



RICK SNYDER
GOVERNOR

STATE OF MICHIGAN
DEPARTMENT OF ENVIRONMENTAL QUALITY
SAGINAW BAY DISTRICT OFFICE



DAN WYANT
DIRECTOR

November 14, 2014

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

SRN: N2259, Tuscola County

Dear Mr. Reynolds:

VIOLATION NOTICE

On October 16, 2014, the Department of Environmental Quality (DEQ) visited your Walat 2-26 and Leon & Aerial Cosens 2-26 and 3-26 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 violations were noted:

Process Description	Rule/Permit Condition Violated	Comments
Crude oil production facility	AQD PTI 68-11 IV 1	PTI requirement for shutdown in case of pilot flame failure is to cease fluid flow into facility. Existing valve shuts off gas to the flare which causes back pressure on the separator and is potentially dangerous. There is also burnt wiring by flare.
Crude oil production facility	AQD PTI 68-11 IV 3	Visible vapors coming from L & A Cosens 2 tank hatch.
Crude oil production facility	AQD PTI 68-11 VI 1 & 2	Records did not have a recent H2S concentration.
Walat A -2 - 26	AQD PTI 68-11 IV 1	Murphy switch is junk, no settings and not wired.
L & A Cosens 3 - 26	AQD PTI 68-11 IV 1	Murphy switch not connected to engine.

OOGM Violations

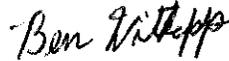
Process Description	Rule/Permit Condition Violated	Comments
Tank Battery	OOGM 324.1122	No gate at catwalk stairs. No SCBA warning sign posted.
Tank Battery	OOGM 324.1122 OOGM 324.1129	Visible vapors coming from L & A Cosens 2 tank hatch. Staff had H2S meter going off.
Tank Battery	OOGM 324.1006 OOGM 324.1008	Stained soil by flare. First found 8-26-14. No spill report.
Walat A -2 - 26	OOGM 324.1109	"Danger" sign faded out.
Walat A -2 - 26	OOGM 324.1123	Murphy switch is junk
Walat A -2 - 26	OOGM 324.1006 OOGM 324.1008	Large amount of oily soil. First found 8-26-14. No spill report.
L & A Cosens 2 – 26	OOGM 324.1119	Pump jack valve needs painting.
L & A Cosens 2 – 26	OOGM 324.1012	ID sign up but facing backwards.
L & A Cosens 2 – 26	OOGM 324.1109	Warning sign nearly down flat
L & A Cosens 3 – 26	OOGM 324.1123	Murphy switch not connected to engine.
Shutdown system	OOGM 324.1123	Shutdown system requirement parallels the AQD permit.

Please initiate actions necessary to correct the cited violations and submit a written response to this Violation Notice by December 4, 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
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. Jim Armbruster, DEQ
Mr. Chris Hare, DEQ