

SETTLEMENT AGREEMENT

The Wyoming Department of Environmental Quality Solid and Hazardous Waste Management Division (DEQ) and CFJ Properties (CFJ) d/b/a Flying J Travel Plaza, enter into this Settlement Agreement to fully and finally resolve without litigation the violations alleged in Notice of Violation No. 4366-08 dated October 23, 2008. CFJ is the owner and operator of the underground storage tanks located at Flying J Travel Plaza, 650 Stagecoach Drive, Rock Springs, Wyoming. This underground storage tank facility is registered with the DEQ as facility 0-003710. The Notice of Violation alleges that: 1) CFJ operated an underground storage tank (UST) without obtaining a passing result from the automatic tank gauge (ATG) for January, June, and July 2008; 2) CFJ uses ATG and Inventory Control as the leak detection methods for all of the USTs at Flying J Travel Plaza; 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, CFJ and the DEQ hereby stipulate and agree as follows:

1. The DEQ is responsible for enforcing the Environmental Quality Act and Chapter 17, WWQRR.

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 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.”

2. CFJ owns and operates tanks located at Flying J Travel Plaza, Rock Springs, Wyoming, and registered with the DEQ as facility 0-003710. During an inspection conducted September 16, 2008, it was discovered that CFJ did not have passing ATG results for UST number 6 for January, June, and July 2008. No suspected releases were reported or investigated.
3. Since receiving the Notice of Violation No. 4366-08 on or about October 31, 2008, CFJ has corrected the cited violations.
4. CFJ agrees to pay a total of Six Thousand, Five Hundred Dollars (\$6,500.00) to the Solid and Hazardous Waste Division as a stipulated penalty for the cited violations. Payment of Six Thousand, Five Hundred Dollars (\$6,500.00) shall be made within thirty (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.

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- 5. CFJ's full compliance with the terms of this Settlement Agreement shall constitute satisfaction for all claims by the DEQ against CFJ based on the violations alleged in Notice of Violation No. 4366-08. Contingent upon CFJ's compliance with the terms of this Settlement Agreement, the DEQ will refrain from taking further enforcement action against CFJ for these particular violations.
- 6. CFJ waives any statute of limitations that may apply to an enforcement action by the DEQ involving the specific matters described in the Notice of Violation, Docket Number 4366-08 in the event that CFJ fails to fulfill its obligations under this Settlement Agreement.
- 7. This Settlement Agreement shall be admissible by either party without objection by the other party in any subsequent action between these parties.
- 8. Each party shall bear its own attorney fees and costs, if any, incurred through the date this Settlement Agreement is signed by both parties.
- 9. This Settlement Agreement is binding upon CFJ and all of its successors and assigns, and upon the DEQ.
- 10. 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.
- 11. The persons signing this Settlement Agreement certify that they are duly authorized to bind their respective parties to this Settlement Agreement.

FOR CFJ PROPERTIES

[Signature] _____ 11-17-08 _____
 Eldon Riding, Compliance Manager Date
 Jeff Larson, Director, Safety & Environmental Health, Environmental

FOR THE WYOMING DEPARTMENT OF ENVIRONMENTAL QUALITY:

[Signature] _____ 12/20/08 _____
 John V. Corra, Date
 Director

[Signature] _____ 4 Dec 08 _____
 LeRoy C. Feusner, P.E., BCEE Date
 Administrator
 Solid and Hazardous Waste Management Division

check # 6499442 drawn on Wells Fargo bank in the amount of Six Thousand-Five Hundred Dollars (\$6500⁰⁰) was received with this document.

Settlement Agreement between CFJ Properties and the DEQ
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[Signature]