receiver appointed in the Bankruptcy Case.

III. ALLOWANCE OF CLAIMS

3. In settlement and satisfaction of all claims and causes of action of the United States and the States of Kansas, Missouri and Oklahoma with respect to any and all costs of response incurred, or to be incurred, in connection with the Tri-State Site (including but not limited to the liabilities and other obligations asserted in the Proofs of Claim and other pleadings filed in the Bankruptcy Court related to the Tri-State Site by the United States and the States of Kansas, Missouri and Oklahoma), the United States on behalf of EPA and the BIA shall have an allowed general unsecured claim in the total amount of $91,000,000.00 which shall be allocated as

follows: Tar Creek Superfund Site EPA Response Costs - $32,689,800.00; Tar Creek Superfund Site BIA Response Costs - $310,200.00; Cherokee County Superfund Site - $25,114,000.00; Oronogo-Duenweg Lead Mining Belt (Jasper County) Superfund Site - $21,402,000.00; and Newton County Mine Tailings Superfund Site - $11,484,000.00. Distributions received by EPA shall be deposited in NPL Site Specific or Site operable-unit specific special accounts with respect to each of the Sites within the EPA Hazardous Substance Superfund to be retained and used to conduct or finance response actions at or in connection with such Site, or to be transferred by EPA to the EPA Hazardous Substances Superfund.

4. In settlement and satisfaction of all claims and causes of action of the States of Kansas, Missouri and Oklahoma ,with respect to any and all costs of response incurred, or to be incurred, in connection with the Tri-State Site (including but not limited to the liabilities and other obligations asserted in the Proofs of Claim and other pleadings filed in the Bankruptcy Court related to the Tri-State Site by the States of Kansas, Missouri and Oklahoma), and in settlement and satisfaction of all claims and causes of action of the States' respective trustees for State-only natural resource damages and costs of assessment incurred or to be incurred in connection with the Tri-State Site (including but not limited to any natural resource damages allegedly attributable in whole or in part to releases of hazardous substances from any portion of the Tri-State Site set forth in the Proofs of Claims and other pleadings filed in the Bankruptcy Court related to the Tri-State Site on behalf of the States' respective trustees): (a) the State of Kansas shall have an allowed general unsecured claim in the total amount of $3,250,000.00; (b) the State of Missouri shall have an allowed general unsecured claim in the total amount of $3,250,000.00; and (c) the State of Oklahoma shall have an allowed general unsecured claim in the total amount of $7,500,000.00 to be distributed to the Oklahoma Department of Environmental Quality for the

recovery of response costs and the Oklahoma Secretary of the Environment, as natural resource trustee for the State of Oklahoma, for recovery of natural resource damages.

5. In settlement and satisfaction of all claims and causes of action of the United States on behalf of DOI and the States' respective trustees for joint federal-state natural resource damages and costs of assessment incurred or to be incurred in connection with the Tri-State Site (including but not limited to any natural resource damages allegedly attributable in whole or in part to releases of hazardous substances from any portion of the Tri-State Site set forth in the Proofs of Claims and other pleadings filed in the Bankruptcy Court related to the Tri-State Site filed on behalf of the federal or States' respective trustees), (a) the United States on behalf of DOI shall have an allowed general unsecured claim for past natural resource damage assessment costs in the total amount of $2,000,000.00, and (b) the United States on behalf of DOI, the Kansas Department of Health and Environment on behalf of the State of Kansas, the State of Missouri on behalf of the Director, Missouri Department of Natural Resources, and the State of Oklahoma (collectively the "Trustees") shall have a joint, indivisible allowed general unsecured claim for natural resource damages in the total amount of $51,000,000.00 which shall be paid to DOI as provided below and which shall be allocated as follows: Tar Creek Superfund Site - $24,225,000.00; Cherokee County Superfund Site - $9,690,000.00; Oronogo-Duenweg Lead Mining Belt (Jasper County) Superfund Site - $11,140,000.00; and Newton County Mine Tailings Superfund Site - $5,945,000.00. Distributions received by DOI on behalf of the Trustees shall be deposited into the DOI Natural Resource Damage Assessment and Restoration Fund, Account No. 14X5198. A separate, site-specific numbered account for each of the Sites within the Tri-State Site has been or will be established within DOI's Natural Resource Damage Assessment and Restoration Fund ("Restoration Accounts"). The funds received shall be

assigned pursuant to subparagraph (b) of this Paragraph 5 to these site-specific Restoration Accounts to allow the funds to be maintained as segregated accounts within the DOI Natural Resource Damage Assessment and Restoration Fund. The trustees shall use the funds in the Restoration Accounts, including all interest earned on such funds, for restoration activities at or in connection with each Site as directed by the respective Trustee Council for that Site, but shall not be used to conduct assessment activities. For purposes of voting on plan confirmation, with respect to the undivided allowed claim referred to in subparagraph (b) of this Paragraph 5, the United States shall vote 50% ($25,500,000.00), the State of Kansas shall vote 9.5% ($4,845,000.00), the State of Missouri shall vote 16.75% ($8,542,500.00), and the State of Oklahoma shall vote 23.75% ($12,112,500.00).

6. All allowed claims under this Settlement Agreement shall not be subordinated to other general unsecured claims pursuant to any provisions of the Bankruptcy Code or other applicable law that may be contended to authorize or provide for subordination of allowed claims, including without limitation Sections 105 and 510 of the Bankruptcy Code.

7. Although the claims granted to the United States herein are described as general unsecured claims, this description is without prejudice to the United States' alleged secured right of set-off against ASARCO's claim for tax refunds and nothing in this Settlement Agreement shall modify or waive such alleged secured claim of set-off.

8. With respect to the allowed unsecured claims set forth in Paragraphs 3, 4, and 5 for the United States on behalf of EPA, BIA, and DOI and for the States, only the amount of cash received by each such agency (and net cash received by each such agency on account of any non-cash distributions) under this Settlement Agreement for the allowed general unsecured claims and not the total amount of the allowed claims, shall be credited by each such agency to

its account for a particular site, which credit shall reduce the liability to such agency of non-settling potentially responsible parties for the particular site by the amount of the credit. Nothing in this Agreement shall be construed to waive whatever rights the United States or a State may have to object to any proposed plan of reorganization.

IV. OUTSTANDING OBLIGATIONS

9. Except as specifically provided in Paragraph 17, all obligations of Debtor to perform work pursuant to any outstanding Consent Decree, Unilateral Administrative Order or Administrative Order on Consent, including but not limited to Cherokee County Superfund Site Operable Units 3 and 4 (Baxter Springs and Treece) Consent Decree (Civ. Action No. 99-1399-WEB; D.C. Kan. Jan. 12, 2000); Newton County Mine Tailings Superfund Site Administrative Order on Consent (EPA Docket No. VII-96-F-0022; July 9, 1996 and June 18, 1997); Unilateral Administrative Order (EPA Docket No. 07-2002-0114; April 15, 2002); and Oronogo-Duenweg Lead Mining Belt Superfund Site Consent Decree (Civ. Action No. 00-0975; W.D. Mo. Jan. 19, 2001), are fully resolved and satisfied and Debtor shall be removed as a party to such orders or decrees pursuant to the terms hereof; provided, however, that all requirements to retain records shall remain in full force and effect until the date a plan of reorganization is confirmed by the Court in this bankruptcy, and that Debtor shall produce, or make available for production, any such records so retained to EPA in accordance with the terms of Paragraph 10. Such orders or decrees shall be modified or otherwise conformed to the terms of this Settlement Agreement. The modification or conformance to the terms of this Settlement Agreement of the Cherokee County Superfund Site Operable Units 3 and 4 (Baxter Springs and Treece) Consent Decree (Civ. Action No. 99-1399-WEB; D.C. Kan. Jan. 12, 2000) and the Oronogo-Duenweg Lead Mining Belt Superfund Site Consent Decree (Civ. Action No. 00-0975; W.D. Mo. Jan. 19, 2001)

shall be subject to approval by the United States District Court for the District of Kansas and the United States District Court for the Western District of Missouri, respectively.

10. Between the date this Settlement Agreement is lodged with the Court and the date a plan of reorganization is confirmed by the Court, EPA may request that Debtor provide or make available any records retained pursuant to the Orders and Decrees identified in Paragraph 9. Debtor shall produce such records, or make such records available for production, to EPA within thirty (30) days of any such request and in any event prior to the confirmation of a plan of reorganization.

V. COVENANTS NOT TO SUE

11. With respect to the Tri-State Site or any of the Sites (including releases of hazardous substances related to mining activity from any portion of the Sites, and all areas affected by natural migration of such substances from the Sites) and except as specifically provided in Section VI (Reservation of Rights), the United States and the States of Kansas, Missouri and Oklahoma covenant not to sue or assert any civil claims or causes of action against ASARCO pursuant to Sections 106, 107(a) or 113 of CERCLA, 42 U.S.C. §§ 9606, 9607(a), and 9613; Section 7003 of RCRA, 42 U.S.C. § 6973; or any comparable state law for any liabilities or obligations asserted relating to the Sites in their Proofs of Claim.

12. This Settlement Agreement in no way impairs the scope and effect of the Debtor's discharge under Section 1141 of the Bankruptcy Code as to any third parties or as to any claims that are not addressed by this Settlement Agreement.

13. Without in any way limiting the covenant not to sue (and the reservations thereto) set forth in Paragraph 11 and notwithstanding any other provision of this Settlement Agreement, such covenant not to sue shall also apply to ASARCO's successors, assigns, officers, directors,

employees, and trustees, but only to the extent that the alleged liability of the successor, assign, officer, director, employee, or trustee of ASARCO is based solely on its status as and in its capacity as a successor, assign, officer, director, employee, or trustee of ASARCO.

14. The covenants not to sue contained in Paragraphs 11 and 13 of this Settlement Agreement extend only to ASARCO and the persons described in Paragraphs 11 and 13 above and do not extend to any other person. Nothing in this Agreement is intended as a covenant not to sue or a release from liability for any person or entity other than ASARCO, the United States, the respective States and the persons described in Paragraph 13. The United States, the respective States and ASARCO expressly reserve all claims, demands, and causes of action either judicial or administrative, past, present or future, in law or equity, which the United States, the respective States, or ASARCO may have against all other persons, firms, corporations, entities, or predecessors of ASARCO for any matter arising at or relating in any manner to the Tri-State Site and/or claims addressed herein.

15. Nothing in this Settlement Agreement shall be deemed to limit the authority of the United States to take response action under Section 104 of CERCLA, 42 U.S.C. § 9604, or any other applicable law or regulation, or to alter the applicable legal principles governing judicial review of any action taken by the United States pursuant to that authority. Nothing in this Settlement Agreement shall be deemed to limit the information gathering authority of the United States under Sections 104 and 122 of CERCLA, 42 U.S.C. §§ 9604 and 9622, or any other applicable federal law or regulation, or to excuse the Debtor from any disclosure or notification requirements imposed by CERCLA, RCRA, or any other applicable federal law or regulation. In addition, with respect to current or future operations of the Debtor, nothing in this Agreement shall be deemed to limit the authority of the State of Oklahoma to take appropriate actions

pursuant to 27A O.S. Section 2-6-105, or any other applicable law or regulation, nor shall it excuse the Debtor from any disclosure or notification requirements imposed by any Oklahoma law or regulation.

16. Debtor covenants not to sue and agrees not to assert any claims or causes of action against the United States and the respective States with respect to the Tri-State Site, including but not limited to: any direct or indirect claim for reimbursement from the Hazardous Substance Superfund (established pursuant to the Internal Revenue Code, 26 U.S.C. § 9507) through CERCLA Sections 106(b)(2), 107, 111, 112, 113, 42 U.S.C. §§ 9606(b), 9607, 9611, 9612, 9613, or any other provision of law; any claims against the United States or the respective States, including any of their departments, agencies or instrumentalities, under Section 107 or 113 of CERCLA, 42 U.S.C. §§ 9607, 9613; and any claims arising out of the response or restoration activities at the Tri-State Site. Nothing in this Settlement Agreement shall be construed to constitute preauthorization of a claim within the meaning of Section 111 of CERCLA, 42 U.S.C. § 9611 or 40 C.F.R. § 300.700(d).

VI. RESERVATION OF RIGHTS

17. The covenants not to sue set forth in Section V do not pertain to any matters other than those expressly specified therein. The United States and the respective States reserve, and this Settlement Agreement is without prejudice to, all rights against the Debtor or other persons with respect to all other matters, including but not limited to: (i) any action to enforce the terms of this Settlement Agreement; and (ii) liability for response costs, natural resource damages (including natural resource damage assessment costs), and injunctive relief under CERCLA Sections 106 and 107 for Debtor's future acts creating liability under CERCLA that occur after

the date of this Agreement. Debtor's future acts creating liability under CERCLA do not include continuing releases related to Debtor's pre-petition conduct at the Tri-State Site.

18. Nothing in this Settlement Agreement shall be construed to create any rights in, or grant any cause of action to, any person not a party to this Settlement Agreement.

19. Nothing in this Settlement Agreement shall be construed to alter the obligations of any party other than Debtor under any of the Orders or Decrees referred to in Paragraph 9.

VII. CONTRIBUTION PROTECTION

20. The parties hereto agree that, as of the Effective Date, ASARCO is entitled to protection from contribution actions or claims as provided by Section 113(f)(2) of CERCLA, 42 U.S.C. § 9613(f)(2) for matters addressed in this Settlement Agreement, except for contribution actions or claims for past costs, up to the date of lodging of this agreement, of Blue Tee Corp., Gold Fields Mining, LLC, or NL Industries, Inc. as set forth in their respective proofs of claim and amendments thereto. The matters addressed in this Settlement Agreement include all costs of response incurred or to be incurred by the United States or the respective States and all claims for natural resource damages and past and future costs of assessment relating to or in connection with the Tri-State Site.

VIII. PUBLIC COMMENT

21. This Settlement Agreement will be subject to a thirty (30) day public comment period following notice published in the Federal Register, which may take place concurrent with the judicial approval process under Paragraph 22 hereof. The United States reserves the right to withdraw or withhold its consent if the public comments regarding the Settlement Agreement disclose facts or considerations that indicate that this Settlement Agreement is inappropriate,

improper, or inadequate. At the conclusion of the public comment period, the United States will provide the Court with copies of any public comments and its response thereto.

IX. JUDICIAL APPROVAL

22. The settlement reflected in this Settlement Agreement shall be subject to approval by the Bankruptcy Court pursuant to Bankruptcy Rule 9019. The Debtor shall move promptly for court approval of this Settlement Agreement and shall exercise commercially reasonable efforts to obtain such approval.

X. RETENTION OF JURISDICTION

23. This Court shall retain jurisdiction over both the subject matter of this Settlement Agreement and the parties hereto, for the duration of the performance of the terms and provisions of this Settlement Agreement for the purpose of enabling any of the parties to apply to the Court at any time for such further order, direction and relief as may be necessary or appropriate for the construction or interpretation of this Settlement Agreement, or to effectuate or enforce compliance with its terms. The Court shall also retain jurisdiction over Asarco's compliance with the document retention provisions of the Orders and Decrees identified in Paragraph 9 and any disputes regarding compliance with the document production requirements of Paragraphs 9 and 10.

XI. EFFECTIVE DATE

24. This Settlement Agreement shall be effective upon approval by the Court in accordance with Paragraph 22 hereof.

XII. SIGNATORIES/SERVICE

25. The signatories for the parties each certify that he or she is authorized to enter into the terms and conditions of this Settlement Agreement and to execute and bind legally such Party to this document.

THE UNDERSIGNED PARTIES ENTER INTO THIS SETTLEMENT AGREEMENT

FOR THE UNITED STATES

Date: 17 Oct 2007

Ronald J. Tenpas
Acting Assistant Attorney General
Environment and Natural Resources Division
U.S. Department of Justice

Date: 10/18/07

Alan S. Tenebaum
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FOR THE UNITED STATES (Continued)

Date: 10-18-07

Pamela Phillips, Acting
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FOR THE STATE OF KANSAS

Date: 10/22/2007

Roderick L. Bremby, Secretary
Kansas Department of Health and Environment

Date: 10/19/07

Susan Barker Andrews, Attorney
Kansas Department of Health and Environment
Special Asst. Attorney General
KS Supreme Court No. 12905

FOR THE STATE OF MISSOURI

Date: October 22, 2007

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Attorney General

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Date: 10-23-07

DOYLE CHILDERS
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FOR THE STATE OF OKLAHOMA

Date: October 24, 2007

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FOR ASARCO, LLC

Date: _____

_____
Thomas L. Aldrich
Vice President, Environmental Affairs

Date: _____

_____
Douglas E. McAllister
Executive Vice President, General Counsel