

EGT
Environmental **GE** Technologies

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Air Quality Division
Detroit Office

28470 Citrin Drive, Romulus, Michigan 48174 | Phone 734-946-1000 | Fax 734-946-1002

January 30, 2014

Mr. Jonathan Lamb
Senior Environmental Quality Analyst
Michigan Department of Environmental Quality
Air Quality Division
3058 West Grand Boulevard
Detroit, Michigan 48202

Re: MDEQ/AQD Violation Notice dated January 22, 2014

Dear Mr. Lamb:

This letter is in response to your Violation Notice dated January 22, 2014.

As you know, Environmental Geo-Technologies ("EGT") has made an aggressive effort to ensure compliance with all licenses and permits governing our facility in Romulus by being proactive in our communications with the EPA and MDEQ. Prior to, during, and immediately following the issuance of EGT's key licenses and permits on September 26, 2011, EGT has initiated and has been in continual communication with all MDEQ and EPA agency officials who have oversight authority on the facility as part of our ongoing effort to ensure we are meeting all agency expectations with regard to compliance.

Regarding EGT's Air Quality Permit, we have had numerous communications with DEQ's Air Quality Division over the previous years and made several attempts to address the VOC emission testing requirement and believed we had done so to the agency's satisfaction. Only until our two most recent meetings with the Air Quality Division did EGT receive any indication of a potential permit violation.

As you have noted in your Notice, EGT had not received its Authorizations to Inject ("ATIs") and was not allowed to accept, process or dispose of waste until November 13, 2013. However, the Air Quality Permit contains a specific date that required EGT to conduct VOC emission testing by July 31, 2013. In order to comply with this requirement, EGT would have violated both its MDEQ Part 111 License and EPA Permits by operating without first receiving its ATIs. Therefore, EGT was justifiably unable to perform the VOC testing by the date.

Why the MDEQ would set such a specific date for VOC testing without first having advance knowledge as to when EGT would have authorization to operate is unknown. However, setting such an arbitrary date virtually assured that a "compliance conflict" would arise between existing permits. In hindsight, had the MDEQ issued language that testing be completed within so many days following the issuance of EGT's authorization to inject and commencement of operations, this compliance conflict could have been avoided.

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Again, we wish to note that EGT made several efforts to properly address this matter prior to the passing of the required testing date with what appears to be unclear guidance from the agency. Had EGT been informed, noticed or instructed by the MDEQ that a minor modification was necessary to ensure compliance with the Air Quality Permit, we would have requested such a modification forthwith. However, no such notice or instruction was given until our most recent meetings this month when we again brought this matter to the agency's attention.

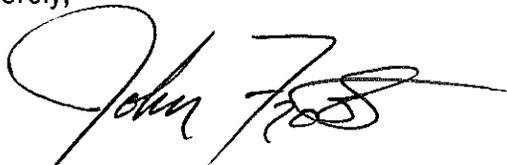
Given the facts in this matter, we question the MDEQ's justification for issuing a Violation Notice or its necessity. Nevertheless, we do understand and fully appreciate that the agency has a duty to ensure compliance. Therefore, EGT shall commence upon an immediate remedy in an effort to fully and finally resolve this matter with the following action plan.

1. Upon contracting with a competent stack testing firm, EGT will submit its stack testing "complete test plan" to MDEQ AQD for approval.
2. Upon receiving approval from the MDEQ, EGT shall immediately thereafter schedule VOC testing based upon the projected availability onsite of a minimum sufficient amount (approximately 27,000 gallons) of hazardous and non-hazardous waste to process completely through the facility and inject into the deep wells while simultaneously allowing for the conduct of the VOC stack testing, thereby ensuring valid test results.

Please let us know if this action plan is acceptable. Also, we encourage you to visit the site and witness the testing to ensure that EGT fully meets the agency's expectations in its effort to comply with and remediate this AQP requirement.

If you have any questions regarding this response, feel free to contact myself, Rick Powals or Tom Athans of our office at (734) 946-1000.

Sincerely,

A handwritten signature in black ink, appearing to read "John Frost". The signature is fluid and cursive, with a large initial "J" and "F".

John Frost
General Manager

cc: Mr. Richard Powals
Mr. Lee Papas
Mr. Tom Athans