

DEPARTMENT OF ENVIRONMENTAL QUALITY  
AIR QUALITY DIVISION  
ACTIVITY REPORT: Scheduled Inspection

B558833779

FACILITY: Jaguar Energy - Wexford 10 Facility		SRN / ID: B5588
LOCATION: 7 Mile Rd., BUCKLEY		DISTRICT: Cadillac
CITY: BUCKLEY		COUNTY: WEXFORD
CONTACT:		ACTIVITY DATE: 03/15/2016
STAFF: Kurt Childs	COMPLIANCE STATUS: Non Compliance	SOURCE CLASS: SM OPT OUT
SUBJECT: 2016 FCE		
RESOLVED COMPLAINTS:		

### 2016 Full Compliance Evaluation

I conducted a Full Compliance Evaluation (FCE) of the Jaguar Energy Wexford 10 facility including a site inspection and records review. The purpose of the inspection was to determine the facility's compliance with Permit to Install (PTI) No. 119-97 as well as applicable State and Federal air pollution control rules.

This facility is a Title V Opt-out source based on emission limits for SO<sub>2</sub>, CO, NO<sub>x</sub>, VOC and HAPs established in PTI 119-97. Equipment on-site currently consists of two tanks, two flares, two iron sponges, two heaters, a glycol dehydrator, and an electric compressor motor which has replaced the natural gas fired V-12 Waukesha compressor engine which is still on site. The two iron sponges are used in place of the sulfanol process due to the relatively low amount of hydrogen sulfide concentration in the gas stream. The sulfanol process is located in a separate building and has been placed on standby since 1997.

There is also a skid mounted In-line six cylinder Waukesha engine and compressor along with what appeared to be a glycol dehydrator unit on a cement pad outdoors which is connected to facility piping. Following the inspection additional information (attached) was provided by Susanne Biteman of MDEQ, OOGM. This is a refrigeration unit that was installed in 2014 to separate Natural Gas Liquids (NGL) from the gas stream. One of the two tanks on site is an NGL tank which is part of the separation system.

Several changes have taken place at the facility since the last inspection. Primarily the installation of the NGL separation process, which included the installation of the refrigeration unit and NGL tank as well as relocation of the glycol dehydrator and iron sponge units. The NGL separation process may be subject to 40 CFR 60, Subpart OOOO and also may require a Permit to Install.

At the time of the inspection it was foggy to clearing, 40 degrees with east winds at 5-10 mph. At first it was difficult to observe the top of the main flare but as the fog cleared the top of the tower was clearly visible and the flare was not burning. Another, smaller flare was located next to the old compressor building in the Southeast corner of the site. It was not operating either. None of the equipment on site appeared to be operating; there were no sounds or visible emissions. Very mild gas odors were present intermittently around the facility.

### EMISSION LIMITS

Special Condition No. 13 limits the sulfur dioxide (SO<sub>2</sub>) emissions to 20.32 pounds per hour, based upon a 24-hour average and 89 tons per year. These limits were based upon the use of a sulfanol system to remove hydrogen sulfide from the incoming gas stream. This system has since been replaced by iron sponges which are a completely enclosed system resulting in no SO<sub>2</sub> emissions.

Special Condition No. 15 limits hazardous air pollutant (HAP) emissions to less than 10 tons per 12 month rolling time period for a single HAP and less than 25 tons per 12 month rolling time period for all HAPs.

Special Condition No. 16 limits emissions of carbon monoxide (CO), volatile organic compounds (VOC), and nitrogen oxides (NO<sub>x</sub>) to less than 89 tons per year based upon a 12 month rolling time period.

Emission calculation records were requested but as of the date of this report, have not been submitted.

At the time of the inspection, neither flare was operating so visible emissions were not evaluated. Ms. Biteman confirmed that the facility has been shut-in for winter and is not operating. She also informed me that the original flare had previously malfunctioned resulting in the installation of the second "new" flare. This was noted in a 2009 AQD Activity Report. Condition No. 21 of the PTI.

MATERIAL USAGE LIMITS

There are no material usage limits associated with this facility; therefore, this section is not applicable.

MONITORING AND RECORDKEEPING

The facility is required to maintain records of the equipment fuel consumption, crude oil and condensate throughput to the storage tanks, the glycol circulation rate through the dehydrator, and the amount of hydrocarbons trucked off-site as well as maintenance records. Records were requested on 3/17/2016, 4/14/2016 and 5/02/2016 but have not been received as of the date of this report.

Records of CO, NO<sub>x</sub>, VOC, and HAP emissions were also requested as indicated above but have not been received.

The PTI also contains a requirement in Special Condition No. 14 for monthly hydrogen sulfide mass flow rate monitoring and quarterly reporting. Files do not indicate this reporting has been ongoing, likely since and due to the installation of the Iron Sponge system.

TESTING

There are no testing requirements associated with this facility; therefore, this section is not applicable.

REPORTING

The company submitted their annual MAERS report and AQD staff previously reviewed the report. The Refrigeration unit was not included in the MAERS submittal.

OPERATIONAL PARAMETERS

The plant is currently shut in so the flare and pilot light were not operating. The tanks and glycol dehydrator are vented to the flare to as required by Condition No. 20 of the PTI. Fencing and warning signs surrounded the plant to prevent trespassing of unauthorized individuals.

CONCLUSION

Based upon the on-site inspection and the lack records, AQD staff considers the facility not in compliance with the Air Pollution Control Rules and Permit to Install No. 119-97 due to the presence and previous use of unpermitted equipment and the failure to maintain and make available the required records.

NAME



DATE

5-12-16

SUPERVISOR

