

SETTLEMENT AGREEMENT

The Wyoming Department of Environmental Quality, Solid and Hazardous Waste Management Division (DEQ) and Ben Reeves, d/b/a B & B Land Company (Mr. Reeves) and Homax Oil Sales, Inc. (Homax), enter into this Settlement Agreement to fully and finally resolve without litigation the violations alleged in Notice of Violation No. 4159-07, dated July 31, 2007. Mr. Reeves is the owner and Homax is the operator of the underground storage tanks (USTs) located at 521 East Boxelder Road, Gillette, Wyoming. This UST facility is registered with the DEQ as facility 0-004147. The Notice of Violation alleges that: 1) When passing automatic tank gauging results were not obtained for the premium unleaded gasoline UST for December 2006, January 2007 or February 2007, Mr. Reeves and Homax failed to report a suspected release within 24 hours; and 2) Mr. Reeves and Homax failed to investigate a suspected release when the automatic tank gauge failed to report a passing result in December 2006, January 2007 or February 2007. These acts are violations of the Wyoming Water Quality Rules and Regulations (WWQRR), Chapter 17, Sections 16 (c), 19 (c), and 20.

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, Mr. Reeves and Homax 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.

WWQRR Chapter 17, Section 16 (c), states: "Owners and/or operators using automatic tank gauging shall also: (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..."

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."

WWQRR, Chapter 17, Section 20, states: "*Release Investigation and Confirmation for Eligible Owners and/or Operators.* Owners and/or operators of storage tanks who are eligible for cleanup under the Corrective Action Account shall immediately investigate and confirm all suspected releases of regulated substances requiring reporting under Section 19 within seven (7) days of detection."

2. During an inspection conducted September 20, 2007, personnel from the DEQ requested tank leak detection records from Mr. Reeves and Homax. When these records were reviewed, it was discovered that there were no passing automatic tank gauging records for December 2006, January 2007 or February 2007 for the premium unleaded gasoline UST.
3. Since receiving Notice of Violation No. 4159-07 on or about August 2, 2007, Mr. Reeves and Homax have corrected the cited violations, and provided passing results for all time periods cited in the Notice of Violation
4. Mr. Reeves and Homax agree to pay a total of Five Hundred Dollars (\$500.00) to the DEQ as a stipulated penalty for the cited violations. Payment of Five Hundred Dollars (\$500.00) 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.

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- 5. Mr. Reeves' and Homax's full compliance with the terms of this Settlement Agreement shall constitute satisfaction for all claims by the DEQ against Mr. Reeves and Homax based on the violations alleged in Notice of Violation No. 4159-07. Contingent upon Mr. Reeves' and Homax's compliance with the terms of this Settlement Agreement, the DEQ will refrain from taking further enforcement action against Mr. Reeves and Homax for these particular violations.
- 6. This Settlement Agreement shall be admissible by either party without objection by the other party in any subsequent action between these parties.
- 7. Each party shall bear its own attorney fees and costs, if any, incurred through the date this Settlement Agreement is signed by all parties.
- 8. This Settlement Agreement is binding upon Mr. Reeves and Homax and all of their successors and assigns, and upon the DEQ.
- 9. 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.
- 10. The persons signing this Settlement Agreement certify that they are duly authorized to bind their respective parties to this Settlement Agreement.

FOR B & B LAND COMPANY:

Ben A. Reeves
Ben Reeves

1-16-08
Date

FOR HOMAX OIL SALES, INC.:

Darin W. Homer
Darin W. Homer

1/10/08
Date

FOR THE WYOMING DEPARTMENT OF ENVIRONMENTAL QUALITY:

John V. Corra
John V. Corra,
Director

1/8/08
Date

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

7 Jan 08
Date

Check # 65725 in the amount of Five Hundred Dollars (\$500⁰⁰) received 2/4/08 with this agreement

[Handwritten signature]