

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

P071138920

FACILITY: West Bay Exploration Company		SRN / ID: P0711
LOCATION: 5720 Baner Road, JACKSON		DISTRICT: Jackson
CITY: JACKSON		COUNTY: JACKSON
CONTACT: Eric Johnson , Project Manager		ACTIVITY DATE: 03/01/2017
STAFF: Zachary Durham	COMPLIANCE STATUS: Compliance	SOURCE CLASS: SM OPT OUT
SUBJECT: Scheduled, announced inspection of PTI 95-16 for the oil and gas facilities owned by West Bay.		
RESOLVED COMPLAINTS:		

Contact

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Purpose

This was a scheduled, announced inspection of the facilities located at 5720 Baner Rd, Jackson, MI. This site is owned and operated by West Bay Exploration Company. Scott Miller and I arrived at the site on 3/1/17 at about 10:10am and met with Eric Johnson and Tim Baker. The purpose of the inspection was to determine compliance with Permit to Install (PTI) 95-16.

Background

This facility received PTI 95-16 on August 29, 2016 to opt-out of the Title V program for Volatile Organic Compounds (VOC). The PTI was issued as a result of information the company submitted to both the State of Michigan and the Environmental Protection Agency (EPA) regarding potential uncontrolled emissions of VOC from oil storage tanks. The potential emissions identified in their submittal exceeded the thresholds for a major source of VOC, which would require a Renewable Operating Permit (ROP). However, the facility has operated several control devices during the entirety of the sites active history, including a vapor recovery unit (VRU) and emergency backup flare. PTI 95-16 includes an emission limit of 50 tons per year (tpy) of VOC as well as design and operational parameters, including a preventative maintenance and malfunction abatement plan (PM/MAP). The PM/MAP includes equipment that ensures compliance with the emission limit (i.e. VRU and two backup flares), which act as pollution control devices.

This facility is subject to the New Source Performance Standard (NSPS) in Title 40 of the Code of Federal Regulations (CFR) Part 60, Subpart OOOO. NSPS OOOO sets standards of performance for crude oil and natural gas production, transmission and distribution for which construction, modification or reconstruction commenced after August 23, 2011, and on or before September 18, 2015.

Due to the facility being subject to an NSPS, they have been informed of their requirement to submit annually to the Michigan Air Emissions Reporting System (MAERS). Reporting year 2016 will be their first time reporting for this facility.

Compliance Evaluation

The Special Conditions (SC) for PTI 95-16 identifies one Flexible Group (FG) in this permit, FGFACILITY. The emission limit in SC I states that 50 tpy of VOC will be determined on a 12-month rolling time period. In the attached spreadsheet "Lantis Facility Notes," the aggregate facility VOC emissions for September 2016 –

February 2017 is calculated to be 1.704 tons. As noted in the document, the rolling average began to be evaluated starting on September 1, 2016. This amount is well below the 50 tpy limit, and is not likely to exceed the limit given 12 months of data during normal operating conditions.

Attached are maintenance records of service performed on the VRU by Correct Compression and the monthly inspection checklist. It appears that regular oil changes and filter replacement are occurring, as well as routine site inspections identified in the PM/MAP. Included in this report are several photos of the VRU control panel from the time of the inspection, and also the control panel for the flare, the flare itself, and the certification plaque from Flare King.

Compliance Determination and Recommendations

After on-site inspection and review of documents provided to me, it appears this facility is in compliance with PTI 95-16.

Since the inspection a severe wind storm passed through the area causing many areas to lose power, including this facility. I recommend that any temporary emergency generator information and usage be tracked to show compliance with applicable regulations. Furthermore, I recommend the facility review NSPS Subparts JJJJ and IIII and also NESHAP ZZZZ should they consider installing a permanent generator for unforeseen power outages like this.

NAME Fock Durham DATE 3/17/17 SUPERVISOR 