

MAR 11 2011

SETTLEMENT AGREEMENT

The Wyoming Department of Environmental Quality, Solid and Hazardous Waste Division (DEQ) and Petroleum Wholesale LP enter into this Settlement Agreement to fully and finally resolve without litigation the violations alleged in Notice of Violation No. 4720-10, dated September 8, 2010. Petroleum Wholesale LP is the owner and operator of the underground storage tanks (USTs) located at 1620 Elk Street, Rock Springs, Wyoming. This UST facility is registered with the DEQ as facility 0-001285. The Notice of Violation alleges that Petroleum Wholesale LP failed to test the interstitial probes and sump sensors, failed to document monthly compliance with required leak detection methods, and failed to use interstitial monitoring for tank and line leak detection. 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, Petroleum Wholesale LP 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. Petroleum Wholesale LP committed the following violations of WWQRR, Chapter 17:

Count 1: Failure to test the operation of the interstitial probes and sump sensors annually during the Operator's Annual Inspection (OAI) [WWQRR, Chapter 17, Section 13(e)(iii)(C)]. As the owner and operator of USTs, Petroleum Wholesale LP violated WWQRR, Chapter 17, Section 13(e)(iii)(C), by not testing the interstitial probes and sump sensors during the OAI.

Count 2: Failure to document monthly compliance with the required leak detection methods and maintain records of those leak detection methods [WWQRR, Chapter 17, Section 13(e)(v)]. As the owner and operator of USTs, Petroleum Wholesale LP violated WWQRR, Chapter 17, Section 13(e)(v), by not documenting monthly compliance with the required leak detection methods and not maintaining records of the operation of those leak detection methods for three (3) years.

Count 3: Failure to use interstitial monitoring and sump sensors for tank and line leak detection [WWQRR, Chapter 17, Section 14(h)]. As the owner and operator of USTs, Petroleum Wholesale LP violated WWQRR, Chapter 17, Section 14(h), by not utilizing interstitial monitoring and sump sensors for tank and line leak detection.

3. In lieu of a financial penalty:
 - a. Petroleum Wholesale LP agrees to repair and continuously maintain the Automatic Tank Gauge (ATG) system in a fully functional condition. Petroleum Wholesale LP agrees to train on site employees on the proper operation and maintenance of the ATG and associated leak detection equipment. The training shall be documented and maintained on site. All sump sensors shall be placed within one-half (1/2) inch of the bottom of the sump.
 - b. Petroleum Wholesale LP agrees to modify the ATG system to shut off all turbines in the event a leak is detected by any of the sump sensors or interstitial sensors. The system modifications shall be in place and operational by March 1, 2011. Petroleum Wholesale LP shall test each sump sensor and interstitial probe as part of the installation. Petroleum Wholesale LP shall notify the DEQ at least fifteen (15) working days in advance of the date that the ATG system will be modified to ensure that DEQ personnel are on site to witness operational testing of the system.
 - c. At a minimum, Petroleum Wholesale LP agrees to test the sump sensors and interstitial probes for proper operation annually by manually tripping the sensors. The results will be submitted to the DEQ in addition to other required documentation with the Operator's Annual Inspection. Documentation of the testing shall include verification that the turbines shut down as a result of tripping the interstitial probes and sump sensors.

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4. Petroleum Wholesale LP's full compliance with the terms of this settlement agreement shall constitute satisfaction for all claims against Petroleum Wholesale LP, based on the violations alleged in Notice of Violation Docket Number 4720-10. Contingent upon Petroleum Wholesale LP's compliance with the terms of this settlement agreement, the DEQ will refrain from taking any further action against Petroleum Wholesale LP for these particular violations.
5. Petroleum Wholesale LP 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. 4720-10 in the event that Petroleum Wholesale LP fails to fulfill its obligations under this Settlement Agreement.
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 both parties.
8. This Settlement Agreement is binding upon Petroleum Wholesale LP and all its 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 PETROLEUM WHOLESAL LP:

Signature: Chris Smith

Date 03/08/11

Name: Chris Smith

FOR THE WYOMING DEPARTMENT OF ENVIRONMENTAL QUALITY:

John V. Corra
John V. Corra,
Director

Date 1/7/11

Carl Anderson
Carl Anderson, PhD
Administrator
Solid and Hazardous Waste Division

Date 1/7/11