



C. HEIDI GRETHER DIRECTOR

July 7, 2017

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

SRN: N8275, Tuscola County

Dear Mr. Adler:

VIOLATION NOTICE

On April 21, 2017, 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 Oil Gas and Minerals (OGM) Part 615, Supervisor of Wells, of the Natural Resources and Environmental Protection Act, 1994 PA 451, as amended (Act 451). The facility is also covered by air use permit 106-13A issued by the DEQ, Air Quality Division (AQD).

During the visit, the following violation was noted:

Process Description	Rule/Permit Condition Violated	Comments
M & D Downing 2-29	AQD PTI 106-13A	Unburned sour gas being
_	FG-Oilproduction IV 3	released through storage tank
		thief hatch.

The unburned gas was first noticed on April 21, 2017. A similar occurrence was noted May 9, 2017 and you were informed by OGM staff on May 10, 2017. The situation was mentioned to Tuscola Energy Inc. operations staff on June 22, 2017 and an update was requested. Tuscola Energy Inc. staff stated it was the first they were aware of it.

Please initiate actions necessary to correct the cited violations and submit a written response to this Violation Notice by July 28, 2017. 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.

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.

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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 violation cited above. If you have any questions regarding the violation, or the actions necessary to bring this facility into compliance, please contact me at the telephone number below.

Sincerely,

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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 Mr. James Armbruster, DEQ