DEPARTMENT OF ENVIRONMENTAL QUALITY
AIR QUALITY DIVISION
ACTIVITY REPORT: Scheduled Inspection

N608834697

FACILITY: MERIT ENERGY COMPANY - CASE 33 CPF		SRN / ID: N6088
LOCATION: WALTER WAY, HAWKS		DISTRICT: Gaylord
CITY: HAWKS		COUNTY: PRESQUE ISLE
CONTACT:		ACTIVITY DATE: 05/24/2016
STAFF: Bill Rogers	COMPLIANCE STATUS: Compliance	SOURCE CLASS: SM OPT OUT
SUBJECT: Scheduled inspection and records review for FCE		
RESOLVED COMPLAINTS:		

On March May 24, 2016, I inspected the Merit Energy Corporation Case 33 facility, in Case Township, Presque Isle County, southwest of Millersburg. I had also previously asked the company to send me the records required by this facility's Permit to Install No. 646-96. I had also previously requested facility records as required by their permit.

The inspection and review of the records did not reveal any violations of air quality regulations at this facility. I did see what I believed to be an ongoing leak of oilfield brine. I referred this to OGS for follow-up as appropriate.

Permit 646-96, Special Conditions 13 and 14, require keeping records of the following. Ms. Vicki Kniss of Merit Energy provided the records for October 2015-March 2016 when I requested them. Copies of these records are attached.

Monthly fuel consumption in million cubic feet: 2.2 MMCF in March 2016, 29.8 MMCF in the 12 month rolling time period ending in March.

Hydrocarbon liquid trucked: 165 barrels

Glycol circulation rate: 0.2 gallons per minute

Oil and gas produced per month: 1032 barrels of crude oil, 4,556 million cubic feet natural gas produced

The facility contains a compressor with catalytic oxidizer. As we requested, Merit provided us with a catalyst data sheet; the starting page of the spreadsheet is attached. The spreadsheet includes daily temperature readings up to the date of the report. Temperature is increasing across the catalytic oxidizer, which indicates that the oxidizer is probably operating properly.

The facility also includes a glycol dehydrator, six large process heaters which might be gas heaters, heater treaters, or (most likely) some of each, and some tanks. There are eight 400-barrel sized tanks, four of which are labeled as produced water and four as crude oil. Near the truck load-out was a drum on stilts tank labeled Techisperse. Near the compressor shed I saw a drum on stilts tank labeled methyl alcohol.

There were also two propane-style tanks of about 5 feet diameter and 25 feet length, labeled "Compressed air."

Three of the six process heaters seemed to be hissing/roaring faintly, as if they were operating. The other three were not. At least one hadn't for a long time; evidence for this was a tree growing out of its shell.

The exhaust from the compressor engine exits through the side of its building to a catalytic oxidizer outside. After that is a horizontal muffler. The exhaust from the muffler goes to an elbow that redirects it unobstructed vertically upward. I estimated the exhaust as about eight inches diamerter and 20 feet above ground.

The engine was operating. I couldn't read the instrument panel, but data recorded on a clipboard said 641 RPM, engine water temperature 198 degrees f, engine oil temperature 181 degrees f, engine oil pressure 39 PSI.

The dehydrator had no opacity or odors. I couldn't tell if it was operating. The burner stack has a cap. It is 6 inches diameter and appears to be about 24 feet above ground level at the exhaust. The still vent looked about 2 inches diameter, unobstructed vertically upward at about 20 feet.

The permit does not require them to have a Malfunction Abatement Plan, but in accord with our discussions with the Michigan Oil and Gas Association such a plan is necessary anyway in order to ensure proper functioning of any control equipment on site. Merit submitted a Malfunction Abatement Plan on August 7, 2007. The AQD approved this plan.

At the truck load out, I saw something white on the ground and investigated. There was a thin constant spray of water coming from the cap of one of the truck load out pipes. The water was filling a berm structure beneath it, and also dripping on the concrete pad, which has a drain in it. The white material appeared to be a crust of crystals, so I believe the water was oilfield brine. I reported this matter to Andy Stempky of OGS for follow-up as they consider appropriate.

NAME William J Rogers L. DATE 9/28/2016 SUPERVISOR