DEPARTMENT OF ENVIRONMENTAL QUALITY AIR QUALITY DIVISION ACTIVITY REPORT: On-site Inspection

| N/310/2180 | | |
|--|-------------------------------|---------------------------|
| FACILITY: SAVOY ENERGY LP | | SRN / ID: N7310 |
| LOCATION: SECTION 28, WOODVILLE | | DISTRICT: Grand Rapids |
| CITY: WOODVILLE | | COUNTY: NEWAYGO |
| CONTACT: Jack Rokos , Operations Manager | | ACTIVITY DATE: 05/14/2024 |
| STAFF: Laura Martin | COMPLIANCE STATUS: Compliance | SOURCE CLASS: MINOR |
| SUBJECT: Scheduled, unanno | ounced inspection | |
| RESOLVED COMPLAINTS: | | |

AQD staff, Laura Martin (LM) conducted a scheduled unannounced on-site, inspection of the Savoy Energy LP Norwich 28 Facility (Norwich) on May 14, 2024, to determine compliance with Permit to Install (PTI) No. 283-03A and other applicable air rules and regulations. It should be noted that previous inspections stated that this is an unmanned facility, and an email was sent to ensure that someone would be available to meet LM at the facility. No response or confirmation was received prior to the inspection.

Weather Conditions were cloudy with a temperature of approximately 57°F and east north-east winds with a speed of approximately 5mph according to www.weatherunderground.com.

No odor or visible emissions were noted in the surrounding area prior to arrival at the facility.

Facility Description

Norwich is a natural gas production facility that extracts sweet natural gas from two nearby wells (St. Norwich 228 & Altman). Oil is first removed from the extracted gas by two Production Packs, also known as heated 2-phase Separators. The natural gas is then sent to a compressor engine for compressing the gas to pipeline standards for off-site transport via pipeline. Prior to entering the pipeline any water in the gas is removed through a tri-ethylene glycol dehydration system. Gas processed at this facility contains a very minimal amount of water and oil. However, any oil and water removed is stored separately in the four (4) 400-gallon above ground storage tanks located on site. Water is eventually trucked offsite for disposal and the oil is sold and also eventually trucked offsite.

General Process:

2-Production Wells (Sweet Gas/Water/Oil) >> Production Packs (Removes Oil) >> Compressor Engine (Gas/Water Compressed to Pipeline Standards) >> Glycol Dehydrator (Removes Water) >> Pipeline (Natural Gas only)

Compliance Evaluation

PTI no. 283-03A

This PTI covers the facility's tri-ethylene glycol dehydration system identified in the permit as EUDEHY. The dehydrator (dehy) is subject to a Volatile Organic Compound (VOC) limit of 2.5 tons per year (tpy) and a benzene limit of 0.23 tpy based on a 12-month rolling time period as determined at the end of each month. The dehy also has a daily material limit of 400,000 cubic feet of natural gas per day (ft3/day).

An analysis of the wet gas stream is required at least once per calendar year in order to show wet gas composition. The natural gas processing rate of EUDEHY should be recorded on a daily basis. EUDEHY is only authorized to process wells, Patrick and St. Norwich, which are specified in the permit application unless prior notification is submitted to the AQD.

Upon arrival at the facility, it appeared to be abandoned. There were no signs showing ownership or contact information and there were no operational sounds coming from the facility at all. No vehicles or personnel were present at the site. LM utilized a phone number listed in the AQD's database and spoke with Savoy Energy's Traverse City office. Savoy informed LM that the Norwich well and glycol dehydrator (dehy) facility had been sold in 2020 to Ward Haggard.

LM spoke with Ken Prior (KP), geologist with the State of Michigan Department of Environment, Great Lakes and Energy, Oil, Gas and Mineral Division. KP informed LM that he had received documentation in December 2023 including the deed of sale for the Norwich well and dehy facility. KP forwarded these items to LM along with contact information for Ward Haggard's environmental consultant, Ron Suckle (RS).

LM reached out to RS and spoke with him on the phone regarding the status of the well and dehy facility. RS stated that the well has not produced since the purchase in 2020 and possibly not since 2017. The well currently has a buildup that is preventing production. There are plans to

work toward getting the well back into production, at which time the dehy facility would also be brought back into operation following thorough inspection for potential maintenance and repairs that would be required to do so.

LM suggested that in the meantime they needed to get the facility ownership information updated in our system by reaching out to the air permitting section. RS agreed and confirmed that he would contact the air permitting section and get the ownership information updated. LM also requested that updates on the progress of getting the facility back up and running be relayed to her as they move forward with plans for future operation. Equipment modifications or reconstruction at the facility may require a permit to install prior to commencement of work.

Compliance Determination

Based on the observations made at the time of this inspection and subsequent conversations with previous and current ownership, the Savoy Energy LP Norwich 28 Facility is currently not operational and, as such, is considered in compliance with PTI No. 283-03A.

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SUPERVISOR