



RICK SNYDER
GOVERNOR

STATE OF MICHIGAN
DEPARTMENT OF ENVIRONMENTAL QUALITY
SAGINAW BAY DISTRICT OFFICE



C. HEIDI GREETHER
DIRECTOR

August 22, 2016

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

SRN: N7954, Tuscola County

Dear Mr. Adler:

VIOLATION NOTICE

On August 18, 2016, the Department of Environmental Quality (DEQ), Air Quality Division (AQD), visited Tuscola Energy Inc.'s McPherson A-1-24 crude oil production facility located in Wisner Township, Michigan to check the status of cleanup from a previous oil spill. The cleanup progress was being monitored by the DEQ, Office of Oil Gas and Minerals (OOGM).

During the visit, the following violation was noted:

Process Description	Rule/Permit Condition Violated	Comments
McPherson crude oil production facility	AQD PTI 14-09D SC IV 1b	There was a murphy switch present as part of the shutdown system; however, its wiring was cut off making the shutdown system inoperable. The well was pumping at the time. The situation remained the same on Monday, August 22, 2016
	R324.1123 (OOGM Rule 1123)	The OOGM rule mirrors the AQD requirement.
Records	AQD PTI-14-09D SC IV1b	Records were present for April 31, 2016 and June 31, 2014 which do not exist

Please initiate actions necessary to correct the cited violations and submit a written response to this Violation Notice by September 5, 2016 (which coincides with 21 calendar days from the date of this letter). 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.

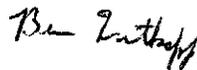
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If Tuscola Energy, Inc. believes the above observations or statements are inaccurate or do not constitute violations of the applicable legal requirements cited, please provide appropriate factual information to explain your position.

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 and for the cooperation that was extended to me. If you have any questions regarding the violations or the actions necessary to bring this facility into compliance, please contact me at the number listed 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