

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

B566754466

FACILITY: Lambda Energy Resources LLC - Otsego 6		SRN / ID: B5667
LOCATION: 2443 LAKE MANUKA RD SEC 6 OTSEGO LAKE TWP, GAYLORD		DISTRICT: Gaylord
CITY: GAYLORD		COUNTY: OTSEGO
CONTACT:		ACTIVITY DATE: 07/21/2020
STAFF: Bill Rogers	COMPLIANCE STATUS: Compliance	SOURCE CLASS: SM OPT OUT
SUBJECT: Field inspection for FCE		
RESOLVED COMPLAINTS:		

On July 21, 2020, I inspected the Otsego Lake 6 CPF to determine compliance with Permit 442-99B. I reviewed records for this facility in a previous report dated July 6, 2020. I did not find any violations from reviewing the records. I did not find any violations during the on-site inspection.

This facility is quite a long way off Lake Manuka Road. The gravel road to reach it goes south from Manuka Lake Road about 0.4 miles west of the intersection of Otsego Lake Drive and Lake Manuka Road. Then the facility is about 1.7 miles down this gravel access road.

The permit includes EUDEHY, a glycol dehydrator processing Niagaran Formation gas; EUENGINE1, a natural gas fired reciprocating engine; FGMETHANOL, small methanol storage tanks; and FGFACILITY, a flexible group including everything on site. FGMETHANOL has no applicable conditions in the permit.

#### EUDEHY:

Permit 442-99B, Special Condition 1.2, requires that the glycol dehydrator have a flash tank. The dehydrator has a tank attached which I believe to be a flash tank. The condition also requires that the vapors from the flash tank be routed to the facility flare for destruction. The vapors apparently went into a pipe that went to a header also accepting vents from other equipment; the far end of this system of pipes then disappeared underground. I could not trace the pipe underground but it would likely go to the facility flare.

Condition 1.3 requires the flare to be installed and operated properly. The flare was present. It was burning at the time of my inspection. It appeared to be operating properly. There was occasional opacity in the flare but over a six minute average I would expect opacity to be near zero, as the puffs of opacity were of short duration.

The glycol dehydrator burner stack was hot. I did not see any "steam" or other opacity from the dehy. There were no odors near it.

#### EUENGINE1:

Conditions 2.4, 2.5, and 2.10 refer to an add on control device, if the engine was equipped with one. The company has indicated there is none, and I didn't see one during the inspection. Therefore these conditions are not applicable.

Condition 2.7 requires a monitoring device to measure fuel use by the engine. I didn't find one, although fuel use values are reported in facility records, which implies that one exists.

Condition 2.13 sets stack dimensions as a maximum diameter of 8 inches at a minimum height above ground level of 27 feet.. The stack appears to comply with these requirements.

The engine was running at the time of my inspection. It was a small Caterpillar natural gas fired compressor engine with no control device. It was running at 1201 RPM. Engine oil pressure was 70 psi and compressor oil pressure was 55 PSI. There were three drum on stilts tanks inside the engine shed; one labeled Elmar LA4 EXC SAE 40 oil, one labeled Multipurpose Oil, one unlabeled.

**FGFACILITY:**

**Condition 3.2 prohibits burning sour gas at the facility. I didn't smell anything that would make me believe they were burning sour gas. The facility does include iron sponges. That suggests there is or was sour gas on site, but if it was processed through the iron sponge before being burned, it could be sweet when used.**

**COMMENTS:**

**The flare was lit at the time of my inspection. It had occasional puffs of minor opacity.**

**There are 6 process heaters which look like inline heaters or heater-treaters. 5 had cold stacks. 4 of the process heaters are inside a gravel berm; I couldn't see whether there was a liner under the gravel. The other two appear to be newer and share a lined berm. The stack of one of these newer units was hot.**

**There are six 400 barrel oil field storage tanks inside a lined berm. Three of them are labeled as oil. The remaining three are labeled slop, skim, and water. A header system from the vents of these tanks slopes down to a building which contains what appears to be a VRU. The motors on the VRU were running. The exhaust pipe on the other side of this equipment picks up the exhaust from the glycol dehydrator and then goes underground. It is likely going to the facility flare.**

**The facility contains considerable equipment which seems to be out of use. Maintenance of the equipment still being used appears to be fair. I noticed some natural gas odors near the engine and dehy. I did not notice any spills or leaks. I didn't see any stained soils.**

NAME \_\_\_\_\_

DATE \_\_\_\_\_

SUPERVISOR \_\_\_\_\_

William J. Rogers Jr. Digitally signed by William J. Rogers Jr.  
Date: 2020.08.12 12:58:45 -0400

Shane Nixon Digitally signed by Shane Nixon  
Date: 2020.08.12 13:02:29 -0400