



September 26, 2006

Mr. Robert Lucht, P.E. & P.G.
Storage Tank Program
Wyoming DEQ
122 West 25th Street
Cheyenne, Wyoming 82002

RE: Notice of Violation No. 3864-06
Location: Sunmart #586, 1620 Elk Street, Rock Springs, Wyoming

Dear Mr. Lucht:

Enclosed herewith please find a fully executed Settlement Agreement and penalty check in the amount of \$5,000.00 in connection with the above referenced matter.

If you should have any questions or need anything further, please feel free to contact our office. Thank you for your kind attention.

Sincerely,
Sarah L Micle
Sarah L. Micle
Legal Assistant

/slm
Enclosures

SETTLEMENT AGREEMENT

The Wyoming Department of Environmental Quality, Solid and Hazardous Waste Management Division (DEQ) and Petroleum Wholesale, L.P., d/b/a Sunmart #586 (Sunmart); enter into this Settlement Agreement to fully and finally resolve without litigation the violations alleged in Notice of Violation No. 3864-06, dated April 21, 2006. Sunmart is the owner and operator of the underground storage tanks located at 1620 Elk Street, Rock Springs, WY. This underground storage tank facility is registered with the DEQ as facility 0-001285. The Notice of Violation alleges that: 1) Sunmart failed to investigate and report a suspected release when Statistical Inventory Reconciliation failed for the unleaded gasoline tank in March, 2005; 2) Sunmart failed to investigate when the Statistical Inventory Reconciliation was inconclusive for the unleaded gasoline tank in July, 2005 and the diesel tank in November. Sunmart is required to investigate all inconclusive results, audit and resubmit the records for re-evaluation by the provider, and treat inconclusive results as failures if they cannot be resolved during the investigation; 3) Sunmart failed to function test the mechanical line leak detectors by the due date of March 3, 2006; 4) Sunmart failed to monitor the facilities two impressed current system rectifiers every sixty days; 5) Sunmart failed to have functioning overfill devices on some of the tanks at this facility; 6) Sunmart failed to maintain records at the facility or at an alternate location within the State of Wyoming. These acts are violations of the Wyoming Water Quality Rules and Regulations (WWQRR), Chapter 17, Sections 6(c), 9(c), 14, 14(g)(i), 16(g), 19, and 21.

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, Sunmart and the DEQ hereby stipulate and agree as follows:

1. The DEQ is responsible for enforcing the Act and Chapter 17, WWQRR.
2. WWQRR, Chapter 17, Section 19 states; "Reporting of Suspected Releases. Owners and/or operators of underground storage tank systems must orally report to the department within 24 hours all releases or suspected releases..."

WWQRR, Chapter 17, Section 21, states: "Unless corrective action is initiated in accordance with Part F, owners and/or operators must immediately investigate and confirm all suspected releases of regulated substances".

WWQRR, Chapter 17, Section 14, states: "**Requirements for Petroleum Underground Storage Tank Systems**. Owners and/or operators of petroleum underground storage tank systems must provide release detection for tanks and piping as follows:

(a) Tanks. Tanks must be monitored at least every thirty (30) days for releases..."

WWQRR, Chapter 17, Section 14 (g) (i), states: "Pressurized piping systems shall: (B) Be equipped with an automatic line leak detector in accordance with the following: Methods which alert the owner and/or operator to the presence of a leak by restricting or shutting off the flow of regulated substances through piping or triggering an audible or visual alarm, may be used only if they detect leaks of three (3) gallons per hour at ten (10) pounds per square inch line pressure within one (1) hour. An annual test of the operation of the leak detector shall be conducted."

WWQRR, Chapter 17, Section 9(c), states: "Impressed Current Systems. Storage tank systems with impressed current CP systems shall also be inspected by the owner and/or operator every sixty (60) days to ensure the equipment is running properly. The owner and/or operator shall make a record of these inspections, including the date of the inspection, the voltage reading on the rectifier, the amperage reading on the rectifier, and the hour reading on a properly connected hour meter showing how long the system has operated since the last inspection..."

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WWQRR, Chapter 17, Section 6(c), states: "Spill and overfill prevention equipment. (i) Except as provided in Section 6 (c) (ii), to prevent spilling and overfilling associated with substance transfer to the UST system, owners and/or operators shall use the following spill and overfill prevention equipment: (A) Spill prevention equipment that will prevent release of regulated substances to the environment when the transfer hose is detached from the fill pipe (for example, a spill catchment basin); and (B) Overfill prevention equipment that will: (I) Automatically shut off flow into the tank when the tank is no more than ninety-five percent (95%) full; or (II) Alert the transfer operator when the tank is no more than ninety percent (90%) full by restricting the flow into the tank or triggering a high-level alarm. (ii) Owners and/or Operators are not required to use the spill and overfill prevention equipment specified in Section 6(c)(i) if the UST system is filled by transfers of no more than twenty-five (25) gallons at one time."

WWQRR, Chapter 17, Section 13 (d), states: "(d) Availability and maintenance of records. Owners and/or operators of UST systems shall keep the records required either: (i) At the storage tank site and immediately available for inspection by the department; or (ii) At a readily available alternate site and be provided for inspection to the department, upon request. The readily available alternative site shall be within the boundaries of the State of Wyoming. If records are to be kept at an alternate site, the department shall be notified in writing of the name, address and telephone number for that alternate location."

3. Sunmart owns and operates tanks located at 1620 Elk Street, Rock Springs, Wyoming and registered with the DEQ, as facility 0-001285. As part of the Operator's Annual Inspection Sunmart submitted SIR results for 2005 showing failures and inconclusive results.
4. Since receiving of Notice of Violation No. 3864-06 on or about May 5, 2006, Sunmart has corrected the cited violations.
5. Sunmart agrees to pay a total of Twenty Five Thousand Dollars (\$25,000.00) to the Solid and Hazardous Waste Division as a stipulated penalty for the cited violations. Payment of Five Thousand Dollars (\$5,000.00) shall be made within 30 days after execution of this Settlement Agreement. Payment shall be made by check made payable to the Wyoming Department of Environmental Quality and addressed to the Wyoming Department of Environmental Quality, Attention: Robert Lucht, Herschler Building, 4th Floor West Wing, 122 W. 25th Street, Cheyenne, WY 82002.
6. Twenty Thousand Dollars (\$20,000.00) of this penalty is stayed pending full compliance with Chapter 17 for one (1) year from the date of this Settlement Agreement. For purposes of this Settlement Agreement only, full compliance means:
 - a. Payment in full of all storage tank fees no later than July 1 of each year;
 - b. Registration of these tanks every year no later than July 1 and every time there is a change in status of these tanks as required by statute;
 - c. Performance of any one of the tank leak detection methods found in Chapter 16, Section 16 within thirty days of the date of this settlement agreement and again every thirty days thereafter. This means if Statistical Inventory Reconciliation is the method to be employed, then passing results are to be maintained for every month for every tank. Inconclusive results and failing results are to be investigated in accordance with Chapter 17, Section

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16(g). If an automatic tank gauge is installed, then passing results are to be maintained for every tank and every month and inventory control is to be conducted in accordance with Chapter 17 Section 16(a) and (c). If any month passes without a passing automatic tank gauging result for any tank, or if any two consecutive months pass with failing inventory control records for any tank then Sunmart shall report a suspected release and follow the procedures in Chapter 17, Section 19. Records of all of these tests shall also be maintained by Sunmart for three (3) years;

d. Providing an Operator's Annual Inspection (OAI) of this facility no later than June 1 of each year. The OAI includes: Having a functional test of the Automatic Line Leak Detectors on the pressurized lines no later than June 1, 2007 and every year thereafter no later than June 1. This provision applies to all line leak detectors whether they are mechanical line leak detectors, electronic line leak detectors, or sump sensors. Records of these tests shall be maintained by Sunmart for three (3) years;

e. In the event that the Statistical Inventory Control, Automatic Tank Gauging, or the Inventory Control indicates that a release has occurred as defined by Chapter 17, Section 16, or product is found in any secondary containment sump, then Sunmart agrees to immediately report a suspected release and follow all procedures called for in Chapter 17, Sections 19(c) and Section 20;

f. If any tank(s) on this location are removed, notification of the department and inspection by the department as required by statute. If all the tanks are removed the site, payment all contaminated site fees by July 1 of each year.

g. Chapter 17, Section 14(h)(iv) requires that the secondary containment systems on both the tanks and the lines be monitored monthly. Sunmart has chosen to not install an automatic system to do this. Manual monitoring of these secondary containment systems requires that the operator must open all such spaces every month, document the condition of each sump, the date when the inspection was done and the person who did the inspection. It shall specifically be a violation of this settlement agreement if Sunmart fails to monitor all sumps, dispenser pans, and tank interstitial spaces during term of this settlement agreement. It shall also specifically be a violation of this settlement agreement if Sunmart fails to respond to any problem uncovered by a manual inspection.

If Sunmart complies fully with Chapter 17 for one (1) year from the date of this Settlement Agreement, then Twenty Thousand Dollars (\$20,000.00) of this penalty shall be forgiven.

7. Sunmart's full compliance with the terms of this Settlement Agreement shall constitute satisfaction for all claims by the DEQ against Sunmart based on the violations alleged in Notice of Violation No. 3864-06. Contingent upon Sunmart's compliance with the terms of this Settlement Agreement, the DEQ will refrain from taking further enforcement action against Sunmart for these particular violations.

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- 8. Sunmart waives any statute of limitations which may apply to an enforcement action by the DEQ involving the specific matters described in Notice of Violation No. 3864-06 in the event that Sunmart fails to fulfill its obligations under this Settlement Agreement.
- 9. This Settlement Agreement shall be admissible by either party without objection by the other party in any subsequent action between these parties. This Settlement Agreement shall not be admissible in a civil action unless the action is between the parties to this Settlement Agreement.
- 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. This Settlement Agreement is binding upon Petroleum Wholesale, L.P., d/b/a Sunmart #586 and all of its successors and assigns, and upon the DEQ.
- 12. Nothing in this Settlement Agreement supersedes any provision found in any Wyoming State law, or any regulation issued by the Department of Environmental Quality or any federal law or regulation.
- 13. The persons signing this Settlement Agreement certify that they are duly authorized to bind their respective parties to this Settlement Agreement.

FOR PETROLEUM WHOLESale, L.P., D/B/A SUNMART #586:

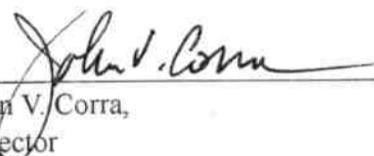


 Richard Osburn
 Vice President

9/25/06

 Date

FOR THE WYOMING DEPARTMENT OF ENVIRONMENTAL QUALITY:



 John V. Corra,
 Director

9/6/06

 Date



 LeRoy C. Feusner, P.E., BCEE
 Administrator
 Solid and Hazardous Waste Management Division

1 Sept 06

 Date

Penalty Check received
9/29/06
