SOLID AND HAZARDOUS
WASTE DIVISION
MAR 0 4 2013

# SETTLEMENT AGREEMENT

The Wyoming Department of Environmental Quality, Solid and Hazardous Waste Division (DEQ) and CHS Inc. enter into this Settlement Agreement to fully and finally resolve without litigation the violations alleged in Notice of Violation No. 5101-13, dated January 16, 2013. CHS Inc. is the owner and operator of the underground storage tanks (USTs) at Zip Trip #67, which is located at 3476 East Second Street, Casper, Wyoming. This UST facility is registered with the DEQ as facility 0-003923. The Notice of Violation alleges that CHS Inc. had failed to report and investigate a suspected release on three separate occasions. These 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, CHS Inc. 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. CHS Inc. committed the following violations of WWQRR, Chapter 17:

   **Count 1: Failure to Report and Investigate a Suspected Release: [WWQRR, Chapter 17, Section 16(a)(viii)].** As the owner and operator of the USTs located at Zip Trip #67, CHS Inc. violated WWQRR, Chapter 17, Section 16(a)(viii), by failing to report and investigate a suspected release when the inventory control records for the diesel tank failed to balance during the months of July and August 2012.

   **Count 2: Failure to Report and Investigate a Suspected Release: [WWQRR, Chapter 17, Section 16(a)(viii)].** As the owner and operator of the USTs located at Zip Trip #67, CHS Inc. violated WWQRR, Chapter 17, Section 16(a)(viii), by failing to report and investigate a suspected release when the inventory control records for the premium tank failed to balance during the months of June and July 2012.

   **Count 3: Failure to Report and Investigate a Suspected Release: [WWQRR, Chapter 17, Section 16(a)(viii)].** As the owner and operator of the USTs located at Zip Trip #67, CHS Inc. violated WWQRR, Chapter 17, Section 16(a)(viii), by failing to report and investigate a suspected release when the inventory control records for the premium tank failed to balance during the months of August and September 2012.

3. The total penalty for the cited violations shall be two thousand, five hundred dollars ($2,500.00). CHS Inc. agrees to pay a total of two thousand, five hundred dollars ($2,500.00) to the DEQ as a stipulated penalty for the cited violation. Payment of two thousand, five hundred dollars ($2,500.00) 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.

4. CHS Inc.'s full compliance with the terms of this Settlement Agreement shall constitute satisfaction for all claims by the DEQ against CHS Inc. based on the violations alleged in Notice of Violation No. 5101-13. Contingent upon CHS Inc.'s compliance with the terms of this Settlement Agreement, the DEQ will refrain from taking further enforcement action against CHS Inc. for these particular violations.

5. CHS Inc. 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. 5101-13 in the event that CHS Inc. 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 CHS Inc. and all its successors and assigns and upon the DEQ.

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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 CHS INC.:

Signature: _____ 2-27-13
Date

Name: Rick Bates CFO
CHS Inc.

FOR THE WYOMING DEPARTMENT OF ENVIRONMENTAL QUALITY:

_____ 2/15/2013
Todd Parfitt,
Director
Date

_____ 2/15/2013
Carl Anderson, PhD
Administrator
Solid and Hazardous Waste Division
Date

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