

DEPARTMENT OF ENVIRONMENTAL QUALITY
AIR QUALITY DIVISION
ACTIVITY REPORT: Scheduled Inspection

P038828436

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| FACILITY: TUSCOLA ENERGY - WALAT 4-26 AND 5-26 | | SRN / ID: P0388 |
| LOCATION: 7829 W. CASS CITY ROAD, WISNER TWP | | DISTRICT: Saginaw Bay |
| CITY: WISNER TWP | | COUNTY: TUSCOLA |
| CONTACT: | | ACTIVITY DATE: 10/16/2014 |
| STAFF: Benjamin Witkopp | COMPLIANCE STATUS: Non Compliance | SOURCE CLASS: Minor |
| SUBJECT: Inspection of Walat A 4 and 5 -26 crude oil production facility | | |
| RESOLVED COMPLAINTS: | | |

Ben Witkopp of the Michigan Department of Environmental Quality (MDEQ) - Air Quality Division (AQD) and Andrew Kent of the Office of Oil Gas and Minerals (OOGM) inspected the Walat A 4 and 5 -26 crude oil production facility located at 7829 Cass City Rd in Akron Michigan. Tuscola Energy is the company which operates the facility but the company is under new ownership and management as of the spring of 2014. The facility is covered by air permit 171-11A.

The permit contains provisions concerning shut down systems. Unlike most other facilities run by Tuscola Energy, this one is equipped with an electrical shut down. If the flare pilot flame goes out, a thermocouple would send a signal to the main power box. This action then causes the electrical power to the pump jack motors to be cut off and they shut down instantly. The system could not be verified due to the lack of Tuscola Energy staff to demonstrate it.

Other on site requirements such as flare height etc. were in compliance.

OOGM regulations were another matter checked. The danger sign was faded out at the Walat 4-26. This is a violation of OOGM rule 324.1109. The pump jack valves at the 4 also needed painting. This is a violation of rule 324.1119. The ID sign at the Walat A 5-26 was missing. This is a violation of rule 324.1012.

On October 21 a prescheduled meeting with the company was held at the DEQ District office. I had asked Jeff Adler to bring the records required by the air permit. Since the new management had taken over in early spring I had just asked for the latest months records showing H2S feed rates to the flare. The records did not have a recent H2S concentration. In fact it was from 2013. This is a violation of permit condition VI 1 & 2 concerning testing and records.

The company was informed a violation notice would be forthcoming concerning both AQD and OOGM violations.

NAME B. WitkoppDATE 10-26-14SUPERVISOR C. Hale