

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

N158628155

FACILITY: TUSCOLA ENERGY - NIXON FARMS		SRN / ID: N1586
LOCATION: 7611 BAY CITY FORESTVILLE RD, AKRON		DISTRICT: Saginaw Bay
CITY: AKRON		COUNTY: TUSCOLA
CONTACT:		ACTIVITY DATE: 10/15/2014
STAFF: Benjamin Witkopp	COMPLIANCE STATUS: Non Compliance	SOURCE CLASS: MINOR
SUBJECT: Inspection of crude oil production facility		
RESOLVED COMPLAINTS:		

Ben Witkopp of the Michigan Department of Environmental Quality (MDEQ) - Air Quality Division (AQD) and Andrew Kent of the Office of Oil Gas and Minerals (OOGM) inspected the Nixon Farms crude oil production facility located in Wisner Township. The facility handles oil from both sour and sweet wells. Additionally, it is the location of an oil treatment system wherein oil is brought in from various other wells. The oil may have too much water or sediment to allow it to be sold directly. The oil is run through a heater treater to bring the oil into saleable specifications. Tuscola Energy is the company which operates the facility but the company is under new ownership and management as of the spring of 2014. The facility is covered by air permit 20-12A.

The permit contains provisions concerning times allowed for various wells to be operated. We checked the wells in the morning and in the afternoon. The Nixon 5 was operating at 2:20 pm. This is a violation of condition III 1. Permit conditions restrict times for the Nixon 5 to 5 am - 12 pm.

Other permit conditions concerning on site actions such as flare height, flare being lit, etc. were in compliance.

OOGM regulations were another matter checked. On the Nixon 3, 4, and 5 the danger signs were faded out in violation of OOGM rule 324.1109. Oil spray was evident on vegetation at the 3, soil was oily at the 4 due to racked pipe in the past, and there was a spill at the 5 wellhead. These oily conditions are violations of OOGM 324.1006. The Nixon 4, 5, and 6 needed the shutoff valves painted. Their current condition is a violation of OOGM rule 324.1119. Flow line markers were needed on the 5 which is a violation of OOGM rule 324.1120. The spill at the 5's wellhead had not been reported to OOGM. That is a violation of OOGM rule 324.1008. A well ID sign and H2S warning signs were not present at the Morgan 1 well. The lack of signage is a violation of OOGM rules 324.1012 and 324.1119 respectively.

On October 21 a prescheduled meeting with the company was held at the DEQ District office. I had asked Jeff Adler to bring the records required by the air permit. Since the new management had taken over in early spring I had just asked for the latest months records showing H2S feed rates to the flare. The company was unable to produce records for the Nixon Farms site. This is a violation of permit condition VI 1 & 2 concerning testing and records.

The company was informed a violation notice would be forthcoming concerning both AQD and OOGM violations.

NAME B. WitkoppDATE 10-26-14SUPERVISOR C. Hale