

**DEPARTMENT OF ENVIRONMENTAL QUALITY
AIR QUALITY DIVISION
ACTIVITY REPORT: Self Initiated Inspection**

N158644168

FACILITY: TUSCOLA ENERGY - NIXON FARMS		SRN / ID: N1586
LOCATION: 7611 BAY CITY FORESTVILLE RD, AKRON		DISTRICT: Saginaw Bay
CITY: AKRON		COUNTY: TUSCOLA
CONTACT: Jeff Adler, President		ACTIVITY DATE: 04/13/2018
STAFF: Matthew Karl	COMPLIANCE STATUS: Non Compliance	SOURCE CLASS: MINOR
SUBJECT: Unannounced site visit of Nixon Farms to determine compliance with PTI No. 20-12A and Michigan Air Pollution Control Rules.		
RESOLVED COMPLAINTS:		

Ben Witkopp and I (Matt Karl) arrived on site at approximately 15:00 on 4/13/18 to familiarize myself (Matt Karl) with the layout and operations of Tuscola Energy - Nixon Farms and to determine compliance with PTI No. 20-12A and Michigan Air Pollution Control Rules.

Tuscola Energy - Nixon Farms is an existing oil production facility that consists of the following wells:

- Nixon 1-23 sweet well
- Nixon 2-23 sweet well
- Nixon 3-23 sour well
- Nixon 4-23 sour well
- Nixon 5-23 sour well
- Nixon 6-23 sour well
- Nixon 14-23 sweet well
- Morgan 1-23 sour well

"Sour well" means that significant amounts of "sour gas" or "any gas containing more than 1 grain of hydrogen sulfide or more than 10 grains of total sulfur per 100 standard cubic feet" are present at the well.

Each well has a pump to bring the oil. The oil from each well goes to a separator where the gas and oil are separated. Tuscola Energy is interested in keeping the oil but not the produced gas. Therefore, the oil goes to tanks and the gas goes to flare.

During our site inspection, Nixon 4-23 appeared to be the only well in operation at 15:23. This appeared to be in compliance with PTI 20-12A FGOILPRODUCTION SC III.1, which allows Nixon 4-23 to be operated between 12:00-19:00.

At the onsite gas flow rate meter, which provides information about the amount of gas going to the flare, we noted the following flow rates:

Onsite Production Rate Meter	
Value	Unit
14.6	MSCF/hr
29.1	MSCF/day
24.5	MSCF/yesterday
299.4	MSCF/month

During our inspection we noted several areas of concern:

First, the separator tank EUNIXON4SEP had a leak at one of the connecting pipes (Attachment A, Figure 1, 2). At 15:08, the H2S meter we brought on site detected H2S concentrations of 82 ppm near the separator. A previous AQD VN was sent about a separator H2S leak at this facility on 11/7/2016. The leaking sour gas is a violation of PTI 20-12A FGOILPRODUCTION SC IV.1. A violation notice letter will follow.

Next, we inspected the flare SVFLARE to determine compliance with PTI No. 20-12A FGOILPRODUCTION SC IV. We noted that the flare was lit at the time of our inspection and was burning at 1138 F. The flame timeout was set at 120 min. This was brought to Jeff Adler's attention by Ben Witkopp via phone call on 4/20/18. A response phone call was received on 4/23/18 which stated that the timeout was set to 120 min to perform maintenance on the

flare. It has since been reduced to 15 min.

Also, it was noted that there was a red dumpster with what appeared to be contaminated soil located near the front of the site. The secondary containment around the red dumpster was filled with water and appeared to be in danger of failing (Attachment A, Figures 3, 4).

These observations were communicated to Andrew Kent of OGMD and Ben Hicks of RRD as well Jack Lanigan of OGMD.

NAME Matthew R. Kord

DATE 4/26/18

SUPERVISOR C. Spive

Attachment A: Photos from 4/13/18

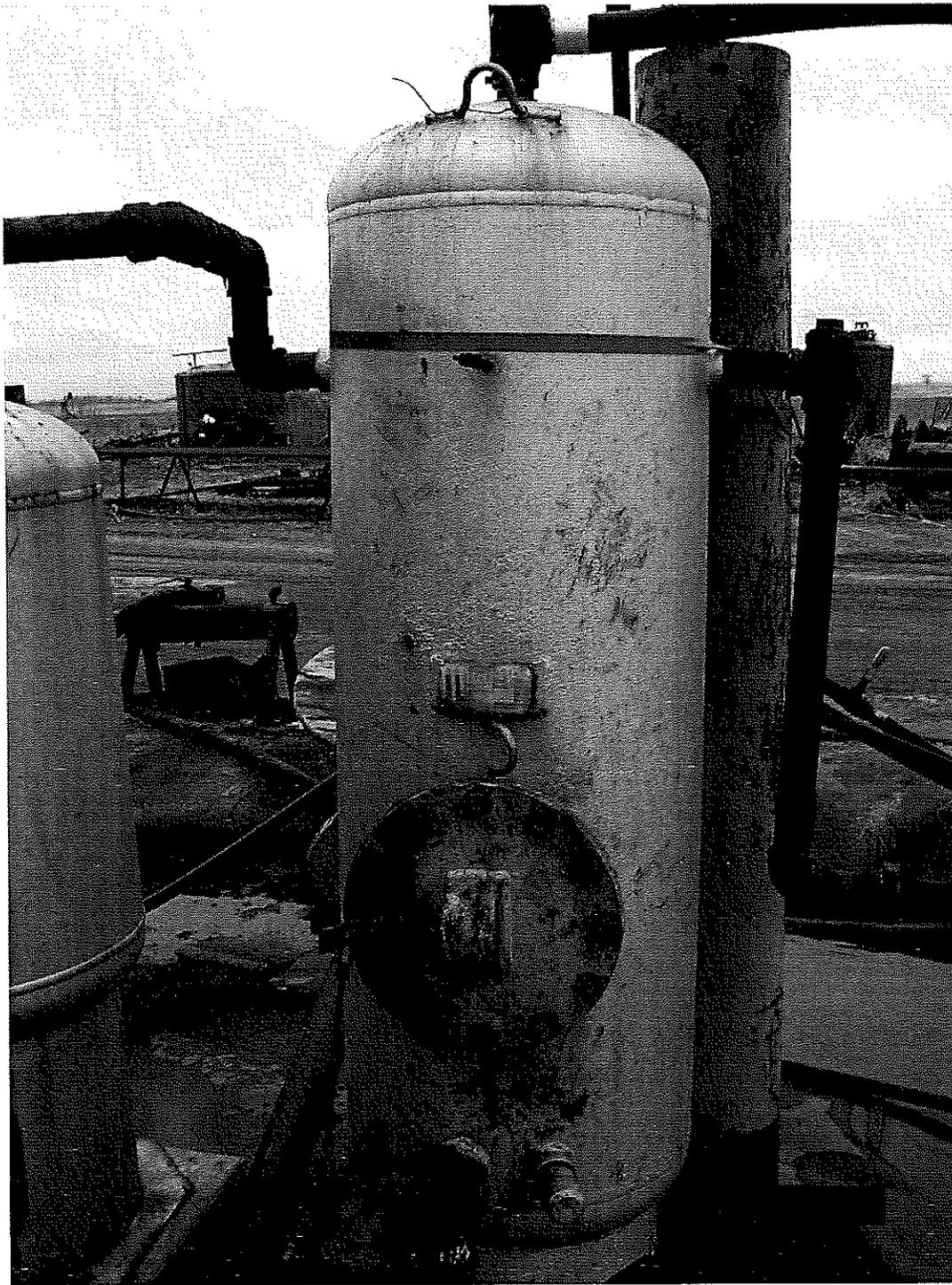


Figure 1 EUNIXON4SEP separator tank for the Nixon 4-23 sour well. Piping near bottom-center-left had a hole and was leaking H₂S at 82 ppm.



Figure 2 Closeup of EUNIXON4SEP separator tank for the Nixon 4-23 sour well. The hole in the piping is indicated at the end of the finger included for scale. H₂S reading 82 ppm.



Figure 3 Red dumpster with what appeared to be contaminated soil. Photo taken over concerns about the integrity of the secondary containment that is filled with water.



Figure 4 Red dumpster with what appeared to be contaminated soil. Photo taken over concerns about the integrity of the secondary containment that is filled with water.