



GRETCHEN WHITMER
GOVERNOR

STATE OF MICHIGAN
DEPARTMENT OF
ENVIRONMENT, GREAT LAKES, AND ENERGY
CADILLAC DISTRICT OFFICE



LIESL EICHLER CLARK
DIRECTOR

November 8, 2021

VIA USPS and E-MAIL

Mr. Louis Bartz
Jaguar Energy, LLC - Wexford 10 Facility
3312 12th Street
Wayland, Michigan 49348

SRN: B5588, Wexford County

Dear Mr. Bartz:

THIRD VIOLATION NOTICE

On August 13, 2020, the Department of Environment, Great Lakes, and Energy (EGLE), Air Quality Division (AQD), conducted an inspection of Jaguar Energy's Wexford 10 Facility, located at 7 Mile Road, Buckley, Michigan. The purpose of the inspection was to determine Jaguar Energy's compliance with the requirements of the federal Clean Air Act; and Part 55, Air Pollution Control, of the Natural Resources and Environmental Protection Act, 1994 PA 451, as amended; the Air Pollution Control Rules, and the conditions of Permit to Install (PTI) number 119-97.

On September 21, 2020, the AQD sent Jaguar Energy a Violation Notice requesting emission records and calculations required under PTI 119-97 be provided. The AQD did not receive a response from Jaguar Energy by the requested date, so on January 22, 2021, the AQD sent Jaguar Energy a Second Violation Notice. Jaguar Energy responded to the Second Violation Notice via email on February 5, 2021. Jaguar Energy stated that they cannot meet the permit conditions at this time; and requested elimination of the PTI. Per email and phone conversations Jaguar demonstrated an intent to resolve the violations by entering the permitting process as the current permit, PTI 119-97, was outdated and no longer representative of the facility's operational equipment. Copies of the Inspection, Violation Notices, and Jaguar Energy's response are enclosed for your reference. As of this date, Jaguar Energy has not submitted a permit application nor notified the AQD of alternative actions being taken to resolve the cited violations. As such, Jaguar Energy remains out of compliance.

Please submit an application for a New or Modified PTI by November 22, 2021, which corresponds to 14 days from the date of this letter. Be advised that failure to submit a New or Modified PTI application or identifying alternative actions Jaguar Energy will take or has taken to resolve the cited violations may result in escalated enforcement action by the AQD.

Mr. Louis Bartz
Jaguar Energy, LLC – Wexford 10 Facility
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November 8, 2021

Please include a copy of the submitted PTI application to EGLE, AQD, Cadillac District, at 120 West Chapin Street, Cadillac, Michigan 49601 and submit a copy to Ms. Jenine Camilleri, Enforcement Unit Supervisor at EGLE, AQD, P.O. Box 30260, Lansing, Michigan 48909-7760.

Be further advised that issuance of this Violation Notice does not preclude or limit EGLE's ability to initiate any other enforcement action under state or federal law as appropriate. If you have any questions regarding the violations or the actions necessary to bring Jaguar Energy into compliance, please contact me at the number listed below.

Sincerely,



Jodi Lindgren
Environmental Quality Analyst
Air Quality Division
213-942-2863 / LindgrenJ2@michigan.gov

cc: Ms. Cathy Lain, Jaguar Energy
Mr. John Ward, Jaguar Contractor
Mr. Don Schuster, Consultant
Ms. Mary Ann Dolehanty, EGLE
Dr. Eduardo Olaguer, EGLE
Ms. Jenine Camilleri, EGLE
Mr. Christopher Ethridge, EGLE
Mr. Shane Nixon, EGLE
Ms. Erin Moran, EGLE

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

B558855440

FACILITY: Jaguar Energy - Wexford 10 Facility		SRN / ID: B5588
LOCATION: 7 Mile Rd., BUCKLEY		DISTRICT: Cadillac
CITY: BUCKLEY		COUNTY: WEXFORD
CONTACT: John Ward ,		ACTIVITY DATE: 08/13/2020
STAFF: Jodi Lindgren	COMPLIANCE STATUS: Compliance	SOURCE CLASS: SM OPT OUT
SUBJECT: Field inspection portion of the FY 2020 FCE		
RESOLVED COMPLAINTS:		

FACILITY DESCRIPTION

On Thursday, August 13, 2020, Jodi Lindgren of the Department of Environmental, Great Lakes, and Energy (EGLE) – Air Quality Division (AQD) conducted an unannounced field inspection of Jaguar Energy (Jaguar) – Wexford 10 Facility located off N 7 Road approximately 0.25 miles south of W 4 Road and approximately 0.75 miles south of W 6 Road. in section 10, T24N-R12W of Wexford Township, Wexford County, Michigan, 49668. The facility was operating and unmanned at the time of inspection.

The Wexford 10 Facility is a Title V opt-out facility with PTI 119-97 issued on March 10, 1997. The facility is a true minor for HAPs, NOx, Pb, and PM emissions. The facility is a synthetic minor for a SOx, CO, and VOC emissions. The facility consists of three compressor buildings, a glycol dehydration unit, process heaters, a refrigeration skid, LP tank, pumphouse with a 3-phase induction motor, H2S scrubber devices, three flares, two iron sponges, a NGL tank, and a 300 bbl tank. The 3-phase induction motor, two iron sponges, and one emergency flare was the only equipment operating during the inspection.

SCHEDULED INSPECTION

A. SC19 – A continuously burning pilot flame with automated protection in the event the flame is extinguished. The emergency flare appeared to be equipped with the required automated equipment during the inspection.

B. SC21 – – Visible emissions from the gas sweetening facility shall not exceed a 6-minute average of 20% opacity. During the facility inspection, AQD staff did not observe any visible emissions.

C. SC22 – The facility shall install and maintain fencing, warning signs, and/or other measures to prevent unauthorized individuals from entering the facility. AQD staff observed ample fencing and warning signs.

D. SC23 – The facility is required to conduct and record maintenance necessary to keep equipment in proper operating conditions. While on site, AQD noted some operation and maintenance logs as well as engine filters with 2020 installation dates. The logs and filters is indicative of some maintenance occurring.

EVALUATION SUMMARY

Conclusion – Based upon Field inspection of the facility, it appears the source was compliant with PTI 119-97 conditions able to be field evaluated.

NAME _____

DATE _____

SUPERVISOR _____

DEPARTMENT OF ENVIRONMENTAL QUALITY
AIR QUALITY DIVISION
ACTIVITY REPORT: Other

B558855441

FACILITY: Jaguar Energy - Wexford 10 Facility		SRN / ID: B5588
LOCATION: 7 Mile Rd., BUCKLEY		DISTRICT: Cadillac
CITY: BUCKLEY		COUNTY: WEXFORD
CONTACT: John Ward ,		ACTIVITY DATE: 09/14/2020
STAFF: Jodi Lindgren	COMPLIANCE STATUS: Non Compliance	SOURCE CLASS: SM OPT OUT
SUBJECT: Record Review portion of the FY 2020 FCE		
RESOLVED COMPLAINTS:		

FACILITY DESCRIPTION

On Thursday, August 17, 2020, Jodi Lindgren of the Department of Environmental, Great Lakes, and Energy (EGLE) – Air Quality Division (AQD) requested PTI 119-97 records for Jaguar Energy (Jaguar) – Wexford 10 Facility located off N 7 Road approximately 0.25 miles south of W 4 Road and approximately 0.75 miles south of W 6 Road. in section 10, T24N-R12W of Wexford Township, Wexford County, Michigan, 49668.

The Wexford 10 Facility is a Title V opt-out facility with PTI 119-97 issued on March 10, 1997. The facility is a true minor for HAPs, NOx, Pb, and PM emissions. The facility is a synthetic minor for a SOx, CO, and VOC emissions. The facility consists of three compressor buildings, a glycol dehydration unit, process heaters, a refrigeration skid, LP tank, pumphouse with a 3-phase induction motor, H2S scrubber devices, three flares, two iron sponges, a NGL tank, and a 300 bbl tank. The 3-phase induction motor, two iron sponges, and one emergency flare was the only equipment operating during the inspection.

PTI 119-97 RECORD REVIEW

The facility is required to maintain records to verify compliance with PTI 119-97. Fuel consumption, crude oil and condensate throughput to the storage tanks, the glycol recirculation through the dehydrator, the amount of hydrocarbons trucked off-site, calculations for HAPs, SOx, NOx, CO, and VOC emissions, and monthly hydrogen sulfide mass flow rate monitoring and reports are required by PTI 119-97. However, the facility was unable to provide these records. The records were requested on August 17 2020, August 31 2020, and September 10 2020.

Federal air regulations 40 CFR Part 60 Subpart OOOO may be applicable if the refrigeration unit is operating. The facility contact indicated that that refrigeration unit has not been in use since 2016.

A violation notice was issued on September 21, 2020 for the lack of records.

EVALUATION SUMMARY

Conclusion – Based upon the record review of the facility, it appears the source was not in compliance with the recordkeeping requirements of PTI 119-97.

NAME _____

DATE _____

SUPERVISOR _____

DEPARTMENT OF ENVIRONMENTAL QUALITY

AIR QUALITY DIVISION

FCE Summary Report

Facility : Jaguar Energy - Wexford 10 Facility	SRN : B5588
Location : 7 Mile Rd. NW SW NW, Section 10, T24N-R12W	District : Cadillac
	County : WEXFORD
City : BUCKLEY State: MI Zip Code : 49620	Compliance Status : Non Compliance
Source Class : SM OPT OUT	Staff : Jodi Lindgren
FCE Begin Date : 7/1/2019	FCE Completion Date : 9/14/2020
Comments : Field inspection report CA N558855440 and records review inspection report CA N5658855441	

List of Partial Compliance Evaluations :

Activity Date	Activity Type	Compliance Status	Comments
09/14/2020	Other	Non Compliance	Record Review portion of the FY 2020 FCE
08/13/2020	Scheduled Inspection	Compliance	Field inspection portion of the FY 2020 FCE
04/14/2020	MAERS	Compliance	Proper SCC codes were used. Proper documentation was submitted for emission factor calculations and AQD verified. All permitted equipment and associated controls were reported. All emissions were below permitted thresholds.

Name: _____ **Date:** _____ **Supervisor:** _____



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GOVERNOR

STATE OF MICHIGAN
DEPARTMENT OF
ENVIRONMENT, GREAT LAKES, AND ENERGY
CADILLAC DISTRICT OFFICE



LIESL EICHLER CLARK
DIRECTOR

September 21, 2020

Mr. Louis Bartz
Jaguar Energy
3312 12th Street
Wayland, MI 49348

SRN: B5588, Wexford County

Dear Mr. Bartz:

VIOLATION NOTICE

On August 12 2020, the Department of Environment, Great Lakes, and Energy (EGLE), Air Quality Division (AQD), conducted an inspection of the Wexford 10 Facility located at 7 Mile Road, Buckley, Michigan. The purpose of this inspection was to determine the Wexford 10 Facility'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 Air Pollution Control Rules; and the conditions of Permit to Install (PTI) number 119-97;

During this inspection, Jaguar Energy was unable to produce emission and maintenance records.

This is a violation of (the recordkeeping and emission limitations) specified in Special Condition 14, 17, 18, and 23 of PTI number 119-97.

The conditions of PTI number 119-97 require mass flow rate of hydrogen sulfide, monitoring records and emission calculations of CO, VOC, and NO_x, monthly records of HAPs emissions, and a log of all significant maintenance activities and all equipment repair for the period of at least 2 years, which shall be made available for review upon request by the AQD staff.

Please initiate actions necessary to correct the cited violations and submit a written response to this Violation Notice by October 12, 2020 (which coincides with 21 calendar days from the date of this letter). 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 recurrence.

Mr. Louis Bartz
Jaguar Energy
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September 21, 2020

Please submit the written response to EGLE, AQD, Cadillac District, at 120 West Chapin Street, Cadillac, Michigan 49601 and submit a copy to Ms. Jenine Camilleri, Enforcement Unit Supervisor at EGLE, AQD, P.O. Box 30260, Lansing, Michigan 48909-7760.

If Jaguar Energy 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 and for the cooperation that was extended to me during my inspection of the Wexford 10 Facility. If you have any questions regarding the violations or the actions necessary to bring this facility into compliance, please contact me at the number listed below.

Sincerely,



Jodi Lindgren
Environmental Quality Analyst
Air Quality Division
213-942-2863 LindgrenJ2@michigan.gov

cc: Ms. Mary Ann Dolehanty, EGLE
Dr. Eduardo Olaguer, EGLE
Ms. Jenine Camilleri, EGLE
Mr. Christopher Ethridge, EGLE
Mr. Shane Nixon, EGLE



GRETCHEN WHITMER
GOVERNOR

STATE OF MICHIGAN
DEPARTMENT OF
ENVIRONMENT, GREAT LAKES, AND ENERGY
LANSING



LIESL EICHLER CLARK
DIRECTOR

January 22, 2021

UPS NEXT DAY DELIVERY

Mr. Louis Bartz
Jaguar Energy
3312 12th Street
Wayland, Michigan 49348

SRN: B5588; Wexford County

Dear Mr. Bartz:

SECOND VIOLATION NOTICE

On August 12, 2020, the Department of Environment, Great Lakes, and Energy (EGLE), Air Quality Division (AQD) conducted an inspection of the Jaguar Energy (Company), Wexford 10 Facility located at 7 Mile Road, Buckley, Michigan. The purpose of this inspection was to determine the 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; the Air Pollution Control Rules; and the conditions of Permit to Install (PTI) No. 119-97.

On September 21, 2020, the AQD sent the Company a Violation Notice (VN) citing violations of Permit to Install No. 119-97, Conditions 14, 17, 18, and 23. These violations were discovered at the inspection and the AQD requested the Company's written response by October 12, 2020. A copy of this VN has been enclosed for your reference. As of the date of this letter, the AQD has not received the Company's written response to the cited violations.

Please be advised that failure to respond in writing and identifying actions the Company will take or has taken to resolve the cited violations may result in an escalated enforcement action by the AQD. Please provide the information requested in the VN dated September 21, 2020, by **February 5, 2020**, which corresponds to 14 days from the date of this letter.

The Company's written response must be submitted to Ms. Jodi Lindgren, EGLE, AQD, Cadillac District Office, at 120 West Chapin Street, Cadillac, Michigan 49601 and submit at copy to Ms. Jenine Camilleri, Enforcement Unit Supervisor at EGLE, AQD, P.O. Box 30260, Lansing, Michigan, 48909-7760.

Be further advised that issuance of this Violation Notice does not preclude or limit EGLE's ability to initiate any other enforcement action under state or federal law as appropriate.

Mr. Louis Bartz
Page 2
September 22, 2021

If you have any questions regarding this matter or the actions necessary to bring the Company into compliance, please contact me at the number listed below or email at MoranE@Michigan.gov.

Sincerely,

A handwritten signature in black ink that reads "Erin Moran". The signature is written in a cursive, flowing style.

Erin Moran
Enforcement Unit
Air Quality Division
517-275-0883

Enclosure

cc: Ms. Mary Ann Dolehanty, EGLE
Dr. Eduardo Olaguer, EGLE
Ms. Jenine Camilleri, EGLE
Mr. Shane Nixon, EGLE
Ms. Jodi Lindgren, EGLE

Re: DEQ Violation

northstaropcon@aol.com <northstaropcon@aol.com>

Mon 2/8/2021 4:46 PM

To: Moran, Erin (EGLE) <MoranE@michigan.gov>

Cc: Lindgren, Jodi (EGLE) <LindgrenJ2@michigan.gov>; cathylaink@aol.com <cathylaink@aol.com>; schuster.don@gmail.com <schuster.don@gmail.com>

CAUTION: This is an External email. Please send suspicious emails to abuse@michigan.gov

Erin,

Thanks for the response. I will continue to work with Jodi through the process.

JPW

-----Original Message-----

From: Moran, Erin (EGLE) <MoranE@michigan.gov>

To: northstaropcon@aol.com <northstaropcon@aol.com>

Cc: Lindgren, Jodi (EGLE) <LindgrenJ2@michigan.gov>; cathylaink@aol.com <cathylaink@aol.com>; schuster.don@gmail.com <schuster.don@gmail.com>

Sent: Mon, Feb 8, 2021 4:38 pm

Subject: RE: DEQ Violation

John,

Thanks for your reply. I have discussed with Jodi and we think that right now think it would be best for you to contact our Permits department to evaluate your options. Here is a link for guidance document for permit application meetings: https://www.michigan.gov/documents/egle/tou-aqd-pti-PreapplicationMeetingGuidance_663372_7.pdf. The best person to contact about this would probably be Mark Mitchell at 517-284-6795 or MitchellM7@michigan.gov. They will work with you to evaluate your equipment to make sure you are correctly permitted, or to see if any permits can be voided.

Since the violations cited were also regarding recordkeeping, work with Jodi to make sure that you know which equipment you are running and that you are keeping the correct and necessary records for each piece of equipment.

Thanks,

Erin Moran

Enforcement Unit

Air Quality Division

Michigan Department of Environment, Great Lakes, and Energy

NEW: 517-275-0883 | morane@michigan.gov

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LET'S STAY SAFE TOGETHER

From: northstaropcon@aol.com <northstaropcon@aol.com>

Sent: Friday, February 5, 2021 5:59 PM

To: Moran, Erin (EGLE) <MoranE@michigan.gov>; Lindgren, Jodi (EGLE) <LindgrenJ2@michigan.gov>; cathylaink@aol.com; schuster.don@gmail.com
Subject: Fwd: DEQ Violation

CAUTION: This is an External email. Please send suspicious emails to abuse@michigan.gov

Erin,

We are in receipt of the compliance communication pertaining to the Wexford 10. After consideration of all the different issues involved we have concluded that the best course of action going forward is to terminate the old air quality permit for this location. As a bit of historical information, the Wexford 10 was originally built by Shell Oil Company back in the late 70's and the air quality permit was directly related to the amine sweetening plant which was removing a lot of hydrogen sulfide from the natural gas stream, then converting it into SO₂ through the flare. Fast forward to today, we still produce sour natural gas through the facility but the amine plant has not run in more than 10 years and will not be run again. In essence the existence of the permit, creates permit conditions which cannot be met at this time, at least not without the expenditure of a considerable amount of money that will not benefit our ongoing operations. We believe that eliminating the permit will eliminate the permit conditions, which will also eliminate the violations. It is our opinion that the rest of the facility which is still in operation (when market conditions justify operation) do not require any permitting through Air Quality Division and thus fall under the authority of Part 615 which is administered by the Office of Geological Survey. Out of due caution, we do want to move forward in such a way that we don't just terminate the permit before AQD has had ample opportunity to evaluate the process and equipment that is on location to make sure that AQD is in agreement.

I had a nice conversation about this issue with Ms Jodi Lindgren yesterday, and she is CC'd on this email, as is Ms Cathy Lain at Jaguar Energy LLC and Don Schuster our contract engineering consultant. Please let me know how we proceed, and we look forward to moving towards a resolution.

Thanks,

John Philip Ward

-----Original Message-----

From: Cathy Lain <cathylaink@aol.com>
To: northstaropcon@aol.com <northstaropcon@aol.com>
Sent: Mon, Jan 25, 2021 2:09 pm
Subject: DEQ Violation

John,

Please see the attached notice. Let me know what this is for.

Thanks,

Cathy