

**DEPARTMENT OF ENVIRONMENTAL QUALITY
AIR QUALITY DIVISION
ACTIVITY REPORT: Scheduled Inspection**

P026049129

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|---|-------------------------------|---------------------------|
| FACILITY: SAVOY ENERGY LP - Goetz 8 CPF | | SRN / ID: P0260 |
| LOCATION: 5433 Shepherd Rd, ADRIAN | | DISTRICT: Jackson |
| CITY: ADRIAN | | COUNTY: LENAWEE |
| CONTACT: Dylan Foglesong , | | ACTIVITY DATE: 06/13/2019 |
| STAFF: Mike Kovalchick | COMPLIANCE STATUS: Compliance | SOURCE CLASS: SM OPT OUT |
| SUBJECT: Compliance Inspection. Facility is now a minor source and will no longer be fee subject starting for MAERS calendar year 2019. | | |
| RESOLVED COMPLAINTS: | | |

Minor Source (Facility considered minor source as of July 9, 2018) Full Compliance Evaluation (FCE)

Facility Contact

Dylan Foglesong
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(231)941-9552

Purpose

On June 13, 2019, I conducted an unannounced compliance inspection of Savoy Energy-Goetz 8 Trust CPF (Company) located near Adrian, Michigan in Lenawee County. The purpose of this inspection was to determine the facility's compliance status with the applicable federal and state air pollution regulations, particularly Michigan Act 451, Part 55, Air Pollution Control Act and administrative rules.

Facility Location

The facility is located in a rural area. See attached aerial photo.

Facility Background

The facility was last inspected on 12/9/2015 and found to be in compliance.

The processes being run here are dependent on the production from the wells currently being pumped. The pumps deliver, via underground pipelines, a mixture of water (brine), oil and gas to the processing facility. (As of July 9, 2018, the facility no longer processes natural gas. Instead, it sent to a flare.)

Oil is stored in 4 tanks on site and trucked out as necessary. Additionally, all oil storage tanks are vented to a continuously burning flare to control potential emissions of volatile organic compounds (VOC).

The brine water is collected in two tanks and disposed of in the adjacent injection well.

Regulatory Applicability

Facility wide PTI 120-11A was voided on July 9, 2018 as all the equipment subject to this permit including 3 engines and dehydration unit have been removed or rendered inoperable.

It has been previously determined that New Source Performance Standard (NSPS) in 40 CFR 60 Subpart OOOO does not apply.

NSPS Subpart KKK previously applied to this facility but no longer applies since the facility is not longer engaged in processing of natural gas liquids.

Flare is exempt from requiring a PTI by Rule 288(2)(c) because it fires sweet natural gas.

The 4 above ground storage tanks (400 barrels each) are from PTI requirements by Rule 284€ because each tank is below 40,000 gallons and holds sweet crude.

Arrival & Facility Contact

No odors were noted upon my approach to the Company's facility off of Shepherd road. I arrived at 8 am. No Company

personnel were on site at the facility, so I did not get out of the car. However, all the facility was readily visible from the access road.

Pre-Inspection Meeting

N/A.

Onsite Inspection

From my car, I was able to view the 4 oil storage tanks, the 2 brine storage tanks, 1 natural gas compressor in an otherwise empty building, heater treater units and a natural gas flare. (See attached photos.)

The compressor and heater treater units were not operating. The enclosed flare was operating and was quite vigorous but not generating any opacity. This confirms that natural gas is no longer being processed at the facility. Instead, all of the natural gas is being directed to a flare. It is not clear why the heater treater unit were not operating (used to separate oil from water emulsions). Only minor sulfide odors were noted in the vicinity of the oil tanks. The tank themselves appeared to be in good condition. It appeared that the dehydrator unit had been removed.

It was reported in 2015, the production at the facility was decreasing producing less than 30 barrels of oil per day about 100,000 standard cubic feet of natural gas. It is likely that those numbers have continued to decrease since that time.

Recordkeeping Review

The facility's MAERS's submittal for calendar year 2018 was reviewed. It showed about 12 tons of NOX coming from a Cummins GTA 19G2 Generator rated at 495 HP till it stopped operating in July, 2019. All other equipment listed in MAERS showed no throughput such as the other engines and glycol dehydrator.

Post-Inspection Meeting

N/A. I left the facility at 8:45 am.

Compliance Summary

The facility is in compliance.

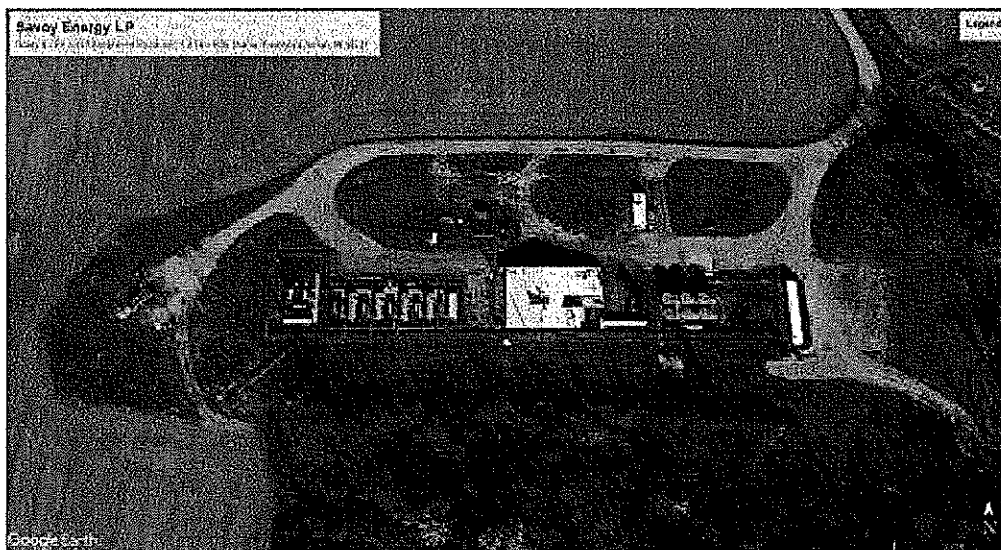


Image 1(Aerial photo) : Aerial photo.



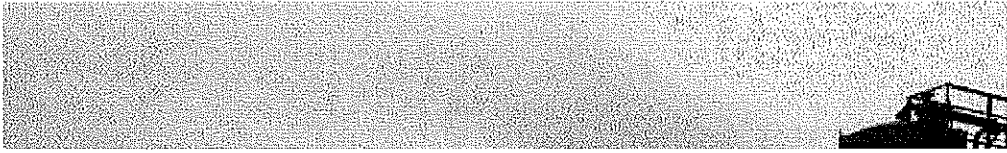


Image 3(Heater treaters) : Heater treaters

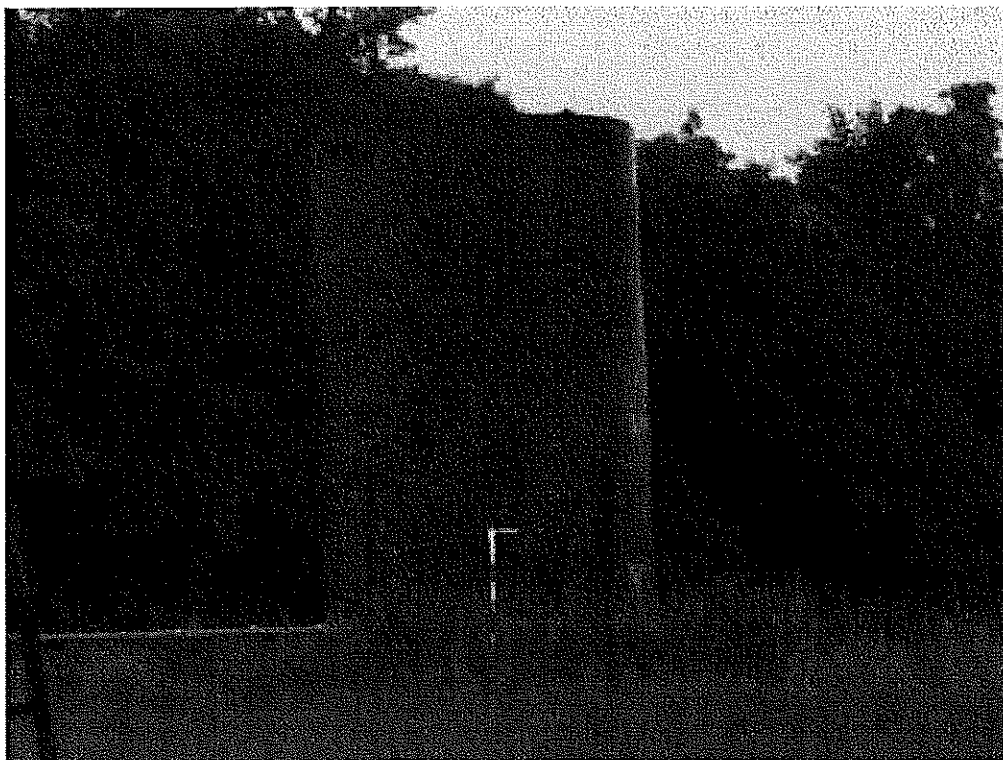


Image 4(Enclosed Flare) : Enclosed flare.



Image 5(Gas engine) : Gas engine. (Not operating/probably disconnected.)

NAME M. Kovalchuk

DATE 6/17/2019 SUPERVISOR [Signature]