

SETTLEMENT AGREEMENT

The Wyoming Department of Environmental Quality, Solid and Hazardous Waste Management Division (DEQ) and Hillcrest Chevron enter into this Settlement Agreement to fully and finally resolve without litigation the violations alleged in Notice of Violation No. 4003-07 dated February 8, 2006. DSJ Holdings, Inc., d/b/a Hillcrest Chevron is the owner and operator of the underground storage tanks located at 1949 Harrison Drive, Evanston, Wyoming. This underground storage tank facility is registered with the DEQ as facility 0-001534. The Notice of Violation alleges that: 1) Hillcrest Chevron failed to have passing results on file for the automatic tank gauge for the entire months of May 2005, through May 2006. These acts are violations of the Wyoming Water Quality Rules and Regulations (WWQRR), Chapter 17, Sections 16 (c)(i) & (ii), 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, Hillcrest Chevron 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. Hillcrest Chevron owns and operates tanks located at 1949 Harrison Drive, Evanston, Wyoming and registered with the DEQ, as facility 0-001534. As part of an inspection conducted September 12, 2006, Hillcrest Chevron could only produce ATG results for July and August of 2006. No results were collected for the period May, 2005 through June, 2006. Hillcrest Chevron was also not conducting inventory control for these tanks.
3. Since receiving Notice of Violation No. 4003-07 on or about March 22, 2006, Hillcrest Chevron has corrected the cited violations.
4. Hillcrest Chevron 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 Five Hundred Dollars (\$500.00) shall be made within 30 days

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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. Nine Thousand Five Hundred Dollars (\$9,500.00) 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, Hillcrest Chevron shall perform inventory control in accordance with Chapter 17, Section 16(a). Records of all of these tests shall be maintained by Hillcrest Chevron 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 16, 2006 and every year thereafter no later than November 16. Records of these tests shall be maintained by Hillcrest Chevron 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. Hillcrest Chevron 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. Hillcrest Chevron 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.

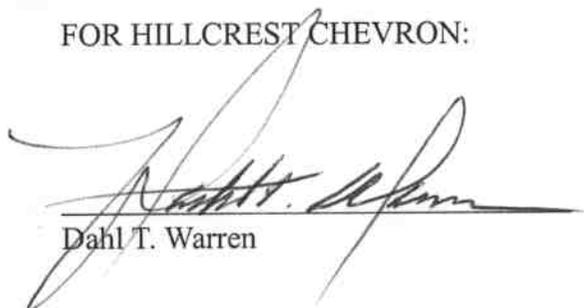
If Hillcrest Chevron complies fully with Chapter 17 for two (2) years from the date of this Settlement Agreement, Nine Thousand Five Hundred Dollars (\$9,500.00) of this penalty shall be forgiven.

6. Hillcrest Chevron's full compliance with the terms of this Settlement Agreement shall constitute satisfaction for all claims by the DEQ against Hillcrest Chevron based on the

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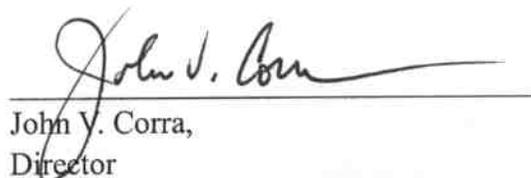
6. Hillcrest Chevron's full compliance with the terms of this Settlement Agreement shall constitute satisfaction for all claims by the DEQ against Hillcrest Chevron based on the violations alleged in Notice of Violation No. 4003-07. Contingent upon Hillcrest Chevron's compliance with the terms of this Settlement Agreement, the DEQ will refrain from taking further enforcement action against Hillcrest Chevron for these particular violations.
7. Hillcrest Chevron 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. 4003-07 in the event that Hillcrest Chevron 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 Hillcrest Chevron 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 HILLCREST CHEVRON:


Dahl T. Warren

4/26/07
Date

FOR THE WYOMING DEPARTMENT OF ENVIRONMENTAL QUALITY:


John V. Corra,
Director

5/10/07
Date


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

10 May 07
Date