



SETTLEMENT AGREEMENT

The Wyoming Department of Environmental Quality, Solid and Hazardous Waste Management Division (DEQ) and Harris, Inc. d/b/a Sunrise Conoco (Harris) enter into this Settlement Agreement to fully and finally resolve without litigation the violations alleged in Notice of Violation No. 3935-06, dated May 2, 2006. Harris is the owner and operator of the underground storage tanks located at 3900 Poplar, Casper, Wyoming. This underground storage tank facility is registered with the DEQ as facility 0-002239. The Notice of Violation alleges that: 1) Harris did not have passing monthly ATG results from August 1, 2005 through August 31, 2006. 2) No suspected releases were reported, nor was there any documentation of investigations to determine if releases had occurred. These acts are violations of the Wyoming Water Quality Rules and Regulations (WWQRR), Chapter 17, Sections 16(c), and 19(c).

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

1. The DEQ is responsible for enforcing the Act and Chapter 17, WWQRR.

WWQRR, Chapter 17, Section 16 (c)(ii), states: “(c) *Automatic tank gauging (ATG)*. Equipment for automatic tank gauging which tests for the loss of a regulated substance shall detect a 0.2 gallon per hour leak rate from any portion of the tank that routinely contains a regulated substance. Owners and/or operators using automatic tank gauging shall also: (i) conduct inventory control in conformance with paragraph (a)(i) of this section, unless: (A) the regulated substance is placed in the UST in batches of twenty five (25) gallons or less; (B) a passing result is obtained monthly from the Automatic Tank Gauge with the tank at least 85% full; (C) the automatic tank gauge itself reconciles the inventory to the same levels as required by paragraph (a)(i) of this section; or (D) a method of equivalent performance to inventory control is also used. (ii) report a suspected release and follow the requirements of Section 19(c) of this chapter whenever: (A) Any calendar month goes by when a passing result cannot be obtained from the ATG sometime during the month; or (B) A pattern becomes evident that the ATG produces a failing result whenever the level of a regulated substance in the tank is high, even if passing results can be obtained when the level is low. (C) Inventory control fails for the second consecutive month.”

WWQRR, Chapter 17, Section 19 (c), states: “Section 19. *Reporting of Suspected Releases*. Owners and/or operators of storage tank systems shall orally report to the department within twenty-four (24) hours all releases or suspected releases in accordance with Section 22 and follow the procedures of Section 22. Owners of sites where storage tanks were formerly located shall also report within seven (7) days after discovering any new evidence of a release. These reports shall be made for any of the following conditions: (c) Monitoring results: Monitoring results from a release detection method required under Section 14 through 17 that indicate a release may have occurred unless the monitoring device is found to be defective, and is immediately repaired, recalibrated or replaced, and additional monitoring does not confirm the initial result.”

2. Harris owns and operates tanks located at 3900 Poplar, Casper, Wyoming and registered with the DEQ as facility 0-002239. As part of an inspection conducted September 20, 2006, Harris could not produce ATG results for August 2005, through August 2006. Harris was conducting inventory control for these tanks.
3. Since receiving Notice of Violation No. 3935-06 on or about September xx, 2006, Harris has corrected the cited violations.
4. Harris agrees to pay a total of Ten Thousand Dollars (\$10,000.00) to the Solid and Hazardous Waste Management Division as a stipulated penalty for the cited violations. Payment of One Thousand Dollars (\$1,000.00) shall be made within 30 days after execution of this Settlement Agreement. Payment shall be by check made payable to the

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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.

5. Nine Thousand Dollars (\$9,000.00) of this penalty is stayed pending full compliance with Chapter 17 for two (2) years 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 17, Section 16 within thirty days of the date of this settlement agreement and again every thirty days thereafter. This means that Automatic Tank Gauging records are to be maintained for every tank for every month. In addition, Harris shall perform inventory control in accordance with Chapter 17, Section 16(a). Records of all of these tests shall be maintained by Harris for three (3) years;

d. Providing an Operator's Annual Inspection (OAI) of this facility no later than November 16 of each year. The OAI includes: Having a functional test of the Automatic Line Leak Detectors on the pressurized lines no later than November 26, 2007 and every year thereafter no later than November 26. Records of these tests shall be maintained by Harris for three (3) years;

e. In the event that any month passes without a passing result on the automatic tank gauge for each compartment of each tank, this indicates that a release has occurred, as defined by Chapter 17, Section 16. Harris agrees to immediately report a suspected release and follow all procedures in Chapter 17, Section 19(c) and Section 20;

f. In the event that any two consecutive months pass with the inventory control failing for any compartment for any tank, this also indicates that a release has occurred, as defined by Chapter 17, Section 16. Harris agrees to immediately report a suspected release and follow all procedures in Chapter 17, Section 19(c) and Section 20;

g. If these tanks are removed, notification to the department and inspection by the department, as required by statute. If, as a result of the removal, the site is a contaminated site, payment of all contaminated site fees by July 1 of each year.

If Harris complies fully with Chapter 17 for two (2) years from the date of this Settlement Agreement, Nine Thousand Dollars (\$9,000.00) of this penalty shall be forgiven.

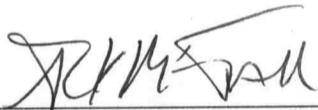
6. Sunrise Conoco's full compliance with the terms of this Settlement Agreement shall constitute satisfaction for all claims by the DEQ against Harris based on the violations alleged in Notice of Violation No. 3935-06. Contingent upon Sunrise Conoco's

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compliance with the terms of this Settlement Agreement, the DEQ will refrain from taking further enforcement action against Harris for these particular violations.

- 7. Harris 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. 3935-06 in the event that Harris fails to fulfill its obligations under this Settlement Agreement.
- 8. This Settlement Agreement shall be admissible by either party without objection by the other party in any subsequent action between these parties.
- 9. Each party shall bear its own attorney fees and costs, if any, incurred through the date this Settlement Agreement is signed by both parties.
- 10. This Settlement Agreement is binding upon Harris and all of its successors and assigns, and upon the DEQ.
- 11. 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.
- 12. The persons signing this Settlement Agreement certify that they are duly authorized to bind their respective parties to this Settlement Agreement.

FOR Harris, Inc.:

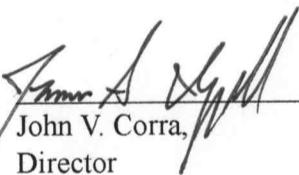


Richard McFall
President

11-6-06

Date

FOR THE WYOMING DEPARTMENT OF ENVIRONMENTAL QUALITY:



John V. Corra,
Director

Date

11/13/06



LeRoy C. Feusner, PE, BCEE
Administrator

Date

13 Nov 06

Solid and Hazardous Waste Management Division