

# Tuscola Energy, Inc.

920 North Water Street, Suite 213  
Bay City, Michigan 48708

12/14/2021

Mr. Daniel A. McGeen  
Environmental Quality Analyst  
EGLE, AQD

Re: Response to Violation Notice: November 24, 2021 – SRN: B5462

Dear Mr. Daniel A. McGeen

Below I have provided our responses to the Violation Notice.

## **Response to Violation Notice dated November 8, 2019**

<b><u>Allegation</u></b>	<b><u>Response</u></b>
Material Limit of 2,227 lbs exceeded on 9/15, 10/15, and 10/25	<p>Since we have turned on the field we have been working to learn the most efficient ways to operate the field and to stay under the permitted SO2 limit. The 9/15 exceedance happened surprisingly while flow rates were quite consistently between 68-89 mcf's for the prior three weeks. We also had not exceeded over 100 mcf's since June 12<sup>th</sup>, which was shortly after we turned the field on. For the mcf's to jump to 138.9 mcf's is something we never anticipated and believe it was out of our control.</p> <p>The 10/15 exceedance was after we brought a well online that had been shut in for years and a jump in H2S concentration %. Running this well pushed a lot of bad oil to the heater treater. This forced us to shut down the field for a week to clean out the heater treater.</p> <p>The 10/25 exceedance was after the field had been shut in for a week due to us cleaning out the heater treater. After this one day we found a leak on the gas line at the gas plant to the flare. We replaced most of the pipe at the gas plant, upgraded the transfer pump at the separator, and moved the meter further down the gas line towards the flare.</p> <p>We lost over month of production at the highest oil prices in 7.5 years so we could fix problems instead of patching them.</p> <p>After the 10/25 exceedance and after being shut in for a month, we were able to bring the field back online at a pace so not to go over our limit. This shows we have learned for our mistake and will work to make sure we do not exceed anymore limits.</p>

Failure to promptly report deviations	I was unaware of the procedure of reporting the exceedances. I did call Dan McGeen after the first occurrence, but failed to on the next two. Going forward I will email Dan as soon as I find out about the exceedance.
Failure to report emission exceedances which lasted over two hours, by telephone within two days, and in writing within 10 days of shutdowns, and within 30 days of discovery of abnormal events of malfunctions.	I was unaware of the procedure of reporting the exceedances. I did call Dan McGeen after the first occurrence, but failed to on the next two assuming that he would see the exceedances when I mail in the reports in the following month. Going forward I will email Dan as soon as I find out about any exceedance.
Failure to submit Malfunction Abatement Plan	I wasn't aware of the need for a Malfunction Abatement Plan. I have attached a draft of one.

Since we have taken over we have worked hard and spent a lot of money that we don't have getting the field up and running and also satisfying conditions the Transfer Settlement Agreement. Early on we were hit a curveball. The guy that had been operating that field for Breitburn/Maverick began working for us before we took over the field. The plan was for him to operate the Rich field for us when we did take it over, but six weeks after we took over the field he quit and moved up north. We struggled finding good employees as most people have these days, but I believe I have we are better off with the two I hired for that field that was we had to begin with.

We will work to never make these mistakes again and look forward working with you as we continue to make improvements in the field and satisfying all requirements of the Transfer Settlement Agreement.

Please contact me if you have any questions.

Respectfully submitted,

Tuscola Energy, Inc.

By:



Jeffrey M. Adler - President

**TUSCOLA ENERGY**  
**FLARE PREVENTATIVE MAINTENANCE / MALFUNCTION ABATEMENT PLAN**

**I. INTRODUCTION**

Tuscola Energy operates two flares, one located at the Rich Field Gas Plant and an emergency flare at the Rich Field Tank Battery.

This document presents the Malfunction Abatement Plan (MAP) for the flare units as required under Tuscola Energy's flare permit.

**II. EQUIPMENT MAINTAINED**

4" flare line to a 130' NAO manufactured flare stack  
Williamson flare monitor with temperature display  
48"x10' inlet scrubber with Fisher automatic level controller dump valve  
Secondary 3'x10' in-line flare scrubber  
RM Young Co wind sensor

**III. PREVENTATIVE MAINTENANCE PROGRAM AND OPERATING PROCEDURES AND MONITORING**

- A. Operating Variables that will be monitored in order to detect a malfunction or failure. Daily monitoring includes the following.
1. Visual monitoring of flame and wind direction and speed.
  2. Monitor in line scrubbers and fluid dump equipment, including inlet scrubber dump controller and assisting fluid pump.
  3. Check slop tank level.
  4. Walk surface flare line to check for leaks.
- B. Monthly
1. Haul any slop tank fluids to maintain empty capacity.

**IV. MALFUNCTION ABATEMENT PROCEDURES**

In the event of burner malfunction all flare gas will be manually shut off and all wells will be manually shut in until the problem has been corrected. Wells will not be turned on and no gas will go to the flare until problem has been corrected.

**VI. EMERGENCY PHONE NUMBERS**

<u>NAME</u>	<u>TITLE</u>	<u>CELL PHONE</u>
Jeff Adler	President	(989) 213-8184
Ed Blake	Foreman	(989) 619-7824
Mike Canfield	Lease Operator	(406) 478-4178
Anthony Laster	Lease Operator	(313) 400-5232

**V. REPLACEMENT PARTS INVENTORY**

Replacement seals and packing for water pump.  
Seals for Fisher dump valve