DEPARTMENT OF ENVIRONMENTAL QUALITY
AIR QUALITY DIVISION
**ACTIVITY REPORT: On-site Inspection**

N609174211

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| **FACILITY:** Lambda Energy Resources, LLC - Chester 18 | | **SRN / ID:** N6091 |
| **LOCATION:** 2998 Ranger Lake Rd, GAYLORD | | **DISTRICT:** Gaylord |
| **CITY:** GAYLORD | | **COUNTY:** OTSEGO |
| **CONTACT:** | | **ACTIVITY DATE:** 10/22/2024 |
| **STAFF:** David Bowman | **COMPLIANCE STATUS:** Compliance | **SOURCE CLASS:** SM OPT OUT |
| **SUBJECT:** Scheduled inspection FY 25 | | |
| **RESOLVED COMPLAINTS:** | | |

**On 22 Oct 2024 I, David Bowman MI EGLE AQ, conducted a scheduled site inspection of N6091 Lambda Chester 18, an opt-out facility, operating under the conditions of permit to install (PTI) 145-10. The last inspection of the facility was an unscheduled inspection in 2022.**

**The weather was overcast, winds approximately 6 MPH from the southwest, and the temperature was approximately 60°F. There were no discernable odors at or near the facility. When I arrived, there was a large tanker truck hooked up to the VRU and filling. There were no signs of any leaks at or near the truck.**


*Figure 1 Google Earth imagery N6091*

**I began my inspection at the area labeled 1. This tank battery consists of several 300 to 500 bbl tanks. Not all appeared to be labeled, but upon very close inspection there are several that are labeled out of service, but the paint has been sun-bleached. During the FY22 unscheduled inspection this was noted and the labels were visible then. There is secondary containment in some areas of just the sand berm and in**

**others there is a fully lined secondary containment that is holding what appeared to be rainwater due to the clarity.**

**There was a single 300 bbl tank labeled Oil Sale and the others were labeled SWD, Slop tank, process water, or out of service. The PTI does not list the tank battery, and they appear to meet the exemption of Rule 336.1284(2)(e).**

**There were no visible spills, and the tanks appeared to be intact. It appears that all the tanks are piped to a single breather vent pipe that is approximately 6-inch diameter with a straight stack venting vertically with a rain cap.**

**In Area 2 was a semi and trailer uploading liquids from the facility. There was no spills and no odors when I passed the truck on my walk around the facility. The facility has a Vapor Return Unit (VRU) that was operating at the time of the load out.**

**In area 3 I inspected several large preheaters, but I was not able to find a data plate on them. At other sites when I have found the data plates these have been exempt under Rule 288 (2)(d). They were not operating at the time of the inspection. All but one appeared to be piped into the facility and capable of processing the gas.**

**In area 4 I noted a large (estimated slightly less than 250 bbl size) blowdown tank in secondary containment and fenced off for security. There was warning signs indicating staying back in case of H2S in the area.**

**In area 5 is EUENGINE1, a Waukesha C5790GI, lean burn engine. There is no control on the engine and the data plate indicated the serial number is 398372. This is the same serial number that was recorded in the 2022 unscheduled inspection.**

**II. Material Limits.**

**1. Shall not burn any sour natural gas.**

**Discussion – there was no indication of sour natural gas being fired. There is an iron sponge located in between area 5 and 6 that would indicate that the gas is sweet when used by the engine. There was no odors or other indications that gas other than sweet is used at the facility.**

**III. Process/Operational Restrictions**

**1. PM/MAP is required**

**Discussion – a review the most recent MAP (November 2023) is located in a separate report. The MAP was approved and the daily check sheet is the same as in the approved MAP.**

**VIII. Stack/Vent Restrictions**

**1. SVENGINE1 Max Diameter 8 Inch Minimum stack height 31.5feet.**

**Discussion – using a Nikon Forester Pro III laser range finder I estimate the stack height to be approximately 32 feet. The stack appears to be no larger than 8 inches in diameter.**

**EUENGINE2**

**As noted in previous inspections this has been removed from the processes in the facility.**

**In area 6 is the Dehydrator. EUDEHY is located in a building with the heater vent exiting the building and venting vertically. Mi EGLE does not have delegated authority for 40 CFR part 63 Subpart HH so no determination of compliance to that regulation was made.**

**EUDEHY**

**II. Material Limits**

**1. Permittee shall not use stripping gas…**

**Discussion – there was no indication that stripping gas is used at the facility. I spoke with two of the technicians for Lambda and they said that to the best of their knowledge there was no use of stripping gas.**

**IV Design/Equipment Parameters**

**I. shall not operate unless a flash tank is installed…**

**Discussion – there is a flash tank installed, and it is routed to the engine.**

**VIII. Stack/Vent Restrictions**

**SVDHY – maximum 4inches and minimum of 19 feet above ground.**

**Discussion - There are two vent stacks, one is 4 inches and approximately 19 feet above grade. This is piped into the emissions from the reboiler. There is another stack approximately 6-8 inches and approximately 16 feet above grade. This one is for the heater. I believe the stack referred to as SVDEHY is for the emissions from the reboiler and it appears to meet the requirements of the PTI.**

**In area 6 is an engine on a ski, not connected to any parts of the process, labeled 201309, the same skid and engine as noted in the 2022 inspection.**

NAME DJB DATE 10-24-24 SUPERVISOR Shane Nixon