SETTLEMENT AGREEMENT

The Wyoming Department of Environmental Quality, Solid and Hazardous Waste Division (DEQ), and Panhandle Cooperative Association enter into this Settlement Agreement to fully and finally resolve without litigation the violations alleged in Notice of Violation No. 4957-12, dated February 29, 2012. Panhandle Cooperative Association is the owner and operator of the underground storage tanks (USTs) located at West Highway 26, Torrington, Wyoming. This UST facility is registered with the DEQ as facility 0-002378. The Notice of Violation alleges that Panhandle Cooperative Association failed to provide a method of line leak detection on a pressurized line system and failed to have an operable automatic line leak detector. These acts are violations of 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, Panhandle Cooperative Association 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. Panhandle Cooperative Association committed the following violations of WWQRR, Chapter 17:

   A. Count 1: Failure to Provide a Method of Leak Detection on a Pressurized Line System [WWQRR, Chapter 17, Section 14(a)]: As owner and operator of underground storage tanks, Panhandle Cooperative Association has violated WWQRR, Chapter 17, Section 14(a), by failing to provide a form of line leak detection on the unleaded plus system.

   B. Count 2: Failure to Provide an Operable Automatic Line Leak Detector [WWQRR, Chapter 17, Section 14(g)(i)(B)]: As owner and operator of underground storage tanks, Panhandle Cooperative Association has violated WWQRR, Chapter 17, Section 14(g)(i)(B), by failing to provide an automatic line leak detector capable of alerting the owner to the presence of a leak or shutting off the flow of regulated substances through the piping.

3. Since receiving the Compliance Inspection Report on or about January 30, 2012, Panhandle Cooperative Association has corrected the preceding violations.

4. The total penalty for the cited violations shall be two thousand dollars ($2,000.00). Panhandle Cooperative Association agrees to pay a total of two thousand dollars ($2,000.00) to the DEQ as a stipulated penalty for the cited violations. Payment of two thousand dollars ($2,000.00) shall be made and returned with 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.

5. Panhandle Cooperative Association's full compliance with the terms of this Settlement Agreement shall constitute satisfaction for all claims by the DEQ against Panhandle Cooperative Association based on the violations alleged in Notice of Violation No. 4957-12. Contingent upon Panhandle Cooperative Association's compliance with the terms of this Settlement Agreement, the DEQ will refrain from taking further enforcement action against Panhandle Cooperative Association for these particular violations.

6. Panhandle Cooperative Association 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. 4957-12 in the event that Panhandle Cooperative Association 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 Panhandle Cooperative Association 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 PANHANDLE COOPERATIVE ASSOCIATION:

Signature: _____ _____
Date

Name: _____
Panhandle Cooperative Association

FOR THE WYOMING DEPARTMENT OF ENVIRONMENTAL QUALITY:

_____ 7/11/12
John V. Corra, Date
Director

_____ 7/6/12
Carl Anderson, PhD Date
Administrator
Solid and Hazardous Waste Division