SETTLEMENT AGREEMENT

The Wyoming Department of Environmental Quality, Solid and Hazardous Waste Management Division (DEQ) and Roger Ball Annuity Trust Number 1 d/b/a Wrangler Petroleum (Wrangler Petroleum) enter into this Settlement Agreement to fully and finally resolve without litigation the violations alleged in Notice of Violation No. 3872-06, dated April 28, 2006. Wrangler Petroleum is the owner and operator of the underground storage tanks located at 580 West Broadway, Jackson, Wyoming. This underground storage tank facility is registered with the DEQ as facility 0-003569. The Notice of Violation alleges that Wrangler Petroleum failed to provide line leak detection on a pressurized line connected to underground storage tank #5, ~~for fifteen (15) months ending on~~ JCE February 13, 2006. This act is a violation of the Wyoming Water Quality Rules and Regulations, Chapter 17, Section 14(g)(i)(B).

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, Wrangler Petroleum and the DEQ hereby stipulate and agree as follows:

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

   Wyoming Water Quality Rules and Regulations (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."

2. Wrangler Petroleum owns and operates tanks located at 580 West Broadway, Jackson, Wyoming, and registered with the DEQ as facility 0-003569. As part of an operator's annual inspection conducted February 13, 2006, Wrangler Petroleum showed that one of the pressurized lines did not have an automatic line leak detector. ~~Subsequent investigation showed that a leak detector on this line was removed at least 15 months earlier.~~ JCE

3. Since receiving Notice of Violation No. 3872-06 on or about May 5, 2006, Wrangler Petroleum has corrected the cited violations.

4. Wrangler Petroleum agrees to pay a total of Four Thousand Five Hundred Dollars ($4,500.00) to the Solid and Hazardous Waste Management Division as a stipulated penalty for the cited violations. Payment of Five Hundred Dollars ($500.00) shall be made within thirty (30) days after execution of this Settlement Agreement. Payment shall be 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.

5. Four Thousand Dollars ($4,000.00) 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 17, Section 16, within thirty (30) 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, Wrangler Petroleum shall perform inventory control in accordance with Chapter 17, Section 16(a). Records of all of these tests shall be maintained by Wrangler Petroleum for three (3) years.

d. Providing an Operator's Annual Inspection (OAI) of this facility no later than February 13 of each year. The OAI includes: Having a functional test of the Automatic Line Leak Detectors on the pressurized lines no later than February 13, 2007, and every year thereafter no later than February 13. Records of these tests shall be maintained by Wrangler Petroleum for three (3) years.

e. Whenever a month passes without a passing result on the automatic tank gauge for each compartment of each tank, a release may have occurred. In this event, Wrangler Petroleum agrees to immediately report a suspected release and follow all procedures in Chapter 17, Section 19(c) and Section 20.

f. Whenever inventory control fails for any two consecutive months, for any compartment, for any tank, a release may have occurred. In this event, Wrangler Petroleum 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 Wrangler Petroleum complies fully with Chapter 17 for one (1) year from the date of this Settlement Agreement, Four Thousand Dollars ($4, 000.00) of this penalty shall be forgiven.

6. Wrangler Petroleum's full compliance with the terms of this Settlement Agreement shall constitute satisfaction for all claims by the DEQ against Wrangler Petroleum based on the violations alleged in Notice of Violation No. 3872-06. Contingent upon Wrangler Petroleum's compliance with the terms of this Settlement Agreement, the DEQ will refrain from taking further enforcement action against Wrangler Petroleum for these particular violations.

7. Wrangler Petroleum 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. 3872-06 in the event that Wrangler Petroleum 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.~~ JCG

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 Wrangler Petroleum, all 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 WRANGLER PETROLEUM:

~~Brett Ball~~ Derek C Ence, manager — Date: 2-23-07

FOR THE WYOMING DEPARTMENT OF ENVIRONMENTAL QUALITY:

John V. Corra, Director — Date: 1/23/07

LeRoy C. Feusner, PE, BCEE, Administrator, Solid and Hazardous Waste Management Division — Date: 23 Jan 07

$500.00 Check enclosed w/ this document.