

STATE OF MICHIGAN DEPARTMENT OF ENVIRONMENTAL QUALITY SAGINAW BAY DISTRICT OFFICE



November 5, 2018

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

SRN: P0202, Tuscola County

Dear Mr. Adler:

VIOLATION NOTICE

On September 12, 2018, the Department of Environmental Quality (DEQ), Air Quality Division (AQD) and Oil, Gas, and Minerals Division (OGMD) visited your Walat Farms A-6-27 and A-11-22 crude oil production facility located in Wisner Township, Michigan. The facility is covered by air use Permit to Install (PTI) number 9-11 issued by the DEQ, AQD.

During the visit, the following violations were noted:

| Process Description | Rule/Permit Condition Violated | Comments |
|---|------------------------------------|--|
| Walat A-6-27 and A-11-22 Crude oil production facility | AQD PTI 9-11 FGFACILITY SC IV.2 | The wind shroud at the top of the flare was tilted and in bad shape. |
| | AQD PTI 9-11 FGFACILITY SC IV.3 | Visible vapor / mist was coming from the oil tank thief hatch. |

Please initiate actions necessary to correct the cited violation and submit a written response to this Violation Notice by November 26, 2018. 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.

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.

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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 Matt Karl at 989-439-3779, or via correspondence addressed to Air Quality Division, 401 Ketchum Street, Suite B, Bay City, Michigan 48708.

Sincerely,

Ben Witkopp

Environmental Engineer

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Air Quality Division 989-894-6219

cc: Ms. Mary Ann Dolehanty, DEQ

Mr. Craig Fitzner, DEQ

Mr. Chris Ethridge, DEQ

Ms. Jenine Camilleri, DEQ

Mr. Chris Hare, DEQ

Mr. James Armbruster, DEQ

Mr. Matt Karl, DEQ