



RICK SNYDER  
GOVERNOR

STATE OF MICHIGAN  
DEPARTMENT OF ENVIRONMENTAL QUALITY  
SAGINAW BAY DISTRICT OFFICE



C. HEIDI GREYER  
DIRECTOR

November 7, 2016

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

SRN: P0199, Tuscola County

Dear Mr. Adler:

**VIOLATION NOTICE**

On August 24, 2016, the Department of Environmental Quality (DEQ) visited your Sylvester 2-36 crude oil production facility located in Wisner Township, 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). The facility is also covered by air use permit 6-11 issued by the DEQ – Air Quality Division (AQD).

During the visit, the following violations were noted:

| Process Description                             | Rule/Permit Condition Violated | Comments   |
|---|--------------------------------|--|
| Sylvester 2-36<br>Crude oil production facility | AQD PTI 6-11 IV 4              | There is not a vapor return system present for use during loadout. |
|   | OOGM 324.1126                  | OOGM rule parallels the AQD permit requirement.                    |
| Sylvester 2-36<br>Crude oil production facility | AQD PTI 6-11 IV 3              | H2S leak at tank hatch. 75 ppm on meter.                           |
|   | OOGM 324.1122                  | Requires a sealing hatch on tank.                                  |
|   | OOGM 324.1129                  | Prohibits release of unburned gas.                                 |
| Sylvester 2-36<br>Crude oil production facility | OOGM 324.1120                  | Number of flowline markers inadequate.                             |

Please initiate actions necessary to correct the cited violations and submit a written response to this Violation Notice by November 28, 2016. 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

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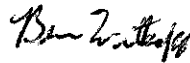
which these actions will take place; and what steps are being taken to prevent a reoccurrence.

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.

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. 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

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