

SETTLEMENT AGREEMENT

The Wyoming Department of Environmental Quality, Solid and Hazardous Waste Management Division (DEQ) and Arlington Outpost, LLC, enter into this Settlement Agreement to fully and finally resolve without litigation the violations alleged in Notice of Violation No. 4000-07, dated January 23, 2007. Arlington Outpost, LLC is the owner and operator of the underground storage tanks located at the Arlington Exit on Interstate 80 in Carbon County, Wyoming. This underground storage tank facility is registered with the DEQ as facility 0-000756. The Notice of Violation alleges that: 1) Arlington Outpost, LLC failed to conduct an operator's annual inspection when it was due on May 31, 2006; and 2) Arlington Outpost, LLC failed to conduct a functional test of the automatic line leak detectors (ALLDs) when those tests were due on May 31, 2006. These acts are violations of the Wyoming Water Quality Rules and Regulations (WWQRR), Chapter 17, Sections 13 (e) and 14 (g) (i) (B) (1).

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, Arlington Outpost, LLC 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 13(e), states: "(e) Operator's Annual Inspection. Storage tank system owners and/or operators shall provide an annual report of inspection for the entire facility. An annual inspection is to be conducted either by the owner, the operator, or a qualified consultant. The inspector shall meet all of the qualifications as a CP tester if he or she inspects a CP system. This inspection shall: (i) test all of the CP systems on site which are due for testing in accordance with Section 11; (ii) provide for pressure tests of pressurized piping or U.S. Suction piping in accordance with Section 14(g); (iii) provide for tests of all Automatic Line Leak Detectors as follows; (A) provide a simulated leak test for Mechanical Line Leak Detectors which will demonstrate that the leak detector meets the requirements of Section 14(g)(B) for Electronic Line Leak Detectors a simulated leak is required which demonstrates that the leak detector meets the requirements of Section 14(g). An internal electrical test of the system is not sufficient to meet this requirement. (C) When sump sensors are used to meet the requirement for an Automatic Line Leak Detector, they shall be configured to meet the requirements of Section 14(g) and the annual inspection shall include a manual tripping of each sump sensor. The automatic device used to monitor sump sensors shall be triggered by the manual tripping of the sensors, and a record shall be made showing the date when the test was done, the facility number, and recording the fact that the sensor operated as required. (iv) document that all Automatic Tank Gauges (ATG), interstitial monitoring systems, vapor monitoring systems, or other automatic systems are properly calibrated and functioning. This includes a check to determine if probes are clean and are the proper ones for the regulated substance being stored. (v) provide an annual summary for all inventory control calculations, statistical inventory reconciliation reports, or other leak detection methods which shows compliance for each month of the preceding year. Records of the operation of all leak detection systems for the past three years are required to be kept. (vi) include a physical inspection of all sumps, manholes, dispensers, and other openings provided on the storage tank system. Any leaks found shall be immediately eliminated."
3. WWQRR, Chapter 17, Section 14(g), states: "(g) Piping. Connected piping that routinely contains regulated substances shall be monitored for releases in a manner that meets one (1) of the following requirements: (i) Pressurized piping systems shall: (A) be monitored in accordance with Section 14(g)(i)(B) below. Whenever pressure systems have multiple dispensers hooked up to dispense product through a single meter, the pressurized piping between the first dispenser and the slave dispenser must also be monitored and tested; and (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

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pipng 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. Manufacturers are required to recommend procedures to be used for testing their own equipment, but all automatic line leak detectors shall be tested annually. No manufacturer shall recommend that its equipment not be tested nor interfere with the testing of its equipment in any way. In addition all underground pressurized piping shall: (1) have an annual line tightness test. A periodic test of piping may be conducted only if it can detect a 0.1 gallon per hour leak rate at one and one-half (1 1/2) times the operating pressure. Tests performed by automatic systems are specifically allowed in meeting this requirement; or (2) be tested using any of the methods listed in Section 16(d), (e), (f), (g), (h) or (j). Methods not specifically named in these regulations shall be approved prior to use by the department, pursuant to Section 33, and that approval must state that the method will detect a leak in lines.”

2. Arlington Outpost, LLC, owns and operates tanks located at I-80 & Highway 13 Intersection in Carbon County, Wyoming and registered with the DEQ, as facility 0-000756. Arlington Outpost, LLC was required to conduct an Operator’s Annual Inspection and conduct functionality tests of the ALLDs, no later than May 31, 2006. The Operator’s Annual Inspection and functionality tests of the ALLDs were all done on January 30, 2007.
3. Since receiving Notice of Violation No. 4000-07 on or about January 26, 2007, Arlington Outpost, LLC, has corrected the cited violations.
4. Arlington Outpost, LLC, agrees to pay a total of Three Thousand Dollars (\$3,000.00) to the Solid and Hazardous Waste Management Division as a stipulated penalty for the cited violations. Payment of Eight Hundred Dollars (\$800.00) shall be made within 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. Two Thousand Two Hundred Dollars (\$2,200.00) 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, 2007 and no later than January 1 of each year starting in 2008;
 - b. 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 Statistical Inventory Reconciliation records are to be maintained for every tank for every month. Records of all of these tests shall be maintained by Arlington Outpost, LLC for three (3) years;
 - d. Providing an Operator’s Annual Inspection (OAI) of this facility no later than January 30 of each year. The OAI includes: Having a functional test of the Automatic Line Leak Detectors on the pressurized lines no later than January 30, 2008 and every year thereafter no later than January 30. Records of these tests shall be maintained by Arlington Outpost, LLC for three (3) years;

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e. In the event that any month passes without a passing result on the Statistical Inventory Reconciliation for each tank, this indicates that a release may have occurred, as defined by Chapter 17, Section 16 (g). Inconclusive and failing results are not passing results. Arlington Outpost, LLC 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 (g). Arlington Outpost, LLC 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.

h. Within one year of the date of this Settlement Agreement, Jodi Newkirk shall take and pass the “Wyoming State Specific Laws Test” administered by the International Code Council.

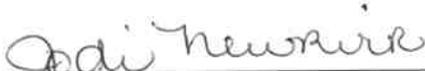
If Arlington Outpost, LLC complies fully with Chapter 17 for two (2) years from the date of this Settlement Agreement, Two Thousand Two Hundred Dollars (\$2,200.00) of this penalty shall be forgiven.

6. Arlington Outpost, LLC’s, full compliance with the terms of this Settlement Agreement shall constitute satisfaction for all claims by the DEQ against Arlington Outpost, LLC, based on the violations alleged in Notice of Violation No. 4000-07. Contingent upon Arlington Outpost, LLC’s compliance with the terms of this Settlement Agreement, the DEQ will refrain from taking further enforcement action against Arlington Outpost, LLC for these particular violations.
7. Arlington Outpost, LLC 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. 4000-07 in the event that Arlington Outpost, LLC 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 Arlington Outpost, LLC 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.

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12. The persons signing this Settlement Agreement certify that they are duly authorized to bind their respective parties to this Settlement Agreement.

FOR KIKS CHEVRON FOOD MART:



Jodi Newkirk,
Vice President

3/30/2007

Date

FOR THE WYOMING DEPARTMENT OF ENVIRONMENTAL QUALITY:



John V. Corra,
Director

4/18/07

Date



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

16 Apr 07

Date