

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

P048123877

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| FACILITY: AARON ELEK III ESTATE - WENDT 1-34 | | SRN / ID: P0481 |
| LOCATION: S1/2 SW 1/4 SE1/4 Sec 34 T15N R4E, KAWKAWLIN | | DISTRICT: Saginaw Bay |
| CITY: KAWKAWLIN | | COUNTY: BAY |
| CONTACT: Ashley Clements , Personal Representative | | ACTIVITY DATE: 11/19/2013 |
| STAFF: Benjamin Witkopp | COMPLIANCE STATUS: Non Compliance | SOURCE CLASS: |
| SUBJECT: Inspection of oil production facility with OOGM staff | | |
| RESOLVED COMPLAINTS: | | |

The Aaron Elek III estate operates several crude oil production facilities in Bay County. The sites produce oil from the Detroit River Sour Zone. One of the sites is known as the Wendt 1-34 located at S 1/2, SW 1/4, SE 1/4 Sec 34, T15N R4E, in Kawkawlin, Michigan. Ben Witkopp from the Michigan Department of Environmental Quality (MDEQ) Air Quality Division (AQD) and Andrew Kent from the Office of Oil, Gas, and Minerals (OOGM) reviewed existing OOGM data to determine the facility's compliance with the requirements of OOGM and AQD regulations.

Based upon existing OOGM data, and assuming an 8 hr day of operation, the facility would emit about 3 # of SO₂ per hr. Additionally, less than 28 pounds of H₂S would be burned per day. These values would require an air use permit and also either a continuously burning pilot flame or automatic ignition system. The facility does not have an air permit. This is an AQD Rule 201 violation based upon the existing data.

The site was visited by AQD and OOGM staff on November 19, 2013. The facility was not pumping oil at the time. There was no flare pilot present; neither was there an automatic ignitor. This condition is a violation of AQD rule 403.

The flare was estimated to be about 18 to 20 ft. The OOGM required H₂S signage for the site was appropriate as was the gate and SCBA sign at the base of the steps for ascending the tank. A vapor return line for use during load out was not present. This is a violation of AQD Rule 403 and OOGM 1126.

Additionally, several OOGM violations were noted. The site lacked a well identification sign in violation of OOGM Rule 1012. An oil leak was found on the west side of the oil storage tank which is a violation of OOGM Rules 1002 and 1006. The storage tank had an unlatched thief hatch in violation of OOGM Rule 1122. Lastly, several barrels of waste material are sitting on site and oily residue was present on the ground in violation of OOGM Rules 701 and 1006.

The next step is to have the facility conduct H₂S concentration testing and also determine the flow of produced gas per OOGM rule 1105. The data obtained could then be reviewed to determine applicable AQD and OOGM regulations based upon current operating conditions.

A violation notice will document the aforementioned AQD and OOGM violations and request testing.

NAME B. WitkoppDATE 12-19-13SUPERVISOR C. Kent