



RICK SNYDER
GOVERNOR

STATE OF MICHIGAN
DEPARTMENT OF ENVIRONMENTAL QUALITY
SAGINAW BAY DISTRICT OFFICE



DAN WYANT
DIRECTOR

November 6, 2014

Mr. Jon Reynolds, President
Tuscola Energy, Inc
7998 M-25
Akron MI 48701-9773

SRN: N8275, Tuscola County

Dear Mr. Reynolds:

VIOLATION NOTICE

On October 16, 2014, the Department of Environmental Quality (DEQ) visited your M & D Downing crude oil production facility located at 5460 Elmwood in Akron Michigan. The purpose of this inspection was to determine your facility's compliance with the requirements of the federal Clean Air Act and Part 55, Air Pollution Control, and 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).

During the visit, the following violations were noted:

Process Description	Rule/Permit Condition Violated	Comments
M & D Downing 2	AQD PTI 106-13 FG-Downing2 VI 1 & 2	Required records were not available.
M & D Downing 2	AQD PTI 106-13 FG-Downing2 IV 1	PTI requirement for shutdown in case of pilot flame failure is to cease fluid flow from the Downing 2 into facility. Existing valve shuts off gas to the flare which causes back pressure on the separator and is potentially dangerous.
M & D Downing 2	AQD PTI 106-13 FG-Downing2 IV 1	No Murphy switch
M & D Downing Crude oil production facility	AQD PTI 106-13 FG-Oil Production IV 3	Visible mist / vapors were coming out the brine tank hatch.
M & D Downing Crude oil production facility	AQD PTI 106-13 FG-Oil Production IV 4	There isn't a vapor return system present for use during load out.

OOGM violations

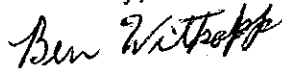
Process Description	Rule/Permit Condition Violated	Comments
M & D Downing 2	OOGM 324.1109	"Danger" sign faded out
M & D Downing 2	OOGM 1123	Parallels AQD shutdown condition noted above.
M & D Downing tank battery	OOGM 324.1126	There isn't a vapor return system present for use during load out.
M & D Downing tank battery	OOGM 324.1010	Visible mist was coming from the brine tank hatch. All produced gas should be burned.

Please initiate actions necessary to correct the cited violations and submit a written response to this Violation Notice by November 26, 2014. 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.

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.

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, or via correspondence addressed to Air Quality Division, 401 Ketchum Street, Suite B, Bay City, Michigan 48708.

Sincerely,



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

bw/ai

cc: Ms. Lynn Fiedler, DEQ
Ms. Mary Ann Dolehanty, DEQ
Ms. Teresa Seidel, DEQ
Mr. Thomas Hess, DEQ
Mr. Jim Armbruster, DEQ
Mr. Chris Hare, DEQ