



RICK SNYDER
GOVERNOR

STATE OF MICHIGAN
DEPARTMENT OF ENVIRONMENTAL QUALITY
SAGINAW BAY DISTRICT OFFICE



KEITH CREAGH
DIRECTOR

March 7, 2016

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

SRN: N1586, Tuscola County

Dear Mr. Adler:

SECOND VIOLATION NOTICE

On January 27, 2016, the Michigan Department of Environmental Quality (MDEQ) visited your Nixon Farms 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 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 20-12 issued by the MDEQ – Air Quality Division (AQD).

On January 27, 2016, the AQD sent the company a Violation Notice citing violations discovered as a result of the inspection and requested your written response by February 12, 2016. A copy of that letter is enclosed for your reference. A response was not received. Since your Attorney, Mr. Paul Collins, had sent a response to two other Violation Notices for separate facilities issued in the same time frame we thought he may have missed the one concerning Nixon Farms. On February 17, 2016 an e-mail was sent to Mr. Collins informing him of the Violation Notice and lack of response. A copy of the Notice was provided with the e-mail. As of this date, we still have not received a response.

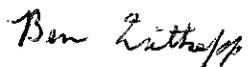
Please be advised that failure to respond in writing and identifying actions the company will take or has taken to resolve the cited violations may result in escalated enforcement action by the AQD. Please provide the information requested in our January 27, 2016 letter by March 21, 2016, which corresponds to 14 days from the date of this letter.

Be further advised that issuance of this Violation Notice does not preclude or limit the DEQ's ability to initiate any other enforcement action under state or federal law as appropriate.

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.

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 email: Ms. Lynn Fiedler, DEQ
Ms. Teresa Seidel, DEQ
Ms Heidi Hollenbach, DEQ
Mr. Thomas Hess, DEQ
Mr. Jim Armbruster, DEQ
Mr. Chris Hare, DEQ