



RICK SNYDER  
GOVERNOR

STATE OF MICHIGAN  
DEPARTMENT OF ENVIRONMENTAL QUALITY  
SAGINAW BAY DISTRICT OFFICE



DAN WYANT  
DIRECTOR

October 30, 2014

Mr. Jon Reynolds, President  
Tuscola Energy, Inc  
7998 M-25  
Akron, MI 48701-9773

SRN: N1586, Tuscola County

Dear Mr. Reynolds:

**VIOLATION NOTICE**

On October 15, 2014, the Department of Environmental Quality (DEQ) visited your Nixon Farms 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 federal Clean Air Act and Part 55, Air Pollution Control, and 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).

During the visit, the following AQD violations were noted:

Process Description	Rule/Permit Condition Violated	Comments
Nixon Farms Crude oil production facility	AQD PTI 20-12A FGoilproduction SC III 1.	PTI restricts operating times. Nixon 5 operating at 2:20 pm. PTI says 5:00 am – 12:00 pm
Nixon Farms Crude oil production facility	AQD PTI 20-12A FGoilproduction SC VI 1 & 2	Requested records were unavailable

OOGM violations

Process Description	Rule/Permit Condition Violated	Comments
Nixon 3-23 4-23 5-23	OOGM rule 324.1109	"Danger" signs faded out

Nixon 3-23 4-23 5-23	OOGM rule 324.1006	3-23 oil spray on PJ and vegetation 4-23 oily soil due to racked pipe in the past 5-23 oil spill at wellhead noted on 8-25-14 but it remains
Nixon 4-23 5-23 6-23	OOGM rule 324.1119	Valves oily, need painting
Nixon 5-23	OOGM rule 324.1120	Flow line markers needed
Nixon 5-23	OOGM rule 324.1008	Spill report not submitted
Morgan 1-23	OOGM rule 324.1012 OOGM rule 324.1119	No well ID sign No H2S warning signs

It should be noted an oil treatment system was permitted and is included in AQD permit 20-12A. At the time of inspection; however, a heated tank was being used instead of the permitted heater treater system. The company should cease use of the unpermitted heated tank.

Please initiate actions necessary to correct the cited violations and submit a written response to this Violation Notice by November 21, 2014. 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.

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

bw/ai

cc: Ms. Lynn Fiedler, DEQ  
Ms. Mary Ann Dolehanty, DEQ  
Ms. Teresa Seidel, DEQ  
Mr. Thomas Hess, DEQ  
Mr. Jim Armbruster, DEQ  
Mr. Chris Hare, DEQ