

**DEPARTMENT OF ENVIRONMENTAL QUALITY
AIR QUALITY DIVISION
ACTIVITY REPORT: Self Initiated Inspection**

B755928850

FACILITY: DON YOHE ENTERPRISES INC		SRN / ID: B7559
LOCATION: MANISTEE TWP SEC 12, MANISTEE		DISTRICT: Cadillac
CITY: MANISTEE		COUNTY: MANISTEE
CONTACT: John Ward		ACTIVITY DATE: 12/10/2014
STAFF: Caryn Owens	COMPLIANCE STATUS: Compliance	SOURCE CLASS: MINOR
SUBJECT: Self Initiated Inspection because I was in the area.		
RESOLVED COMPLAINTS:		

On December 10, 2014, Ms. Caryn Owens of the DEQ-AQD stopped by the facility Jaguar Energy, (SRN: B7559), located at 5188 Chippewa Highway, Manistee, Manistee County, Michigan, formerly Don Yohe Enterprises, Inc. Permit to Installs (PTIs) 393-82 and 1016-80 were voided in October 19, 1982 and February 14, 1994, respectively, but the facility had an "operating" status in the DEQ-AQD's Michigan Air Compliance and Enforcement System (MACES), so the DEQ wanted to check on what operations were occurring at the site.

The site consisted of a jack pump, a process heater, a blowdown tank, a separator tower, three-400 barrel (bbl) above ground storage tanks and one approximately 300 bbl above ground storage tank, and one flare approximately 40 feet above ground surface. The flare was lit, and DEQ observed visible emissions of approximately 5 percent opacity of black smoke from the flare. The only structure at the facility was a sales line building. No compressors or glycol dehydrators were at the facility. No odors were present during the inspection. The weather conditions were sunny, with a temperature of approximately 25°F, and winds from the northeast.

PTI 393-82 was denied based on the DEQ's judgment that the proposed installation of the facility would not employ the best available control technology (BACT), and the facility would interfere with R336.1403(4) and (b); interference with the comfortable enjoyment of life and property, and therefore, would not comply with R336.1901.

PTI 1016-80 was established in November 1980 for the facility to burn the hydrogen sulfide (H2S) from the gas produced as a by-product of crude oil. The permit was voided because the company felt the equipment of the facility met the exemption of R336.1282(g), which states: The requirement of R336.1201(1) to obtain a PTI does not apply to sour gas-burning equipment, if the actual emissions of H2S do not exceed 1 pound per day.

On January 5, 2015, the DEQ requested records to verify the facility still meets the exemption of R336.1282 (g). On March 6, 2015, DEQ received a response from Don Schuster, PE, the consultant for Jaguar Energy, claiming the facility does meet the exemption of R336.1282(g) based on the oil production rate and the measured gas/oil ratio, and adding the pilot gas to derive daily H2S and sulfur dioxide (SO2) rates, and measuring the H2S concentration of the tank vapors. The determination is attached, and DEQ deems no further action is necessary at this time.

NAME Caryn Owens

DATE 3/16/15

SUPERVISOR 