

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

N628162791

FACILITY: OMIMEX ENERGY - BLUE LAKE E 18		SRN / ID: N6281
LOCATION: TWIN LAKE RD, KALKASKA		DISTRICT: Cadillac
CITY: KALKASKA		COUNTY: KALKASKA
CONTACT:		ACTIVITY DATE: 05/05/2022
STAFF: Sharon LeBlanc	COMPLIANCE STATUS: Compliance	SOURCE CLASS: SM OPT OUT
SUBJECT: Onsite inspection for FY 2022. Note data review will be conducted and reported separately. sgl		
RESOLVED COMPLAINTS:		

On May 5 2022, AQD District Staff conducted a site visit to the Ominex Energy Blue Lake E18 Facility (N6281). The referenced Facility is located on Twin Lake Road, SE Section 18, T28N, R5W, Blue Lake Township, Kalkaska, Kalkaska County, Michigan. The purpose of the site visit was to confirm equipment onsite with respect to Permit to Install (PTI) No. 243-97. Records review was/will be conducted and documented in separate reporting.

The referenced site was previously inspected on June 7, 2017. No compliance issues were identified as part of the 2017 compliance evaluation.

FACILITY

The referenced Facility is a CPF that handles NG extracted from the Niagarin Formation. The Facility is on the grid, and makes use of electricity to power the onsite compressor engine. NG coming via pipeline into the Facility passes through the inline heaters to the separator building where crude oil, natural gas and condensate are separated out. The crude oil and condensate being transferred to their respective ASTs in the tank battery, and the NG is processed by the glycol dehydrator, compressed and sent via pipeline for sale.

To get to the site, District Staff travelled east on County Road (CR) 612, from the intersection of CR 612 and M-131 for approximately 9.5 miles to the intersection of CR 612 with Sunset Trail Road. Staff turned left at the intersection and traveled north approximately 3.2 miles to Twin Lake Road. At the intersection, Staff made a right (east) and then almost immediately another right (south). At this point Twin Lake Road goes southeasterly, and Sunset Trail Road goes to the north. Continuing on Twin Lake Road, the township office will be on the left hand side of the road, the entrance to the Facility is the next drive on your left. A sign is present at the entrance.

Note that there are two intersections of "Twin Lake Road" and "Sunset Trail" and there are two different sites located approximately ¼ -mile south of the intersection. One is the Lambda Blue Lake 19 Facility (AKA Ricci 19 (N6279) located at 6873 Sunset Trail. The other is the Ominex Energy Blue Lake E 18 Facility (N6281) on Twin Lake Road.

A review of readily available aerials confirms that the Facility was present as prior to 1985. Previous operators associated with the site include: Merit Energy Company, Ominex Resources, Incorporated and Subsidiaries, as well as Shell Western E&P Inc.

At the time of the site inspection, the skies were clear and sunny, temps in the mid 40s with little to no winds. Heat shimmers were present at one of two inline heaters, but no visible plumes were noted onsite.

The Facility reports as part of the Michigan Air Emissions Reporting Program (MAERS).

REGULATORY

Permitting - PTIs issued for the Facility include the following:

PTI	Issued	Voided	Issued to
243-97	May 18, 1997	NA	Shell Western E&P Inc.

The above referenced PTI was issued as an opt-out permit, but not a Rule 201 permit and was issued around the same time as other Michigan Oil and Gas Association (MOGA) permits that did not undergo 201 reviews. The PTI conditions are generic and refer to the stationary source as a whole rather than conditions that address individual pieces of equipment.

Federal Regulations - The referenced facility does separate out, petroleum liquids and store them onsite short term. It may therefore be subject to one or more 40 CFR Part 60 (New Source Performance Standards AKA NSPS) Subparts;

- K, Ka or Kb (Storage vessels for Petroleum Liquids);
- KKK (Equipment Leaks of VOC from onshore NG Processing Plants);
- VV (Equipment Leaks of VOC in the Synthetic Organic Chemicals Manufacturing Industry);

With respect to NSPS Subparts K, Ka and Kb, it appears that the ASTs onsite are below size thresholds of 1144 bbls of petroleum liquids for Subparts K and Ka as well as under 471 bbls for storage of Volatile Organic Liquids (VOLs) under Subpart Kb.

In addition, the Facility is not a NG processing Plant, nor is it a synthetic Organic Chemical Manufacturing Facility. Therefore, NSPS Subparts KKK and VV do not appear to apply.

Subpart OOOO would apply to onshore affected facilities that are constructed, modified or reconstructed after August 23, 2011. Based on available information it appears that the referenced subpart is not applicable at this time but that future changes may be subject to the referenced subpart.

With respect to 40 CFR Part 63 (Maximum Achievable Control Technology Standards A.K.A. MACT) the following Subparts may apply:

- Subpart HH (HAPS from Oil and NG Production Facilities)

With respect to Subpart HH, the affected unit is believed to be the dehy unit. However, the facility is not subject to the subpart if it's average throughput is less than 85K cubic meters/day (3 MMscf/day) or average benzene emissions are less than 0.9 Mg/yr (approximately 1 ton/yr). A compliance determination has not been made with respect to this subpart, and at the time of report preparation AQD does not have authority to enforce the subpart.

EQUIPMENT

Equipment associated with the site at the time of May 5, 2022, site inspection included the following:

EQUIPMENT	INSTALLATION DATE	Comment
Fixed Roof 400 BBL Crude Oil ASTs (3)	1976	Reported to have vapor recovery unit housed separately
400 BBL Brine AST(1)	Unk*	
210 BBL Brine AST (1)	Unk*	
Dehy with reboiler	1976	Reported to process Niagaran Formation – uses Triethylene Glycol
Blow down tank	Unk*	
In-Line Heaters (2)	Unk*	Two identified in previous site inspection report, third identified onsite, but not operating
NG Compressor with electric engine	Unk*	Identified as Unit # 613 on daily log sheet. No RPMs were noted, compressor oil pressure = 45 psi. All other gauges = no readings

Note that the 2013 FCE reported that the vapor recovery unit associated with the ASTs are is piped directly to the tanks, and feeds into a carbon filter. The VRU is located in a separate building to the north of the tank farm next to the crude load out.

As indicated previously, PTI 243-97 does not identify specific EUs and is limited to Facility wide conditions. No stack restrictions associated with PTI 243-97.

SUMMARY

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No compliance issues were identified in conjunction with the 2018 site evaluation activities, nor were any compliance issues noted with respect to the May 5, 2022, site inspection.

NAME _____

DATE _____

SUPERVISOR _____