



Department of Environmental Quality



To protect, conserve and enhance the quality of Wyoming's environment for the benefit of current and future generations.

Dave Freudenthal, Governor

John Corra, Director

April 9, 2007

Paul D. Conrad, P.E., P.G.
Sinclair Marketing, Inc.
550 East South Temple
Salt Lake City, UT 84102

Dear Mr. Conrad:

During discussions with you and Craig Anderson on March 27, 2007, you offered to settle this enforcement action for a penalty of One Thousand Dollars (\$1,000.00) to be paid within thirty (30) days of the execution of the Settlement Agreement and Six Thousand Dollars (\$6,000.00) to be stayed pending your full compliance for two (2) years.

Enclosed please find two signed copies of the final Settlement Agreement. Please have both of them signed by Mr. Rogers, and return one fully executed copy to this department. Please have this done no later than May 15, 2007.

If you have any questions concerning storage tanks or this negotiation, please do not hesitate to call me at (307) 777-7095, by FAX to (307) 777-5973 or by internet to blucht@state.wy.us.

Sincerely,

Robert Lucht, P.E. & P.G.
Storage Tank Program
Water Quality Division

xc: District Office

Herschler Building • 122 West 25th Street • Cheyenne, WY 82002 • <http://deq.state.wy.us>

ADMIN/OUTREACH
(307) 777-7758
FAX 777-3610

ABANDONED MINES
(307) 777-6145
FAX 777-6462

AIR QUALITY
(307) 777-7391
FAX 777-5616

INDUSTRIAL SITING
(307) 777-7369
FAX 777-6937

LAND QUALITY
(307) 777-7756
FAX 777-5864

SOLID & HAZ. WASTE
(307) 777-7752
FAX 777-5973

WATER QUALITY
(307) 777-7781
FAX 777-5973



SETTLEMENT AGREEMENT

The Wyoming Department of Environmental Quality, Solid and Hazardous Waste Management Division (DEQ) and Sinclair Marketing, Inc. (Sinclair); enter into this Settlement Agreement to fully and finally resolve without litigation the violations alleged in Notice of Violation No. 3997-07, dated January xx, 2007. Sinclair is the owner and operator of the underground storage tanks located at 820 West 16th Street, Cheyenne, WY 82009. This underground storage tank facility is registered with the DEQ as facility 0-000179. The Notice of Violation alleges that: 1) Sinclair failed to investigate when the Statistical Inventory Reconciliation was inconclusive for the unleaded tank in gasoline UST in August 2006. Sinclair 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; and 2) Sinclair failed to have a function test of the automatic line leak detectors when that test was due on October 19, 2006. These acts are violations of the Wyoming Water Quality Rules and Regulations (WWQRR), Chapter 17, Sections 14 (g)(1)(B), 16 (g) 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, Sinclair and the DEQ hereby stipulate and agree as follows:

1. The DEQ is responsible for enforcing the Act and Chapter 17, WWQRR.
2. Wyoming Water Quality Rules and Regulations (WWQRR) Chapter 17 Section 16 (g) states: "Statistical Inventory Reconciliation (SIR). All SIR methods shall: (iv) All "inconclusive" results shall be investigated by the owner and/or operator as soon as they are reported by the SIR company, including a complete audit of all input data. The owner and/or operator shall make every effort to resolve all "inconclusive" results as soon as they are reported." Also, WWQRR Chapter 17 Section 16 (g)(v) states: "Owners and/or operators using SIR shall report a suspected release and follow the requirements of Section 19 (c) of this chapter whenever: (A) Any single month is reported as a failure for the UST system by the SIR company; and (B) Any month is reported by the SIR company as "inconclusive" unless that inconclusive result has been resolved by re-submission of audited inventory numbers to the SIR company."
3. Sinclair owns and operates tanks located at 820 West 16th Street, Cheyenne, Wyoming and registered with the DEQ, as facility 0-000179. As part of the Operator's Annual Inspection Sinclair submitted SIR results for 2006 showing an inconclusive result for the unleaded gasoline tank for August 2006.
4. Since receiving the Notice of Violation No. 3997-07 on or about January 10, 2007, Sinclair has corrected the cited violations.
5. Sinclair agrees to pay a total of Ten Thousand Dollars (\$10,000.00) to the Water Quality 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. Five Thousand Dollars (\$5,000.00) 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:

SETTLEMENT AGREEMENT

- 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 Statistical Inventory Reconciliation is to be maintained every month until the automatic tank gauge required under paragraph 10 is fully installed. Records of all of these tests shall also be maintained by Sinclair for three (3) years;
- d. Providing an Operator's Annual Inspection (OAI) of this facility no later than August 15 of each year. The OAI includes: Having a functional test of the Automatic Line Leak Detectors on the pressurized lines no later than August 15, 2007 and every year thereafter no later than August 15. Records of these tests shall be maintained by Sinclair for three (3) years;
- e. In the event that the Statistical Inventory Control indicates that a release has occurred, as defined by Chapter 17, Section 16, then Sinclair agrees to immediately report a suspected release and follow all procedures called for in Chapter 17, Section 19 (c) and Section 20;
- f. If these tanks are removed, notification of 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 Sinclair complies fully with Chapter 17 for two (2) years from the date of this Settlement Agreement, then Five Thousand Dollars (\$5,000.00) of this penalty shall be forgiven.

7. Sinclair's full compliance with the terms of this Settlement Agreement shall constitute satisfaction for all claims by the DEQ against Sinclair based on the violations alleged in Notice of Violation No. 3997-07. Contingent upon Sinclair's compliance with the terms of this Settlement Agreement, the DEQ will refrain from taking further enforcement action against Sinclair for these particular violations.
8. Sinclair 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. 3997-07 in the event that Sinclair 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.
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 Sinclair Marketing, Inc. and all of its successors and assigns, and upon the DEQ.

SETTLEMENT AGREEMENT

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 SINCLAIR MARKETING, INC.:





Larry Rogers
General Manager, Retail Marketing

May 22, 2007

_____ Date

FOR THE WYOMING DEPARTMENT OF ENVIRONMENTAL QUALITY:



John V. Corra
Director

Apr 18, 2007

_____ Date



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

16 Apr 07

_____ Date