SOLID AND HAZARDOUS
WASTE DIVISION

JUL 2 0 2009

SETTLEMENT AGREEMENT

The Wyoming Department of Environmental Quality Solid and Hazardous Waste Management Division (DEQ) and Flying J, Inc. d/b/a Flying J Travel Plaza (Flying J), enter into this Settlement Agreement to fully and finally resolve without litigation the violations alleged in Notice of Violation No. 4436-09 dated March 20, 2009. Flying J is the owner and operator of the underground storage tanks located at Flying J Travel Plaza, 1920 Harrison Drive, Evanston, Wyoming. This underground storage tank facility is registered with the DEQ as facility 0-002833. The Notice of Violation alleges that: 1) Flying J operated underground storage tanks (USTs) 2, 3, and 6 without obtaining passing results from the Statistical Inventory Reconciliation (SIR) for January, and February 2008; 2) Flying J uses SIR and Automatic Tank Gauging (ATG) 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 (g) 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, Flying J 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 Statistical Inventory Reconciliation 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 SIR sometime during the month; or (B) A pattern becomes evident that the SIR 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. Flying J owns and operates tanks located at Flying J Travel Plaza, Evanston, Wyoming, and registered with the DEQ as facility 0-002833. During an inspection conducted February 26, 2009, it was discovered that Flying J did not have passing SIR results for UST number 6 for January and February 2008. No suspected releases were reported or investigated.

3. Since receiving the Notice of Violation No. 4436-09 on or about March 27, 2009, Flying J has corrected the cited violations. Flying J has shown that SIR reports were available for tank 6 for January and February 2008. In order to improve its compliance with leak detection at this facility, Flying J has installed interstitial monitoring sensors in all six (6) tanks.

4. Flying J agrees to pay a total of One Thousand, Five Hundred Dollars ($1,500.00) to the Solid and Hazardous Waste Division as a stipulated penalty for the cited violations. Payment of One Thousand, Five Hundred Dollars ($1,500.00) 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.

5. Flying J's full compliance with the terms of this Settlement Agreement shall constitute satisfaction for all claims by the DEQ against Flying J based on the violations alleged in Notice of Violation No. 4436-09. Contingent upon Flying J's compliance with the terms of this Settlement Agreement, the DEQ will refrain from taking further enforcement action against Flying J for these particular violations.

6. Flying J 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 4436-09 in the event that Flying J 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 Flying J 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 FLYING J, INC.

Jeff Larson — 7-7-09 Date
Director, Safety and Environmental Health

FOR THE WYOMING DEPARTMENT OF ENVIRONMENTAL QUALITY:

John V. Corra, — 6/24/09 Date
Director

LeRoy C. Feusner, P.E., BCEE — 22 June 09 Date
Administrator
Solid and Hazardous Waste Management Division

Ck # 847480 DRAWN ON WELLS FARGO BANK OF VAN WERT, OH IN THE AMOUNT OF FIFTEEN HUNDRED DOLLARS ($1500) WAS RECEIVED WITH THIS DOCUMENT