

**Michigan Department of Environment, Great Lakes and Energy   Air  
Quality Division**

**INSPECTION REPORT**

B603553418

**Facility Name:** Lambda Energy Gathering LLC - Junction

**SRN/ID:** B6035

**Address:** TURTLE LAKE RD

**Source Class:** MINOR

**City:** JOHANNESBURG

**County:** OTSEGO

**Staff:** LEBLANCS

**District:** Gaylord

**Inspection Date:** 3/16/2020

**Inspection Type:** SELF INSP

**Compliance** COMP  
**Status**

**Inspection Comment:** Self initiated site inspection for 2020 fiscal year. Two PTIs with limited conditions. No emission limits or record keeping requirements per permit. New owners. sgl

**Inspection Remarks**

**INTRODUCTION**

On March 17, 2020, AQD District Staff conducted an unannounced, self-initiated site inspection report of the Lambda Energy Gathering LLC -Junction Station (formerly Mark West Michigan Pipeline LLC- Junction Terminal) (B6035) located at 5152 Turtle Lake Road, Chester Township North, Otsego County, Johannesburg, Michigan. The referenced facility operates under Permit to Install (PTI) 611-81 and 77-77.

The most recent scheduled site inspection was conducted on September 7, 2012. Self-initiated inspections since the 2012 scheduled site inspection were conducted by District Staff on October 16, 2015 and coincided with reported odors believed to be associated with the facility. No compliance issues were noted at either inspection.

**FACILITY**

The Lambda Energy Gathering LLC- Junction Station (N6035) is located approximately 2-miles south of the intersection of M-32 and Turtle Lake Road. The Facility that is located on an approximately 12-acre parcel (Otsego County Property Parcel No. 031-033-100-015-00). Property located immediately to the north and east consists of undeveloped acreage owned by the State of Michigan. Property located immediately to the west and south consists of approximately 430 acres of privately owned (single owner) property encompassing Turtle Lake. The unmanned Facility is fenced and gated, consisting of three 10,000-barrel , steel, Above ground Storage Tanks (ASTs). The ASTs are used for crude oil storage. The NAICS for the Facility is 424710, for Petroleum bulk stations and terminals. Previous site inspection reports in District Files indicate that a number of other smaller ASTs have been associated with the Facility, but have since been removed.

At the time of the site inspection three, unmanned tanker trucks were parked onsite. District Staff had noted what appeared to have been the same three tanker trucks parked on site the previous week when traveling down Turtle Lake Road. No activities at the Facility appeared to be ongoing.

District Staff at the time of the March 17, 2020, site inspection, noted winds of < 10 mph from the NW. Slight petroleum odors were noted at the SE corner of the fenced portion of the facility. No visible emissions were noted at the time of the inspection.

**PERMITTING**

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Two active permits are of record for the Facility and include:

**Permit No.**

**Issue Date**

**Comment**

77-77

June 3, 1977

Issued to Shell Pipeline Corporation

3 steel, fixed roof storage tanks

611-81

October 26, 1981

Issued to Shell Pipeline Corporation

Modification to existing crude oil tanks by installing aluminum, "pontoon-type", floating roofs

Voided permits associated with the Facility included 594-84, 594-84A.

**REGULATORY**

The Facility is a minor source of VOCs and an area source of HAPs.

District Files contain a copy of a June 6, 2006, correspondence from MarkWest indicating that the Facility was subject to 40 CFR Part 60 Subpart Ka, Standards of Performance for Storage Vessels for Petroleum Liquids for which Construction, Reconstruction or Modification commenced after May 18, 1978 and before July 23, 1984. The document also indicated that internal floating roofs for the existing ASTs meet the condition of 40 CFR 60.112(a)(2).

The internal floating roofs were replaced in 2018. No notification of the activities was received by District Staff. Other requirements under the subpart include maintaining records of volumes stored for each vessel, as well as inspection and documentation of seal gaps within the vessel. Lambda Staff report that exterior inspections are conducted monthly, SPCC inspections are conducted annually, and interior seal inspections are conducted every 5 years. The latest interior inspection being conducted in September 2018, when the internal floating roofs were replaced. Volume records are utilized to determine annual emissions. Based on the information provided it appears that the Facility is in general compliance with the subpart.

**EQUIPMENT**

The Facility consists of three 10,000-bbls floating roof tanks (ID numbers 613, 614 and 615) used for crude oil storage. The floating roofs for the three existing storage tanks were replaced in 2018 as a result of inspection activities on the ASTs.

**EMISSIONS**

The facility reports annual emissions through the MAERs program. The Facility reports estimation of emissions using Tanks 4.0d software. Annual emissions reported for the period of 2015 through 2019 are summarized below:

**CALENDAR YEAR**

**VOC EMISSIONS (lb/year)**

**COMMENT**

2019

2,106.25

2018

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38,430.30

Fixed roof replacement activities resulted in elevated VOC emissions during the calendar year.

2017

1,790.97

2016

2,955.45

2015

1,870.26

**LIMIT**

NA

**COMPLIANCE**

A review of District Files indicated that since the September 7, 2012 site inspection, one complaint was of record (October 16, 2015). The referenced complaint was of strong crude oil odors, made by non-residents indicating that the Facility was the suspected source. No verification of odors was made during the corresponding site inspection.

Two permits are associated with the Facility. The two permits are older permits, and consist of general permit conditions, and a single special condition associated with the Facility. Special conditions for the Facility consist of:

- Permit 611-81, S.C. 10- The permittee shall not operate the crude oil storage tanks unless all provisions of Rule 604 are met.

Rule 604 requires of all storage tanks of organic compounds having true vapor pressures of >1.5 psia and < 11 psia have emission controls for fixed roof storage vessels of >40,000 gallons (Rule 604(1)) and all openings other than stub drains (Rule 604 (2)). Information provided as part of the permit application for PTI 77-77 indicated that the true vapor pressure for the liquids associated with the Facility was 1.9 psia. The existing internal floating roofs are believed to meet the Rule 604 requirements (Rule 604 (1)(b)). Staff were unable to verify that appropriate closures were in place other openings associated with the storage tanks.

- PERMIT 77-77, S.C. 9- Visible emissions are limited to an opacity of less than or equal to 20%, except as specified in Rule 336.41.

No visible emissions were noted at the time of the March 17, 2020, site inspection. No determination of visible emissions under tanker fills could be made.

**SUMMARY –**

On March 17, 2020, AQD District Staff conducted an unannounced, self-initiated site inspection report of the Lambda Energy Gathering LLC -Junction Station (formerly Mark West Michigan Pipeline LLC- Junction Terminal) (B6035) located at 5152 Turtle Lake Road, Chester Township North, Otsego County, Johannesburg, Michigan. The referenced facility operates under Permit to Install (PTI) 611-81 and 77-77.

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October 16, 2015 and coincided with reported odors believed to be associated with the facility. No compliance issues were noted at either inspection.

The site was unmanned at the time of the site inspection. Slight petroleum odors were noted downwind of the Facility at the time of the inspection. No visible emissions were noted. Permit conditions are limited to visible emissions of less than or equal to 20% opacity, and compliance with Rule 604. Due to the unmanned nature of the Facility District Staff was unable to confirm that opening associated with the stationary tanks had appropriately fitting lids, but with respect to other permit requirements it appears that the Facility is in general compliance with permit conditions.

With respect to 40 CFR part 60 Subpart Ka, AQD has received delegated authority for all but 40 CFR 60.114a. The Facility has installed emission controls in the form of internal floating roofs, and Lambda Staff report that exterior inspections are conducted monthly, SPCC inspections are conducted annually, and interior seal inspections are conducted every 5 years. The latest interior inspection being conducted in September 2018, when the internal floating roofs were replaced. Volume records are utilized to determine annual emissions. Based on the information provided it appears that the Facility is in general compliance with the subpart.

Sharon LeBlanc

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LeBlanc  
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Shane Nixon

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