

DEPARTMENT OF ENVIRONMENTAL QUALITY
AIR QUALITY DIVISION
ACTIVITY REPORT: On-site Inspection

N607861594

FACILITY: Lambda Energy Resources LLC - Springdale 28		SRN / ID: N6078
LOCATION: HEALY LAKE RD, KALEVA		DISTRICT: Cadillac
CITY: KALEVA		COUNTY: MANISTEE
CONTACT: Vicki Kniss , Environmental Affairs Manager		ACTIVITY DATE: 01/20/2022
STAFF: Kurt Childs	COMPLIANCE STATUS: Compliance	SOURCE CLASS: MINOR
SUBJECT: Compliance Inspection.		
RESOLVED COMPLAINTS:		

I conducted an inspection of this true minor source to determine compliance with Air Pollution Control Rules. This source was previously permitted under PTI 631-96A which was voided in 2012 after the compressor engine was replaced with an electric motor and the glycol dehydrator was replaced with a desiccate gas drying system. Heaters at the facility were determined to be exempt under R336.1282(b)(i).

At the time of the inspection the weather was overcast, 16 degrees F with calm winds. There were no visible emissions or odors detected. This is a fairly large CPF area-wise and there are multiple wells entering the facility including one that is adjacent to the CPF. The compressor building contained one compressor being operated by a large electric motor.

The dehydrator building had both the red and yellow lights lit so I did not enter the building. Following the inspection I notified Lambda of this condition. As previously noted the dehy was replaced with a desiccate gas drying system and some of the vessels from the dehy system were being used by the desiccate system. However, records provided in conjunction with the inspection indicated that the dehydrator was in use and this was confirmed by Mr. Nick Summerland of Lambda Energy.

The glycol dehydrator did not appear to meet any PTI exemptions. Gas produced is not from the Antrim formation, this is not an oil well site under the original intent of the exemption, there is not a condenser or incinerator for control, HAP and VOC emissions are too great to meet Rule 290 (per the 631-96A permit application). However, recent AQD desicions (see N6279 PTI APP202100143) determined that if an oil well is present at a CPF it can be considered an "oil well site". Under this precedent the dehy could be PTI exempt per R 336.1288(2)(b)(i) if it were controlled by a condenser or other equivalent control equipment.

Following the inspection I contacted Mr. Summerland and he confirmed that there was not a condenser, but that the flash tank was vented to suction side of the compressor. As a result, vapors from the dehy would be combined with the pipeline gas, not emitted to the atmosphere thus meeting the equivalent control requirement for the exemption under this interpretation.

This source produces gas from the Niagaran formation. An Iron sponge is used to remove H2S from the gas produced on-site prior to its use as fuel on-site or sale to the pipeline.

There were three heaters at this site and one was operating. As noted during previous inspections, all are rated at less than 50 MMbtu/hr. This is consistent with the exemption requirements for each of these processes. There were also 5 tanks on site, all meeting the exemption requirements of Rule 284 (e).

As a result of my inspection, and given the above exemption discussion, it appears the source remains in compliance with the Air Pollution Control Rules.

NAME 

DATE _____

SUPERVISOR _____