SOLID AND HAZARDOUS
WASTE DIVISION

DEC 16 2010

SETTLEMENT AGREEMENT

The Wyoming Department of Environmental Quality(DEQ), Solid and Hazardous Waste Division and R.J. and Linda Smith enter into this Settlement Agreement to fully and finally resolve without litigation the violations alleged in Notice of Violation No. 4698-10, dated June 29, 2010. R.J. and Linda Smith own and operate the underground storage tanks (USTs) at the Rapid Stop Conoco located at 565 West Highway 14, Sundance, Wyoming. This UST facility is registered with the DEQ as facility 0-003470. The Notice of Violation alleges that R.J. and Linda Smith failed to: monitor piping for releases, report a suspected release and investigate a suspected release. These acts are violations of the Wyoming Water Quality Rules and Regulations (WWQRR), Chapter 17.

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, R.J. and Linda Smith and the DEQ hereby stipulate and agree as follows:

1. The DEQ is responsible for enforcing the Storage Tank Act of 2007 and WWQRR, Chapter 17.

2. R. J. and Linda Smith committed the following violations of WWQRR, Chapter 17:

   Count 1: Failure to monitor piping for releases [WWQRR, Chapter 17, Section 14(g)]. As the owners and operators of underground storage tanks, R.J. and Linda Smith have violated WWQRR, Chapter 17, Section 14(g), by failing to monitor piping for releases.

   Count 2: Failure to report a suspected release [WWQRR, Chapter 17, Section 19(c)]. As the owners and operators of underground storage tanks, R.J. and Linda Smith have violated WWQRR, Chapter 17, Section 19(c), by failing to report a suspected release when their piping release detection method indicated a possible release.

   Count 3: Failure to investigate a suspected release [WWQRR, Chapter 17, Section 20]. As the owners and operators of underground storage tanks, R.J. and Linda Smith have violated WWQRR, Chapter 17, Section 20, by failing to investigate a suspected release when their piping release detection method indicated a possible release.

   Since receiving Notice of Violation No. 4698-10, R.J. and Linda Smith have corrected the preceding violations. They have also added additional leak monitoring devices to the piping system.

3. R.J. and Linda Smith agree to pay a total of $3,000.00 to the DEQ as a stipulated penalty for the cited violations.

   Payment of $1,500.00 shall be made within 60 days of signing 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: Oma Gilbreth, Herschler Building, 4th Floor West Wing, 122 W. 25th Street, Cheyenne, WY 82002.

4. R. J. and Linda Smith will be credited for completing the following supplemental environmental project(SEP) in lieu of paying the remaining $1,500.00:

   a. R.J. and Linda Smith have installed mechanical line leak detectors as an additional line leak detection method, at a cost exceeding $1,600.00.
   b. R.J. and Linda Smith agree to function test the mechanical line leak detectors and sump sensors every year when they perform an operator's annual inspection at the Rapid Stop Conoco.

5. R. J. and Linda Smith's full compliance with the terms of this Settlement Agreement shall constitute satisfaction for all claims by the DEQ against R. J. and Linda Smith based on the violations alleged in Notice of Violation No. 4698-10. Contingent upon R. J. and Linda Smith's compliance with the terms of this Settlement Agreement, the DEQ will refrain from taking further enforcement action against R. J. and Linda Smith for these particular violations.

6. R. J. and Linda Smith waive any statute of limitations that may apply to an enforcement action by the DEQ involving the specific matters described in Notice of Violation No. 4698-10 in the event that R. J. and Linda Smith fail to fulfill their 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 R. J. and Linda Smith, and all 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 R.J. AND LINDA SMITH:

Signature: _____ 12/7/2010

Name: R J Smith

12-10-10
Date

FOR THE WYOMING DEPARTMENT OF ENVIRONMENTAL QUALITY:

_____ 11/24/10
John V. Corra,
Director
Date

_____ 11/24/10
Carl Anderson, PhD
Administrator
Solid and Hazardous Waste Division
Date

Check # 8485