



RICK SNYDER
GOVERNOR

STATE OF MICHIGAN
DEPARTMENT OF ENVIRONMENTAL QUALITY
SAGINAW BAY DISTRICT OFFICE



KEITH CREAGH
DIRECTOR

March 9, 2016

Mr. Jeff Adler, President
Tuscola Energy, Inc
7998 M-25
Akron MI 48701-9773

SRN: N3228, Tuscola County

Dear Mr. Adler:

VIOLATION NOTICE

On March 4, 2016, the Michigan Department of Environmental Quality (MDEQ) visited your Boyce B 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). The facility is also covered by air use permit 116-12 issued by the MDEQ - Air Quality Division (AQD).

During the visit, the following AQD violations were noted:

Process Description	Rule/Permit Condition Violated	Comments
Boyce B Crude oil production facility	AQD PTI 116-12 FGoilproduction SC IV 1	The Profire PF2100F shutdown system was "stopped." The flare was lit but the pilot flame was not. Both the B1 and B2 were pumping at the time. The murphy switch settings on the wells were well above normal pumping pressure. Pumping pressure at the B1 was 30 psi and the murphy was set at 100 while the corresponding pressures at the B2 were 58 and 72 respectively. These settings basically make the system useless even if it was turned on. Additionally, the PF2100F system air tank was empty and valved off, once again making the system useless even if turned on.

OOGM Violations:

Process Description	Rule/Permit Condition Violated	Comments
B1 well site	OOGM rule 324.1012	The sign incorrectly identifies the well as the Cosens 1-36
Tank battery	OOGM R324.701 OOGM R324.1006 OOGM R324.1008	West tank was seeping oil into the dike system. Oil was clearly evident in the snow within the dike. The spill has still not been reported.
Shut down system	OOGM rule 324.1123	Shut down system requirement parallels the AQD permit.

Please initiate actions necessary to correct the cited violations and submit a written response to this Violation Notice by March 30, 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 recurrence.

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. James Armbruster, DEQ
Mr. Chris Hare, DEQ