

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

N608853789

FACILITY: Lambda Energy Resources, LLC - CASE 33		SRN / ID: N6088
LOCATION: WALTER HWY, MILLERSBURG		DISTRICT: Gaylord
CITY: MILLERSBURG		COUNTY: PRESQUE ISLE
CONTACT:		ACTIVITY DATE: 06/01/2020
STAFF: Bill Rogers	COMPLIANCE STATUS: Compliance	SOURCE CLASS: SM OPT OUT
SUBJECT: Field inspection for FCE		
RESOLVED COMPLAINTS:		

On June 1, 2020, I inspected the Lambda Resources Case 33 facility, located southwest of Millersburg. I did not find any violations of their Permit to Install Number 646-96 or of Air Quality Rules.

The facility was not operating at the time of my inspection. Many oil and gas facilities seem not to be operating at the moment, perhaps because of the recent low prices for petroleum products.

Permit 646-96, Special Condition 19, requires good maintenance for production and emission control equipment. Maintenance of any equipment which Have seen operating in previous inspections appeared to be fair. Some equipment is clearly out of use; it is poorly maintained, but if not used this is not a violation of the Permit.

Special Condition 20 requires pollution control devices on petroleum storage tanks, under certain conditions, if their volume is greater than 952 barrels. The largest tanks I saw were of the standard 400 barrel oil field size, so this condition does not apply.

Special Condition 24 prohibits processing sour gas. I did not see or smell anything which would lead me to believe that sour gas was being processed at this facility.

#### COMMENTS

When I arrived on site, the facility was silent. Nothing seemed to be operating. There was a mild petroleum odor. There was no opacity.

When I walked around the site I didn't see any spills or leaks. I didn't see any stained soils that would lead me to believe that there had been spills or leaks in the past. I did see some oil staining on the truck load out pad, a concrete pad where trucks park when loading liquids. The staining did not extend beyond the concrete.

As the facility is large and open with much equipment, and as I had a decent aerial photograph, I took the opportunity to walk around the facility and note the type and location of equipment present. A copy of the photograph, with points of interest labeled should be attached.

IN: The entrance drive with gate. The drive comes south off of Walter Highway, a gravel road that leaves the paved Rainy Lake Road about a mile west of the facility.

TRUCK LOADING PAD: A pad for loading liquid onto trucks, with hose fittings. The concrete pad was stained.

1: Two 400 barrel storage tanks, moderately rusty, labeled Produced Water. They are vented to the atmosphere about 18 feet above ground level, from a horizontal pipe. I estimated its exhaust height by comparing the distance from the equipment above to its shadow on the ground, compared with the length of my own shadow. Inside the same bermed area with item 2, below.

2: Six 400 barrel tanks, varying in condition from good to very rusty. They are labeled as Crude Oil. They

are vented the same way as the "produced water" tanks at item 1, above. Located inside a berm along with the produced water tanks. I could not see whether the berm was lined. It had some shredded plastic inside it, on and in the gravel base of the bermed area, which may or may not have had anything to do with a berm liner.

3: Header shed. Pipes which (I have been told) come from various wells and end here join the header that distributes things to facility equipment. No air pollution sources here that I know of.

#### 4. Outhouse

5: Vertically vented tank labeled "Caution, Sudden Gas Release." Surrounded by a lined metal berm. I presume this is a blowdown device used to safely vent gas when it is necessary to do so.

6: Drum on stilts tank, labeled methyl alcohol; the sight gauge reads as high as 510 gallons.

7: Compressor shed. This appears to be unchanged from previous inspections. The compressor was not operating.

8: Methyl alcohol tank same as 6 above.

9: Dehy shed. The burner stack exhausts about 20 feet above ground level with a flat cap. Stack diameter is about 8 inches. The burner is labeled as having 200,000 btu per hour capacity. The burner and stack were cold to the touch. What appears to be the still vent goes to what appears to be a condenser, then exhausts unobstructed vertically upward to the atmosphere from a pipe about 3 inches diameter ending about 15 feet above ground level.

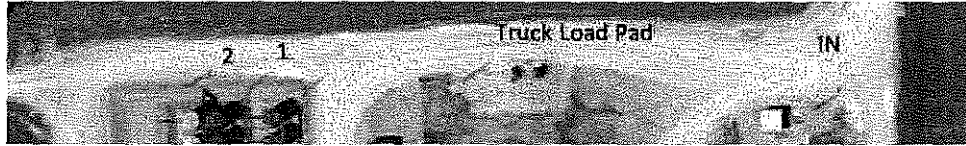
10: Two heater treaters or inline heaters which are out of service. The east one of this pair has part of the burner missing and is cold. The west one has the burner missing and the exhaust stack missing. Both are insulated by a concrete-like material which is crumbling away. I stayed away from this in case it contained asbestos.

11: A heater treater or inline heater similar to the two of Item 10 above, but apparently intact. It is inside a lined wooden berm. It was not operating; the burner was cold.

12: Three individual models of heater treater or inline heater of various designs and sizes. All were not operating. All were cold. They appeared to be intact.

I tried to read builder's plates on these various process heaters, but I didn't find any I could read. Therefore I do not know their heat capacity. Guessing, based on the overall size of the units, I don't think any of them exceed 10 million btu per hour heat input.





William J. Rogers Jr. Digitally signed by William J. Rogers Jr.  
Date: 2020.06.05 09:48:15 -04'00'

NAME \_\_\_\_\_

Shane Nixon Digitally signed by Shane Nixon  
Date: 2020.06.05 09:48:52 -04'00'

SUPERVISOR \_\_\_\_\_

DATE \_\_\_\_\_