



GRETCHEN WHITMER
GOVERNOR

STATE OF MICHIGAN
DEPARTMENT OF
ENVIRONMENT, GREAT LAKES, AND ENERGY
CADILLAC DISTRICT OFFICE



LIESL EICHLER CLARK
DIRECTOR

March 9, 2021

Ms. Shelia Wilkes, Regulatory Specialist
Layline Energy
820 Gessner Road, Suite 1145
Houston, Texas 77024

SRN: N7482, Osceola County

Dear Ms. Wilkes:

VIOLATION NOTICE

On January 26, 2021, the Michigan Department of Environment, Great Lakes, and Energy (EGLE), Air Quality Division (AQD), conducted an inspection of Layline Oil & Gas LLC located on 17 Mile Road, Rose Lake Township, Michigan. The purpose of this inspection was to determine Layline Oil & Gas LLC compliance with the requirements of the federal Clean Air Act; Part 55, Air Pollution Control, of the Natural Resources and Environmental Protection Act, 1994 PA 451, as amended (Act 451); the Air Pollution Control Rules; and the conditions of Permit to Install (PTI) number 220-05.

FGFACILITY is subject to the federal New Source Performance Standards (NSPS) for Equipment Leaks of VOC From Onshore Natural Gas Processing Plants. These standards are found in Title 40 of the Code of Federal Regulations (CFR) Part 60, Subpart KKK.

During the file review, AQD staff has determined that Layline Oil and Gas LLC has not submitted semiannual reports since 2018 to the AQD District Office as required by 40 CFR 60.487 and 40 CFR 60.636(a), and the Leak Detection and Repair (LDAR) Plan, dated July 30, 2013, which is a violation of the recordkeeping specified in Special Condition numbers 3.2 of PTI number 220-05.

Please initiate actions necessary to correct the cited violation and submit a written response to this Violation Notice by March 30, 2021 (which coincides with 21 calendar days from the date of this letter). The written response should include: the dates the violation occurred; an explanation of the causes and duration of the violation; whether the violation is ongoing; a summary of the actions that have been taken and are proposed to be taken to correct the violation and the dates by which these actions will take place; and what steps are being taken to prevent a reoccurrence.

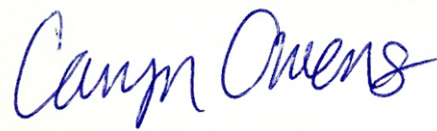
Please submit the written response to EGLE, AQD, Cadillac District, at 120 West Chapin Street, Cadillac, Michigan 49601 and submit a copy to Ms. Jenine Camilleri, Enforcement Unit Supervisor at EGLE, AQD, P.O. Box 30260, Lansing, Michigan 48909-7760.

Ms. Shelia Wilkes
Layline Energy
Page 2
March 9, 2021

If Layline Oil and Gas LLC 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.

Thank you for your attention to resolving the violation cited above and for the cooperation that was extended to me during my inspection of Layline Oil and Gas LLC. If you have any questions regarding the violation or the actions necessary to bring this facility into compliance, please contact me at the number listed below.

Sincerely,



Caryn Owens
Environmental Engineer
Air Quality Division
231-878-6688 / Owensc1@Michigan.gov

cc: Ms. Coral Johnson, Layline Gas & Oil LLC
Mr. Matt Maciag, Layline Gas & Oil LLC
Ms. Mary Ann Dolehanty, EGLE
Dr. Eduardo Olaguer, EGLE
Ms. Jenine Camilleri, EGLE
Mr. Christopher Ethridge, EGLE
Mr. Shane Nixon, EGLE