



RICK SNYDER
GOVERNOR

STATE OF MICHIGAN
DEPARTMENT OF ENVIRONMENTAL QUALITY
SAGINAW BAY DISTRICT OFFICE



C. HEIDI GREYER
DIRECTOR

January 30, 2018

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

SRN: N3228, Tuscola County

Dear Mr. Adler:

VIOLATION NOTICE

On December 12, 2017, the Department of Environmental Quality (DEQ), Air Quality Division (AQD), received records for the Boyce B1 & B2 crude oil production facility from Tuscola Energy, Inc. The purpose of this request was to provide insight to the company on potential future permitting actions concerning this facility and others nearby. Tuscola Energy's compliance with the requirements of the conditions of Permit to Install (PTI) number 116-12 was also reviewed.

After reviewing records and having subsequent conversations, staff observed the following:

| Violation Description | Rule/Permit Condition Violated | Comments |
|--|--------------------------------|---|
| Material limit of 363# of H2S per day was exceeded | PTI 116-12 SC II 1 | 13 times from August 30, 2017 through December 15, 2017. Values ranged from 366# to 550# per day. |
| Wells left open after pumping ceased | PTI 116-12 SC III 2 | Every day to the present |

Please initiate actions necessary to correct the cited violations and submit a written response to this Violation Notice by February 20, 2018 (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 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.

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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 and for the cooperation that was extended to me. 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,



Ben Witkopp
Environmental Engineer
Air Quality Division
989-894-6219

cc/via e-mail: Ms. Lynn Fiedler, DEQ
Ms. Mary Ann Dolehanty, DEQ
Mr. Chris Ethridge, DEQ
Mr. Thomas Hess, DEQ
Mr. Chris Hare, DEQ