

STATE OF MICHIGAN DEPARTMENT OF ENVIRONMENTAL QUALITY SAGINAW BAY DISTRICT OFFICE



October 30, 2014

Mr. Jon Reynolds, President Tuscola Energy, Inc 7998 M-25 Akron MI 48701-9773

SRN: N7954, Tuscola County

Dear Mr. Reynolds:

VIOLATION NOTICE

On October 16, 2014, the Department of Environmental Quality (DEQ) visited your McPherson 1 crude oil production facility located in Wisner Township, Michigan. The purpose of this inspection was to determine your facility's compliance with the requirements of the federal Clean Air Act and Part 55, Air Pollution Control, and Office of Oil Gas and Minerals (OOGM) Part 615, Supervisor of Wells, of the Natural Resources and Environmental Protection Act, 1994 PA 451, as amended (Act 451).

During the visit, the following violation was noted:

Process Description	Rule/Permit Condition Violated	Comments
McPherson 1 Crude oil production facility	AQD PTI 14-09D VI 1 & 2	Records did not have a recent H2S concentration.

OOGM violation

Process Description	Rule/Permit Condition Violated	Comments
McPherson Site ID sign	OOGM 324.1012	ID sign faces away from direct access

Please initiate actions necessary to correct the cited violations and submit a written response to this Violation Notice by November 20, 2014. 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 Tuscola Energy Inc. 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 telephone number below, or via correspondence addressed to Air Quality Division, 401 Ketchum Street, Suite B, Bay City, Michigan 48708.

Sincerely,

Ben Witkopp

Ben Littopp

Environmental Engineer Air Quality Division

989-894-6219

bw/ai

cc: Ms. Lynn Fiedler, DEQ

Ms. Mary Ann Dolehanty, DEQ

Ms. Teresa Seidel, DEQ

Mr. Thomas Hess, DEQ

Mr. Chris Hare, DEQ

Mr. Jim Armbruster, DEQ