

SETTLEMENT AGREEMENT

The Wyoming Department of Environmental Quality, Solid and Hazardous Waste Management Division (DEQ) and Loaf N Jug - Mini Mart, Inc. (Mini Mart) d/b/a Loaf N Jug #105, enter into this Settlement Agreement to fully and finally resolve without litigation the violations alleged in Notice of Violation No. 4312-08, dated July 16, 2008. Mini Mart is the owner and operator of the underground storage tanks located at Loaf N Jug #105, 1900 East Second Street, Casper, Wyoming. This underground storage tank facility is registered with the DEQ as facility 0-004068. The Notice of Violation alleges that: 1) Mini Mart operated two Underground Storage Tanks (USTs) without obtaining a passing result from the Automatic Tank Gauge (ATG) for any month for seven (7) months. 2) Mini Mart uses ATG and Inventory Control as the leak detection methods for both USTs at Loaf N Jug #105. 3) No report of a suspected release was made for any of these failures, nor was any investigation done for any of these failures. These acts are violations of the Wyoming Water Quality Rules and Regulations (WWQRR) Chapter 17 Sections 16 (a), 16 (c) 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, Mini Mart and the DEQ hereby stipulate and agree as follows:

1. The DEQ is responsible for enforcing the Environmental Quality Act and Chapter 17, WWQRR.
2. Wyoming Water Quality Rules and Regulations (WWQRR), Chapter 17, Section 16 (a) states: “(a) *Inventory control*. Inventory control is never acceptable as a leak detection method except when it is combined with another method. Product inventory control (or another test of equivalent performance) shall be conducted monthly to detect a release of at least 1.0 percent (1%) of throughput plus one hundred thirty (130) gallons in the following manner: (i) Inventory volume measurements for regulated substance inputs, withdrawals, and the amount still remaining in the UST shall be recorded each operating day; (ii) The equipment used shall be capable of measuring the depth of regulated substance over the full range of the USTs height to the nearest one-eighth (1/8) of an inch; (iii) The regulated substance inputs shall be reconciled with delivery receipts by measurement of the UST inventory volume before and after delivery; (iv) Deliveries shall be made through a drop tube that extends to within six (6) inches of the Storage Tank bottom; (v) Dispensing of regulated substances shall be metered and recorded within the local standards for meter calibration or an accuracy of six (6) cubic inches for every five (5) gallons of regulated substance withdrawn; and (vi) Water in the bottom of the UST shall be measured to the nearest one-eighth (1/8) of an inch at least once a month. (vii) Owners and/or operators using inventory control may combine this method with tank tightness testing at least every five (5) years until December 22, 2008, or until ten (10) years after the UST itself first met the requirements of Section 6(a), whichever is sooner; (viii) Owners and/or operators using inventory control shall report a suspected release under Section 19(c) of this chapter whenever: (A) The inventory control fails to balance within 1.0 percent (1%) of total throughput plus one hundred thirty (130) gallons for the second consecutive month; (B) More than 20 daily readings are either positive or negative for the second consecutive month; or (C) A graph of the daily over/short readings shows a consistent non-zero trend for two (2) consecutive months.”

WWQRR, Chapter 17, Section 16 (c) states: “(c) *Automatic tank gauging (ATG)*. Equipment for automatic tank gauging that 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) of this section, unless: (A) the regulated substance is placed in the UST in batches of twenty-five (25) gallons or less; (B) the tank is used only to fuel an emergency power

SETTLEMENT AGREEMENT

- generator; (C) a passing result is obtained monthly from the Automatic Tank Gauge with the tank at least 85% full; (D) the automatic tank gauge itself reconciles the inventory to the same levels as required by paragraph (a)(i) of this section; or (E) 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.”
3. Mini Mart owns and operates tanks located at Loaf N Jug #105, Casper, Wyoming and registered with the DEQ, as facility 0-004068. During an inspection conducted May 20, 2008, it was discovered that Mini Mart did not have passing ATG results for either of the USTs for October 2007 through April 2008. No suspected releases were ever reported or investigated.
 4. Since receiving the Notice of Violation No. 4312-08 on or about July 21, 2008, Mini Mart has corrected the cited violations.
 5. Mini Mart agrees to pay a total of Forty-Thousand Dollars (\$40,000.00) to the Solid and Hazardous Waste Division as a stipulated penalty for the cited violations. Payment of Twenty-Thousand Dollars (\$20,000.00) shall be made within 30 days after execution of this Settlement Agreement. Payment of an additional Twenty-Thousand Dollars (\$20,000.00) shall be made by November 15, 2008. Payments 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. Mini Mart's full compliance with the terms of this Settlement Agreement shall constitute satisfaction for all claims by the DEQ against Mini Mart based on the violations alleged in Notice of Violation No. 4312-08. Contingent upon Mini Mart's compliance with the terms of this Settlement Agreement, the DEQ will refrain from taking further enforcement action against Mini Mart for these particular violations.
 7. Mini Mart 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. 4312-08 in the event that Mini Mart 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 Mini Mart and all of its successors and assigns, and upon the DEQ.

SETTLEMENT AGREEMENT

- 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 LOAF N JUG - MINI MART, INC.

Bill Jones
Bill Jones, Operations Manager

8/18/08
Date

FOR THE WYOMING DEPARTMENT OF ENVIRONMENTAL QUALITY:

John V. Corra
John V. Corra,
Director

8/13/08
Date

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

13 Aug 08
Date

Check # 100376778 drawn on Caldwell State Bank,
Caldwell, KS in the amount of Twenty Thousand
Dollars was received 9/2/08 with this
document. Phil Seltzer

Check # 100381350 drawn on Caldwell State
Bank, Caldwell, KS in the amount of
Twenty Thousand Dollars was received ~~9/2/08~~
10/31/08. Phil Seltzer