



RICK SNYDER
GOVERNOR

STATE OF MICHIGAN
DEPARTMENT OF ENVIRONMENTAL QUALITY
SAGINAW BAY DISTRICT OFFICE



KEITH CREAGH
DIRECTOR

January 27, 2016

Mr. Jeff Adler, President
Tuscola Energy, Inc.
7998 M-25
Akron, Michigan 48701

SRN: P0202, Tuscola County

Dear Mr. Adler:

VIOLATION NOTICE

On January 25, 2016, the Michigan Department of Environmental Quality (MDEQ) visited your Walat Farms A-6-27 and A-11-22 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 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). The facility is also covered by air use permit 9-11 issued by the MDEQ, Air Quality Division (AQD).

During the visit, the following violations were noted:

Process Description	Rule/Permit Condition Violated	Comments
Walat A-6-27	AQD PTI 9-11 IV 1 (b)	The shutdown system wiring from the murphy switch was disconnected at the pump jack engine thereby rendering the system inoperable.
Walat A-11-22	AQD PTI 9-11 IV 1 (b)	The murphy switch was not even hooked into a flow line but was found alongside the pump jack support frame. This renders the system inoperable.
Walat A-6-27	OOGM R334.1123	The OOGM rule mirrors the AQD permit condition.
Walat A-11-22	OOGM R334.1123	The OOGM rule mirrors the AQD permit condition.
Walat A-6-27 evidence of spill approximately 20 feet north of the wellhead.	OOGM R334.1006 OOGM R334.1008	Spill not cleaned up. Spill not reported.

Walat A-11-22 open top drums on site with one leaking material onto the ground.	ACT 451 sec 61504 OOGM R334.401 OOGM R334.502 OOGM R334.504 OOGM R334.701 OOGM R334.1006 OOGM R334.1008	Barrels containing waste material from the site were open top and not contained. The material was allowed to spill, which was not reported nor cleaned up. Incident happened between Dec 17, 2015 and Jan 25, 2016.
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Please initiate actions necessary to correct the cited violation and submit a written response to this Violation Notice by February 12, 2016. 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.

It should be noted the facility is subject to the conditions of a Consent Order (AQD 37-2015, OOGM 2997) which was effective as of December 17, 2015. The violations presented above may result in stipulated penalties for the facility.

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

cc/via email: Ms. Lynn Fiedler, DEQ
Ms. Teresa Seidel, DEQ
Ms. Heidi Hollenbach, DEQ
Mr. Thomas Hess, DEQ
Mr. Jim Armbruster, DEQ
Mr. Chris Hare, DEQ