

Tuscola Energy, Inc.

920 North Water Street, Suite 213
Bay City, Michigan 48708

DEQ-AQD

NOV 28 2018

SAGINAW BAY

11/26/18

Mr. Matt Karl
Air Quality Division
Saginaw Bay District Office
401 Ketchum Street, Suite B
Bay City, MI 48708

Re: Response to November 5, 2018 Violation Notice: SRN P0202

Dear Mr. Karl

Below I have provided our responses to the Violation Notice.

Response to SRN P0202

Allegation	Response
PTI 9-11 FGFACILITY SC IV.2 – The wind shroud at the top of the flare was tilted and in bad shape.	The wind shroud has deteriorated over time and has caused it to tilt slightly. A new shroud has been made and will replace the old shroud. Should be replaced by the end of November.
PTI 9-11 FGFACILITY SC IV.3 – Visible vapor / mist was coming from the oil tank thief hatch	The well had been shut down. We replaced the gasket, but are waiting on the new lid.

Response to SRN P0199

Allegation	Response
PTI 6-11 FGFACILITY SC IV.3 – The line from the separator pressure relief valve to the flare was broken off at the separator.	The broken pipe was glued and put back together this summer. We have a new employee doing well inspections and he should be able to find these problems soon after they happen.

Response to SRN N7954

Allegation	Response
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<p>PTI 14-09E FGOILPRODUCTION SC IV.2 – The vent line from the separator pressure relief valve was open to the atmosphere. It should be connected directly to the flare.</p>	<p>The pressure relief valve will be connected before we begin producing from the McPherson well again. The well is currently hung up.</p>
<p>PTI 14-09D & E FGOILPRODUCTION SC II.1 – Data indicated the H2S feed rate to the flare exceeded the limit of 310 lbs per day, 21 times between June 17 and August 17, 2018.</p>	<p>This limit exceedance was first brought to the attention of Ben by myself. I was instructed to let him know when I noticed something that didn't make sense and that is exactly what I did. I showed Ben the data and even he couldn't make sense of it. We had made no changes in the operations of the well and all of a sudden it had begun to show 0.0 for 7-8 hours in the morning on some days starting on June 17th. We had not exceeded our limit in 2018 until June 17th.</p> <p>The meter also showed gas flows after we had shut the well in to increase the flare height.</p> <p>During the quarterly calibrations done by Trend Services, they mentioned that they had to clean some oil out of a tube in the meter. They think that is why it was giving off inaccurate readings.</p> <p>I do not believe that we exceeded the limit on any day.</p>

Response to SRN N1586

Allegation	Response
<p>PTI 20-12B FGOILPRODUCTION SC IV.2 – The wind shroud at the top of the flare was tilted and in bad shape.</p>	<p>The wind shroud has deteriorated over time and has caused it to tilt slightly. A new shroud has been made and will replace the old shroud. Replacing the shroud has been on our list of things to do, but we didn't plan on doing it until after we had the McPherson and B1/B2 flares raised. We should have the new shroud installed by December 10th.</p>
<p>PTI 20-12B FGOILPRODUCTION SC IV.2 – A spill was noted by the drip tank for the produced gas going to the flare. The tank is bypassed.</p>	<p>The drip tank is currently bypassed. We are looking to purchase a used propane tank to replace the old drip tank. We are also looking to purchase a few more drip tanks in case we have more drip tanks that spring leaks so they can easily be replaced. We should have the new tanks in early December.</p>

Please contact me if you have any questions.

Respectfully submitted,

Tuscola Energy, Inc.

By:

A handwritten signature in black ink, appearing to read 'Jeffrey M. Adler', written in a cursive style.

Jeffrey M. Adler - President