

DEPARTMENT OF ENVIRONMENTAL QUALITY
AIR QUALITY DIVISION
ACTIVITY REPORT: Other

B649763657

FACILITY: Hound Resources - OTSEGO LAKE 27 GAS PLANT		SRN / ID: B6497
LOCATION: 27 E MARLETTE RD, WATERS		DISTRICT: Cadillac
CITY: WATERS		COUNTY: OTSEGO
CONTACT: John Ward ,		ACTIVITY DATE: 07/15/2022
STAFF: Jodi Lindgren	COMPLIANCE STATUS: Compliance	SOURCE CLASS: SM OPT OUT
SUBJECT: Records Review		
RESOLVED COMPLAINTS:		

FACILITY DESCRIPTION

Jodi Lindgren of the Department of Environmental, Great Lakes, and Energy (EGLE) – Air Quality Division (AQD) conducted a review of records for Hound Resources, LLC (Hound Resources) – Otsego Lake 27 CPF (B6497) located at 27 East Marlette Road in Section 27, T29N-R3W of Otsego Lake Township, Waters, Otsego County, Michigan, 49797. The facility changed ownership from Jaguar Energy, LLC to Hound Resources on March 1, 2021.

The Otsego Lake 27 CPF is an opt-out facility with PTI 117-17 issued on November 28, 2017. The facility may be subject to 40 CFR Part 63 Subpart HH (MACT HH). EGLE-AQD is not delegated authority to enforce MACT HH. The facility consists of a fixed roof 400-barrel storage tank (EUTANK), one natural gas compressors, one natural gas fired reciprocating compressor engine, process heaters, a glycol dehydration unit (EUDEHY), two iron sponges, and an amine sweetening unit (EUSWEETENING). The natural gas compressor engine and process heaters are reported as exempt from Rule 201, the requirement to obtain a permit to install. The facility has not operated since 2017.

SCHEDULED INSPECTION

A. EUSWEETENING – An amine gas sweetening process to remove hydrogen sulfide from natural gas from the Antrim and Niagaran Formations. The sweetening process is equipped with a flare to control sulfur emissions. The hydrogen sulfide is burned in the flare to form sulfur dioxide. In addition to the the sweetening process, the facility is also equipment with two iron sponges to remove hydrogen sulfide from the natural gas stream.

1. **Emission Limits** – PTI 117-17 limits sulfur dioxide emissions to a 24-hour average of 20.32 lbs/hr. The facility has not operated since 2017 so there were no emissions to report during the inspection timeframe of June 2021 to May 2022.

2. **Material Limits** – There are no material limits established in PTI 117-17 associated with this emission unit; therefore, this section is not applicable.

3. **Process/Operational Restrictions** – The facility’s process and operational restrictions could not be evaluated due to the suspension of operations since 2017.

4. **Design/Equipment Parameters** – There are no design or equipment parameters associated with this emission unit; therefore, this section is not applicable.

5. Testing/Sampling – There are no testing or sampling requirements associated with this emission unit; therefore, this section is not applicable.

6. Monitoring/Recordkeeping – The facility’s monitoring and recordkeeping requirements could not be evaluated due to the suspension of operations since 2017.

7. Reporting – There are no reporting requirements associated with this emission unit; therefore, this section is not applicable.

8. Stack/Vent Restrictions – PTI 117-17 requires SVFLARE to have a maximum exhaust diameter of 8 inches and a minimum height above ground level of 74 feet. Previous inspections conducted by AQD staff indicated the flare appeared to meet these requirements.

9. Other Requirements – There are no other requirements associated with this emission unit; therefore, this section is not applicable.

B. EUDEHY – Glycol dehydration system (dehy) processing natural gas from the Antrim and Niagaran Formation. The Dehy is subject to 40 CFR Part 63, Subpart HH (MACT HH), which the State of Michigan is not delegated to enforce.

1. Emission Limits – There are no emission limits associated with this emission unit; therefore, this section is not applicable.

2. Material Limits – There are no material limits established in PTI 117-17 associated with this emission unit; therefore, this section is not applicable.

3. Process/Operational Restrictions – PTI 117-17 requires the dehy to be vented to the flare. Previous inspections conducted by AQD staff indicated the flare appeared to meet these requirements. However, this could not be evaluated during this inspection due to the suspension of operations since 2017.

4. Design/Equipment Parameters – There are no design or equipment parameters associated with this emission unit; therefore, this section is not applicable.

5. Testing/Sampling – There are no testing or sampling requirements associated with this emission unit; therefore, this section is not applicable.

6. Monitoring/Recordkeeping – PTI 117-17 imposes monitoring and recordkeeping to document actual annual average flow rate of natural gas to satisfy the MACT HH exemption criteria in 40 CFR 63.764(e)(1)(i). However, these requirements could not be evaluated due to the suspension of operations since 2017.

7. Reporting – There are no reporting requirements associated with this emission unit; therefore, this section is not applicable.

8. Stack/Vent Restrictions – There are no stack or vent restrictions associated with this emission unit; therefore, this section is not applicable.

9. Other Requirements – PTI 117-17 requires compliance with the applicable conditions of MACT HH. However, these requirements could not be evaluated due to the suspension of operations since 2017.

C. EUTANK –A 18,000 gallon (400 bbl) fixed roof tank for condensate storage.

- 1. Emission Limits – There are no emission limits associated with this emission unit; therefore, this section is not applicable.**
- 2. Material Limits – There are no material limits associated with this emission unit; therefore, this section is not applicable.**
- 3. Process/Operational Restrictions – PTI 117-17 requires emission control via the employment of a vapor return system during load out and the tank to be vented to the flare. Previous inspections conducted by AQD staff indicated tank emission controls appeared to meet these requirements. However, this could not be evaluated during this inspection due to the suspension of operations since 2017.**
- 4. Design/Equipment Parameters – There are no design or equipment parameters associated with this emission unit; therefore, this section is not applicable.**
- 5. Testing/Sampling – There are no testing or sampling requirements associated with this emission unit; therefore, this section is not applicable.**
- 6. Monitoring/Recordkeeping – There are no monitoring or recordkeeping requirements associated with this emission unit; therefore, this section is not applicable.**
- 7. Reporting – There are no reporting requirements associated with this emission unit; therefore, this section is not applicable.**
- 8. Stack/Vent Restrictions – There are no stack or vent restrictions associated with this emission unit; therefore, this section is not applicable.**
- 9. Other Requirements – There are no other requirements associated with this emission unit; therefore, this section is not applicable.**

D. FG FACILITY – All process equipment source-wide including equipment covered by other permits, grand-fathered equipment and exempt equipment.

- 1. Emission Limits – PTI 117-17 established a SO₂ limit of 89.9 tpy calculated at the end of each month using a 12-month rolling time period. The facility has not operated since 2017 so there were no emissions to report during the inspection timeframe of June 2021 to May 2022.**
- 2. Material Limits – PTI 117-17 limits the sour natural gas processed by the facility to not exceed 244,861,809 cubic feet per year totaled at the end of each month using a 12-month rolling time period. The facility has not operated since 2017 so there were no emissions to report during the inspection timeframe of June 2021 to May 2022.**
- 3. Process/Operational Restrictions – PTI 117-17 requires an AQD approve preventative maintenance/malfunction abatement plan (PM/MAP). An AQD approval letter dated March 14, 2016 was issued for the PM/MAP received on December 14, 2015.**
- 4. Design/Equipment Parameters – There are no design or equipment parameters associated with this flexible group; therefore, this section is not applicable.**

5. Testing/Sampling – There are no testing or sampling requirements associated with this flexible group; therefore, this section is not applicable.

6. Monitoring/Recordkeeping – The facility’s monitoring and recordkeeping requirements could not be evaluated due to the suspension of operations since 2017.

7. Reporting – There are no reporting requirements associated with this flexible group; therefore, this section is not applicable.

8. Stack/Vent Restrictions – There are no stack or vent restrictions associated with this flexible group; therefore, this section is not applicable.

9. Other Requirements – There are no other requirements associated with this flexible group; therefore, this section is not applicable.

EVALUATION SUMMARY

Conclusion – Based upon the review of records, it appears the source was compliant with PTI 117-17 at the time of the evaluation.

NAME  _____

DATE _____

SUPERVISOR _____