

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

B709366879

<b>FACILITY:</b> Hound Resources - Aztec Plant		<b>SRN / ID:</b> B7093
<b>LOCATION:</b> 335 Washington St., MANISTEE		<b>DISTRICT:</b> Cadillac
<b>CITY:</b> MANISTEE		<b>COUNTY:</b> MANISTEE
<b>CONTACT:</b> Julie Johnston , Vice President		<b>ACTIVITY DATE:</b> 03/31/2023
<b>STAFF:</b> David Bowman	<b>COMPLIANCE STATUS:</b> Compliance	<b>SOURCE CLASS:</b> MAJOR
<b>SUBJECT:</b> Scheduled inspection		
<b>RESOLVED COMPLAINTS:</b>		

On 31 March 2023 I, David Bowman MI EGLE AQD, conducted a site inspection for B7093 Hound Resources – Aztec Plant located at 335 Washington St, Manistee MI. The weather was a wintry mix of rain and sleet, mostly rain that ended prior to the completion of the inspection. The winds were light. The site appeared to be well maintained and there were minimal odors noticeable on the plant grounds and nothing off site.

Aztec is an area source pursuant to the National Emissions Standards for Hazardous Air Pollutants (NESHAP) for Stationary Reciprocating Internal Combustion Engines (40 CFR, Part 63, Subpart ZZZZ (RICE MACT)) (FGRICEMACTZZZZ) and the NESHAP from Oil and Natural Gas Production facilities (40 CFR Part 63, Subpart HH) (EUDEHY). Additionally, Aztec would be subject to 40 CFR, Part 60, Subpart KKK, Subpart Kb, and Subpart LLL, but the source commenced construction prior to the effective dates of the regulations and has not been modified. The above ground storage tanks at the source are not subject to 40 CFR Part 60 Subpart Kb because they were used prior to ownership of the Property.

I met with Julie Johnston, VP Hound Resources, and John Ward, President North Star Operating and Consulting. I went over the details of the inspection and John began the tour of the facility. The facility has a few wells onsite and processes sour gas from other wells in the local area. We walked through each part of the process, and I was able to verify the ROP requirements for each area. We had a good conversation about odors from the facility. It is a point of pride that they have not had any issues since Hound acquired the site. They have had several conversations with the local community and found that the presence of the facility is unknown to most – meaning that they are not creating any issues for the local community.

#### EUDEHY-

In the records review it was reported that this was shut in. Onsite inspection found that EUDEHY is in operation and the records reviewed were referring to a dehy that is part of a refrigeration system that is not currently in use.

The site inspection found that VI. Monitoring/Record Keeping 1. Is being used for the exemption. The source does not process more than 85,000 M<sup>3</sup>/day. The source has a device installed that directly monitors gas flow with an accuracy of +/- 2% (meeting requirement VI. 1.a.). The records indicated that this was last calibrated on 28 March 2023. Records reviewed verified that the total flow is less than 85,000 M<sup>3</sup>/day and the format is acceptable to AQD (meeting requirement of VI. 1.b.).

#### FGSOURGASPLANT-

### III. Process/Operational Restrictions

1. Permittee shall send the acid gas stream to the amine reboiler to be combusted...

Discussion- John showed me the trace of the piping in the process. This is being accomplished.

2. In the even the pilot flame at the bypass flare is extinguished an alarm shall be activated...

Discussion – There is an audible alarm, visual alarm, and an automated call out to plant management. If the pilot is not relit within one hour the plant automatically shuts in and a second telephonic notification is sent to the plant management.

3. Permittee shall not operate FGSOURGASPLANT unless all emergency relief valves, all storage tanks, and dehy...

Discussion – the walk down of the piping and flow indicated that this is happening as required.

4. Permittee shall not operate FGSOURGASPLANT unless a vapor recovery system....

Discussion—walk down of the plant indicated that this is piped as required by the ROP.

5. Permittee shall maintain the H2S monitoring system to provide visual alarm...

Discussion – the building is equipped with the standard lighting system with the visual alarms observable from all locations onsite.

6. All inflowing streams to FGSOURGASPLANT shall be shut off in the concentration of the H2S in the building is greater than 100ppm...

Discussion – The system is monitored to ensure compliance with this requirement. The system uses multiple monitors and one that is electronically configured and calibrated.

### IV Design Parameters.

1. The permittee shall install a device to monitor the amount of gas produced....

Discussion – source has multiple monitors to ensure redundant data collection.

2. Permittee shall design and install an H2S monitoring system...

Discussion – This system in place and there are alarms systems that can be observed from all locations on the plant if it were to activate.

### V. Testing/Sampling

1. Permittee shall perform non-certified VE from SVFLARESTACK...

Discussion- there was no VE present during the inspection.

4. Permittee shall operate an H2S monitor to continuously monitor...

Discussion – This system is present and calibrated quarterly.

### VIII. Stack/Vent Restrictions

Stack/Vent ID	Max Diameter	Estimated Diameter	Min height	Estimated Height
SVFLARESTACK	NA	NA	75'	75'
SVSO2STACK	12"	12"	150'	152'

**FGMACTZZZ**

EUNATGASENG01 is a 215 HP Cat Model G3406NA that powers a three-stage compressor. It was operating the time of the inspection. The skid is labeled NGSC8. This is the same skid referenced in the 2021 inspection. The engine appears to be maintained and the required record keeping for maintenance items was inspected during the records review.

EUNATGASENG02 is a 200 HP cat G342 engine and is part of the refrigeration system (see reference in EUDEHY above) that has not been operating for a long time.

NAME 

DATE 4-10-23

SUPERVISOR 