



Katie Hobbs
Governor

Arizona Department of Environmental Quality



Karen Peters
Cabinet Executive Officer
Executive Deputy Director

July 18, 2024

Alan Cubberley
Circle K Stores Inc.
1100 Situs Court, Suite 100
Raleigh, NC 27606

Anthony Bell
Circle K Stores Inc.
P.O. Box 52085
Phoenix, AZ 85072

Re: LUST Incident Source & Cause Discrepancies; Circle K Store #2705326 (0-009194)

Dear Mr. Cubberley & Mr. Bell,

On May 20, 2024, the Arizona Department of Environmental Quality (ADEQ) received a report titled *90-Day Confirmed Release Report* associated with the leaking underground storage tank (LUST) case file #5953.01. While this report satisfied the administrative requirements of the regulatory report per Arizona Administrative Code (A.A.C.) R18-12-261(D), as noted in email correspondence dated May 24, 2024, ADEQ has concerns regarding incongruencies between the reported estimated volume lost and the incident source & cause.

Based upon the report and other information provided to date, it is ADEQ's understanding that Circle K Stores Inc. has reported that the release incident was caused by a failed fitting on the submersible turbine pump (STP) for Tank #1 that resulted in a reported 86,000 gallons of fuel released over the course of an 18 day period from December 15, 2023 to January 3, 2024, when the failed fitting was identified and repaired. Further, ADEQ understands that Circle K Stores Inc. has estimated the volume of fuel released based upon review of fuel inventory reconciliation logs. In a document detailing a chronology of the incident dated March 6, 2024, Circle K Stores Inc. reported system alarm conditions and erratic operating conditions for the dispensers. On multiple occasions during this time, Circle K technicians and 3rd-party vendors visited the site and conducted inspections/work on the system. Since January 3rd, Circle K Stores Inc. has conducted and reported the results of UST system integrity testing demonstrating that the system was operating within appropriate conditions after the reported incident.

While the 90-Day Confirmed Release Report meets all administrative requirements for this regulatory report, ADEQ cannot concur with the reported nature and magnitude of this release incident as stated by Circle K Stores Inc. This comes after extensive review of the information provided by Circle K Stores Inc. from UST system operation, repairs, and testing, as well as the environmental data collected during the investigation and remediation activities. ADEQ has

verified from fuel inventory reconciliation logs and fuel delivery records that there was a relative increase in fuel delivery frequency during the December 15, 2023 to January 3, 2024 time frame; however, ADEQ has not been able to verify volume of fuel dispensed from the system during this time through a separate line of evidence. System testing records following the incident demonstrate that neither the tank nor associated piping experienced a breach that resulted in a large volume release during this period. The repeated site visits and system inspections conducted by technicians and 3rd party vendors also do not support a release of this magnitude during the time frame as fuel would have been present within the STP sump, the UST basin monitoring well, and/or overflowing onto the paved area. Soil remediation data documents contaminant mass being successfully removed and treated from the subsurface immediately beneath the UST basin. However, the rate of contaminant mass removal does not support the presence of a large body of gasoline in the subsurface resulting from a catastrophic release. The environmental data and operational information reported to ADEQ for this incident to date confirms that a release of fuel from the system did occur, but much less than the 86,000 gallons reported in multiple filings to date.

Circle K Stores Inc. will be required to address this discrepancy in order to obtain approval of site characterization. This can be accomplished through either reporting within the Site Characterization Report of robust environmental data confirming the presence and full delineation of the 86,000 gallons of fuel reportedly lost or by revising the estimated volume lost to reconcile with a detailed discussion of the available operational and environmental data.

Sincerely,

DocuSigned by:
Christopher Marks
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