



GRETCHEN WHITMER
GOVERNOR

STATE OF MICHIGAN
DEPARTMENT OF
ENVIRONMENT, GREAT LAKES, AND ENERGY
BAY CITY DISTRICT OFFICE



LIESL EICHLER CLARK
DIRECTOR

September 17, 2019

Michael Mersiovsky
Layline Oil & Gas, LLC
820 Gessner Road, Suite 1145
Houston, Texas 77024

SRN: P1075, Clare County

Dear Mr. Mersiovsky:

VIOLATION NOTICE

On August 2, 2019, the Department of Environment, Great Lakes, and Energy (EGLE), Air Quality Division (AQD), received a Permit To Install (PTI) application from Layline Oil & Gas, LLC for a crude oil production facility known as the State A2 Facility located in the Northwest $\frac{1}{4}$ of the Northwest $\frac{1}{4}$ of Section 12, Town 20 North, Range 6 West, Winterfield Township, Clare County.

Based on information obtained from the Oil, Gas, and Minerals Division, the facility has already been installed and is currently in production. This is a violation of Rule 201 of Part 55, Air Pollution Control, of the Natural Resources and Environmental Protection Act, 1994 PA 451, as amended (Act 451). Be advised that Rule 201 requires that a permit be obtained prior to installation, construction, operation, reconstruction, relocation, or alteration of any process or process equipment which may be a source of an air contaminant.

The following oil and gas processing activities are allowed without a PTI pursuant to Rule 278, Rule 278a and Rule 288 under Michigan's Air Pollution Control Rules:

- (a) Gas odorizing equipment.
- (b) A glycol dehydrator that meets either of the following requirements:
 - (i) It is located at an oil well site and is controlled by a condenser or by other control equipment of equivalent or better efficiency than the condenser.
 - (ii) It is located at a site or facility that only processes natural gas from the Antrim zone.
- (c) A sweet gas flare.
- (d) Equipment for the separation or fractionation of sweet natural gas, but not including natural gas sweetening equipment.
- (e) Equipment that is used for oil and gas well drilling, testing, completion, rework, and plugging activities.

Copies of the rules cited above have been included with this letter for your reference.

Please submit a written response to this Violation Notice by October 8, 2019 (which coincides with 21 calendar days from the date of this letter). The written response should

Mr. Michael Mersiovsky
Layline Oil & Gas, LLC
Page 2
September 17, 2019

include: the date the facility was installed; the date production began; an explanation of the causes of the violation; a summary of the actions that have been taken to correct the violation; and what steps are being taken to prevent a reoccurrence.

Please submit the written response to EGLE, AQD, Bay City District, at 401 Ketchum Street, Suite B, Bay City, Michigan 48708 and submit a copy to Ms. Jenine Camilleri, Enforcement Unit Supervisor at EGLE, AQD, P.O. Box 30260, Lansing, Michigan 48909-7760.

If Layline Oil & Gas, LLC 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 violation cited above. If you have any questions regarding the violation or the actions necessary to bring this facility into compliance, please contact me at the number or email address listed below.

Sincerely,



Meg Sheehan
Environmental Quality Analyst
Air Quality Division
989-439-5001
sheehanm@michigan.gov

cc: Ms. Mary Ann Dolehanty, EGLE
Dr. Eduardo Olaguer, EGLE
Ms. Jenine Camilleri, EGLE
Mr. Christopher Ethridge, EGLE
Mr. Chris Hare, EGLE