



RICK SNYDER  
GOVERNOR

STATE OF MICHIGAN  
DEPARTMENT OF ENVIRONMENTAL QUALITY  
CADILLAC DISTRICT OFFICE



C. HEIDI GREYER  
DIRECTOR

March 10, 2017

3-10-17  
COPIED

Mr. Robert Tipsword  
Core Energy, LLC  
1011 Noteware Drive  
Traverse City, Michigan 49735

SRN: N5798, Otsego County

Dear Mr. Tipsword:

**VIOLATION NOTICE**

On February 15, 2017, the Department of Environmental Quality (DEQ), Air Quality Division (AQD), conducted an inspection of the Chester 10 CO2 Injection facility located at SW SW Section 10, T29N R2W, Otsego County, Michigan. The purpose of this inspection was to determine Core Energy, LLC's compliance with the requirements of the federal Clean Air Act; Part 55, Air Pollution Control, of the Natural Resources and Environmental Protection Act, 1994 PA 451, as amended (Act 451); the Air Pollution Control Rules; and the conditions of Permit to Install (PTI) number 575-95D;

Process Description	Rule/Permit Condition Violated	Comments
EUENGINE2 - NOx emission limit of 10.96 tons per year (tpy), based on a 12 month rolling time period	PTI 575-95D, SC I.2	Actual emissions exceeded limit (as high as 12.14 tpy, based on a 12 month rolling time period)
EUENGINE1 - NOx emission limit of 11.42 tpy, based on a 12 month rolling time period	PTI 575-95D, SC I.1	Actual emissions exceeded limit (as high as 12.65 tpy, based on a 12 month rolling time period)
EUENGINE1 - CO emission limit of 11.42 tpy, based on a 12 month rolling time period	PTI 575-95D, SC I.5	Actual emissions exceed limit (as high as 45.32 tpy, based on a 12 month rolling time period)

During this inspection, it was noted that Core Energy, LLC has installed an additional engine and generator set at this facility. Potential to emit calculations performed by AQD staff indicate NO<sub>x</sub> emissions from the engine exceed the significant threshold of 40 tons per year and a Permit to Install is necessary. Installation and operation of equipment prior to obtaining a PTI is a violation of Act 451, Rule 201.

Please initiate actions necessary to correct the cited violations and submit a written response to this Violation Notice by March 29, 2017. The written response should include: the dates the violations occurred; an explanation of the causes and duration of

the violations; whether the violations are ongoing; a summary of the actions that have been taken and are proposed to be taken to correct the violations and the dates by which these actions will take place; and what steps are being taken to prevent a reoccurrence.

If Core Energy, LLC believes the above observations or statements are inaccurate or do not constitute violations of the applicable legal requirements cited, please provide appropriate factual information to explain your position.

Thank you for your attention to resolving the violations cited above. If you have any questions regarding the violations or the actions necessary to bring this facility into compliance, please contact me at the number listed below.

Sincerely,



Shane Nixon  
Senior Environmental Engineer  
Air Quality Division  
231-876-4413

cc/via e-mail: Ms. Lynn Fiedler, DEQ  
Ms. Mary Ann Dolehanty, DEQ  
Mr. Christopher Ethridge, DEQ  
Mr. Thomas Hess, DEQ