



RICK SNYDER  
GOVERNOR

STATE OF MICHIGAN  
DEPARTMENT OF ENVIRONMENTAL QUALITY  
CADILLAC DISTRICT OFFICE



DAN WYANT  
DIRECTOR

December 15, 2015

Mr. Sean Craven  
Merit Energy Company  
P.O. Box 910  
Kalkaska, Michigan 49646

SRN: N6086, Otsego County

Dear Mr. Craven:

### VIOLATION NOTICE

On November 10, 2015, the Department of Environmental Quality (DEQ), Air Quality Division (AQD), conducted an inspection of the Charlton 28 CPF located on Sparr Road in Otsego County, Michigan. The purpose of this inspection was to determine Merit Energy Company's compliance with the requirements of the federal Clean Air Act; Part 55, Air Pollution Control, of the Natural Resources and Environmental Protection Act, 1994 PA 451, as amended (Act 451); the administrative rules and the conditions of Permit to Install (PTI) number 644-96A.

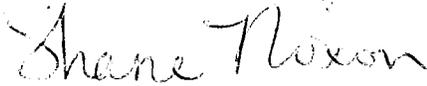
The records Merit Energy Company provided demonstrate that the hydrogen sulfide ( $H_2S$ ) concentration of the natural gas burned as fuel in process equipment is 20 ppm. Based upon the  $H_2S$  concentration of the gas burned at the facility, AQD staff has determined Merit Energy Company is not in compliance with Special Condition 3.2 which states, in part: "The permittee shall not burn any sour natural gas in FGFACILITY."

Please initiate actions necessary to correct the cited violation and submit a written response to this Violation Notice by January 5, 2016 (which coincides with 21 calendar days from the date of this letter). The written response should include: the dates the violation occurred; an explanation of the causes and duration of the violation; whether the violation is ongoing; a summary of the actions that have been taken and are proposed to be taken to correct the violation and the dates by which these actions will take place; and what steps are being taken to prevent a reoccurrence.

If Merit Energy Company 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 listed below.

Sincerely,

A handwritten signature in cursive script that reads "Shane Nixon".

Shane Nixon  
Senior Environmental Engineer  
Air Quality Division  
231-876-4413

cc/via e-mail: Ms. Lynn Fiedler, DEQ  
Ms. Teresa Seidel, DEQ  
Mr. Thomas Hess, DEQ