

## SETTLEMENT AGREEMENT

The Wyoming Department of Environmental Quality, Solid and Hazardous Waste Management Division (DEQ) and Lock, Stock & Barrel, Inc. enter into this Settlement Agreement to fully and finally resolve without litigation the violations alleged in Notice of Violation No. 4169-07, dated November 7, 2007. Lock, Stock & Barrel, Inc., is the owner and operator of the underground storage tanks located at the I-25 Pitstop, 1857 West Mariposa Parkway, Wheatland, Wyoming. This underground storage tank facility is registered with the DEQ as facility 0-003413. The Notice of Violation alleges that: 1) Lock, Stock & Barrel, Inc. failed to have passing results on file for the automatic tank gauge for the premium tank since August 2006, and 2) Lock, Stock & Barrel, Inc. failed to report a suspected release when the automatic tank gauge failed to report a passing result for every month in 2007. These acts are violations of the Wyoming Water Quality Rules and Regulations (WWQRR), Chapter 17, Sections 11 (b), 16 (c) (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, Lock, Stock & Barrel, Inc. and the DEQ hereby stipulate and agree as follows:

1. The DEQ is responsible for enforcing the Storage Tank Act of 2007 and Chapter 17, WWQRR.
2. 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.”
3. Lock, Stock & Barrel, Inc. owns and operates tanks located at I-25 Pitstop at 1857 West Mariposa Parkway, Wheatland, Wyoming and registered with the DEQ as facility 0-003413. As part of an inspection conducted August 15, 2007, Lock, Stock & Barrel, Inc. could not produce ATG results for September 2006 through August 2007 for the premium tank.
4. Since receiving Notice of Violation No. 4169-07 on or about November 7, 2007, Lock, Stock & Barrel, Inc. has corrected the cited violations.
5. Lock, Stock & Barrel, Inc. agrees to pay a total of Five Thousand, Five Hundred Dollars (\$5,500.00) to the Solid and Hazardous Waste Management Division as a stipulated penalty

## SETTLEMENT AGREEMENT

for the cited violations. Payment of One Thousand Dollars (\$1,000.00) 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, 4<sup>th</sup> Floor West Wing, 122 W. 25<sup>th</sup> Street, Cheyenne, WY 82002.

6. Four Thousand, Five Hundred Dollars (\$4,500.00) 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 January 1, 2008, and January 1 of each year thereafter.

b. 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 (30) days thereafter. This means that passing automatic tank gauging records are to be maintained for every tank for every month. In addition, Lock, Stock and Barrel, Inc. shall perform inventory control in accordance with Chapter 17, Section 16 (a). Records of all tests shall be maintained by Lock, Stock and Barrel, Inc. for three (3) years.

c. Providing an Operator's Annual Inspection (OAI) of this facility no later than March 22, 2008, and every year thereafter no later than March 22. The OAI includes: A physical inspection of the entire facility, calibration of the ATG, having a functional test of the Automatic Line Leak Detectors on the pressurized lines, and submittal of the last twelve (12) months leak detection records. Records of all tests shall be maintained by Lock, Stock and Barrel, Inc. for three (3) years.

d. In the event that any month passes without a passing result on the automatic tank gauge for each compartment of each tank, a release may have occurred, as defined by Chapter 17, Section 16. Lock, Stock and Barrel, Inc. agrees to immediately report and investigate a suspected release, following all procedures in Chapter 17, Section 19(c) and Section 20.

e. In the event that any two (2) consecutive months pass with the inventory control failing for any compartment for any tank, a release may have occurred, as defined by Chapter 17, Section 16. Lock, Stock and Barrel, Inc. agrees to immediately report a suspected release and follow all procedures in Chapter 17, Section 19(c) and Section 20.

f. Providing a test by a cathodic protection tester of the sacrificial anode system on these tanks no later than March 22, 2009.

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 January 1 of each year.

If Lock, Stock and Barrel, Inc. complies fully with Chapter 17 for one (1) year from the date of this Settlement Agreement, Four Thousand, Five Hundred Dollars (\$4,500.00) of this penalty shall be forgiven.

7. Lock, Stock & Barrel, Inc.'s full compliance with the terms of this Settlement Agreement shall constitute satisfaction for all claims by the DEQ against Lock, Stock & Barrel, Inc. based on the violations alleged in Notice of Violation No. 4169-07. Contingent upon Lock,

## SETTLEMENT AGREEMENT

Stock & Barrel, Inc.'s compliance with the terms of this Settlement Agreement, the DEQ will refrain from taking further enforcement action against Lock, Stock & Barrel, Inc. for these particular violations.

8. Lock, Stock & Barrel, Inc. waives any statute of limitations that may apply to an enforcement action by the DEQ involving the specific matters described in Notice of Violation No. 4169-07 in the event that Lock, Stock & Barrel, Inc. 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 Lock, Stock & Barrel, Inc. and all of its successors and assigns, and upon the DEQ.
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 LOCK, STOCK & BARREL, INC.:

Jean A Lock  
Jean Lock  
Lock, Stock & Barrel, Inc.

12-17-07  
Date

FOR THE WYOMING DEPARTMENT OF ENVIRONMENTAL QUALITY:

John V. Corra  
John V. Corra,  
Director

12/18/07  
Date

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

12/18/07  
Date

a penalty check in the amount of One Thousand Dollars was received 12/18/07. Check # 002040 drawn on First State Bank of Wheatland.

John V. Corra