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

N622944368

FACILITY: Merit Energy Company - BAGLEY A 25 CPF		**SRN / ID:** N6229
LOCATION: CHESTER RD, GAYLORD		**DISTRICT:** Gaylord
CITY: GAYLORD		**COUNTY:** OTSEGO
CONTACT: Vicki Kniss , Environmental Affairs Manager		**ACTIVITY DATE:** 05/04/2018
STAFF: Bill Rogers	**COMPLIANCE STATUS:** Compliance	**SOURCE CLASS:** SM OPT OUT
SUBJECT: Scheduled Inspection		
RESOLVED COMPLAINTS:		

On May 4, 2018, I inspected the Bagley A 25 CPF. It appears that the compressor engine at this facility, which was its major source of emissions, has been removed. Recordkeeping, reporting, and perhaps permits should be revised to reflect this change.

I did not find any violations on site.

This facility is covered under Permit 96-97.

Permit 96-97, Special Condition 13, limits CO, VOC, and NOx annual emissions to 89 tons each per calendar year. According to reports provided by Merit (attached) emissions per year were CO, 11.4 tons, NOx, 6.8 tons, and VOC, 6.9 tons. All of these are below 89 tons, in compliance with permit requirements.

However, the emissions report lists the gas consumed as "Rich Burn Compressor Facility Fuel." When I was on site I did not find any compressor engines. There was one compressor, but it was powered by a large electric motor.

It seems likely that "Rich Burn Compressor Facility Fuel" is a holdover from when this facility had an Ajax compressor, as noted two inspections back. There are several large process heaters on site, which would produce some CO, NOx, and VOC. I have sent a note to Merit asking for clarification on this issue. I requested they either help me find any compressors still on site or alter their records to more correctly reflect the equipment there.

Special Condition 14 limits HAP to 9 tons of any individual HAP or 22.5 tons of combined HAPs per year. Facility emission records report 6.9 tons total VOCs. Since any HAP emitted here would be a VOC, there can not be 9 tons of any individual HAP or 22.5 tons of combined HAPs. Actual HAP emissions are probably less than the 6.9 tons of VOC reported, since not all VOCs are HAPs.

Special Condition 15 requires calculating emission levels for CO, NOx, VOCs, and HAPs per 12 month rolling time period. This is being done, except for HAPs. I will not count this as a violation of the Special Condition, since with the amount of VOC being reported from this facility, monitoring VOCs is sufficient to show compliance with HAP limits.

Special Condition 16 requires keeping track of monthly fuel consumption, monthly crude/condensate throughput, monthly hydrocarbon liquid trucked, and glycol circulation rate through the dehy. This information is included in the emissions table, attached.

Special Condition 17 requires keeping monthly reports of oil and gas processed. Oil processed is listed on the emissions table, attached. Gas production is included in a separate table, attached.

Special Condition 18 requires reporting emissions to AQD's Emission Inventory. Merit submitted an annual emission report to AQD for 2017. This complies with the permit condition.

This facility has a glycol dehydrator subject to 40 CFR 63 Subpart HH (National Emission Standards for Hazardous Air Pollutants from Oil and Natural Gas Production Facilities). AQD has not been delegated authority to enforce Subpart HH. Therefore I did not determine compliance with it. Based on the amount of gas reported as produced, however, it is likely that the facility is exempt from the more stringent control requirements of Subpart HH because gas throughput is too low to require them.

This facility has a reciprocating compressor subject to 40 CFR 60 Subpart OOOO (Standards of Performance for Crude Oil and Natural Gas Production, Transmission, and Distribution.) Subpart OOOO requires replacing the packing on the reciprocating compressor each 3 calendar years. The NSPS OOOO compliance report last reported replacement was September 15, 2015, which is less than three calendar years ago. This complies with the permit condition.

Comments:

The facility includes a tank battery of five oilfield tanks of the standard 400 barrel size. Three were labeled as Crude Oil. Two were labeled as "H2O," one of which was also labeled "out of service." They were inside a berm. There were pipes running from the top of each tank to what appeared to be an electrically operated vapor recovery unit, which appeared to be running.

I noticed several sheds. Most had no exhaust stacks I could see, and were closed, so I didn't investigate them.

One shed, right near the crude oil storage tanks, had electrical equipment operating inside it. I thought this might be associated with a vapor recovery unit, since pipes from the tops of the tanks ran to it.

SSE of this a short distance away was an open-sided shed which contained two drum on stilt type tanks, one 300 gallon and one larger, both marked as methanol.

Further SSE, after a line of three small closed sheds, was a shed which contained a compressor labeled 41 in metal characters welded to its motor mount. The compressor was driven by an electric motor. The motor was turning at 762 RPM according to a readout nearby.

SSE of that is the glyol dehydrator, in the open. The burner stack was about 6 inches diameter and perhaps 20 feet high. I didn't find the still vent. I noted one 300 gallon drum on stilt tank near the dehydrator, labeled methanol. If there was a glycol storage tank I didn't find it.

The facility includes three devices which include natural gas fired process heaters. They appear to be heater-treaters, for heating crude oil to drive out moisture. They did not seem to be operating at the time of my inspection.

Maintenance appeared acceptable. I was not able to check for stained soils or other evidence of spills or leaks, because it was raining at the time of my inspection.

NAME William J Rogers I— DATE 5/15/18 SUPERVISOR SN