

STATE OF MICHIGAN DEPARTMENT OF ENVIRONMENTAL QUALITY SAGINAW BAY DISTRICT OFFICE



KEITH CREAGH

March 9, 2016

Mr. Jeff Adler, President Tuscola Energy, Inc 7998 M-25 Akron, Michigan 48701

SRN: N7955, Tuscola County

Dear Mr. Adler:

VIOLATION NOTICE

On March 4, 2016, the Michigan Department of Environmental Quality (MDEQ) visited your Garner Rd 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). The facility is also covered by air use permit 97-09A issued by the MDEQ – Air Quality Division (AQD).

During the visit, the following violations were noted:

	Rule/Permit	
Process Description	Condition Violated	Comments
Garner Rd	AQD PTI 97-09A	The Profire PF2100F shutdown
Crude oil production facility	FGoilproduction IV 1.b	system was "stopped". The
		flare was not lit nor was the
		pilot. The Nixon 12 was
		pumping at the time. The
		murphy switch settings on the
		Nixon 12 had been
		manipulated far higher since
		system testing was observed
		on February 9, 2016. Pumping
		pressure was 25 psi while the
	and the same of th	murphy was set at 80 basically
		making the system useless
		even if it was turned on. Other
		well sites associated with this
		facility were not pumping.
Garner Rd	OOGM R334.1123	This OOGM rule mirrors the
Crude oil production facility		AQD permit condition.

Please immediately initiate actions necessary to correct the cited violations and submit a written response to this Violation Notice by March 30, 2016. 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.

It should be noted the facility is subject to the conditions of a Consent Order (AQD 37-2015, OOGM 2997) which was effective as of December 17, 2015. The violations presented above may result in stipulated penalties for the facility.

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 Zrithepp

Ben Witkopp Environmental Engineer Air Quality Division 989-894-6219

cc/via email: Ms. Lynn Fiedler, DEQ

Ms. Teresa Seidel, DEQ Ms. Heidi Hollenbach, DEQ Mr. Thomas Hess, DEQ Mr. James Armbruster, DEQ

Mr. Chris Hare, DEQ