



RICK SNYDER  
GOVERNOR

STATE OF MICHIGAN  
DEPARTMENT OF ENVIRONMENTAL QUALITY  
SAGINAW BAY DISTRICT OFFICE



C. HEIDI GREETHER  
DIRECTOR

November 7, 2016

Mr. Jeff Adler, President  
Tuscola Energy, Inc  
7998 M-25  
Akron, Michigan 48701

SRN: N2259, Tuscola County

Dear Mr. Adler:

**VIOLATION NOTICE**

On August 24, 2016, the Department of Environmental Quality (DEQ) visited your Walat A-2-26 and Leon & Aerial Cosens 2-26 and 3-26 crude oil production facility located in Wisner Township, Michigan. The purpose of this inspection was to determine your facility's compliance with the requirements of the Office of Oil Gas and Minerals (OOGM) Part 615, Supervisor of Wells, of the Natural Resources and Environmental Protection Act, 1994 PA 451, as amended (Act 451). The facility is also covered by air use permit 68-11 issued by the DEQ – Air Quality Division (AQD).

During the visit, the following violations were noted:

Process Description	Rule/Permit Condition Violated	Comments
Walat A-2-26 and Leon & Aerial Cosens 2-26 and 3-26 crude oil production facility	AQD PTI 68-11 SC IV 3	Visible mist coming from the hatch of the Leon 2 storage tank.
	OOGM R324.1122 and 1129	These OOGM rules require sealed hatches and the burning of H2S gas respectively.
Walat A-2-26 and Leon & Aerial Cosens 2-26 and 3-26 crude oil production facility	OOGM R324.1120	Inadequate number of flowline markers at the Leon 2

It should be noted a violation notice was previously issued on November 14, 2014 for the same action on the same tank.

Please initiate actions necessary to correct the cited violations and submit a written response to this Violation Notice by November 28, 2016. The written response should include: the dates the violations occurred; an explanation of the causes and duration of the violations; whether the violations are ongoing; a summary of the actions that have been taken and are proposed to be taken to correct the violations and the dates by which these actions will take place; and what steps are being taken to prevent a reoccurrence.

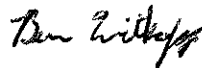
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If Tuscola Energy Inc. believes the above observations or statements are inaccurate or do not constitute violations of the applicable legal requirements cited, please provide appropriate factual information to explain your position.

It should be noted the facility is subject to the conditions of a Consent Order (AQD 37-2015, OOGM 2997) which was effective as of December 17, 2015. The violations presented above may result in stipulated penalties for the facility.

Thank you for your attention to resolving the violations cited above. If you have any questions regarding the violations, or the actions necessary to bring this facility into compliance, please contact me at the telephone number below.

Sincerely,



Ben Witkopp  
Environmental Engineer  
Air Quality Division  
989-894-6219

cc/via e-mail: Ms. Lynn Fiedler, DEQ  
Ms. Mary Ann Dolehanty, DEQ  
Mr. Chris Ethridge, DEQ  
Mr. Thomas Hess, DEQ  
Mr. Chris Hare, DEQ  
Mr. James Armbruster, DEQ