



GRETCHEN WHITMER  
GOVERNOR

STATE OF MICHIGAN  
DEPARTMENT OF  
ENVIRONMENT, GREAT LAKES, AND ENERGY  
BAY CITY DISTRICT OFFICE

**EGLE**  
LIESL EICHLER CLARK  
DIRECTOR

April 14, 2020

Raymond Brodeur  
Layline Energy, LLC  
820 Gessner Road, Suite 1145  
Houston, Texas 77024

SRN: P1075, Clare County

Dear Mr. Brodeur:

**VIOLATION NOTICE**

On April 6, 2020, the Department of Environment, Great Lakes, and Energy (EGLE), Air Quality Division (AQD), received electronic results of the quarterly gas sampling analysis of the State A2 wellhead. The results indicated the concentration of hydrogen sulfide (H<sub>2</sub>S) in the sour gas sent to the FGOILPRODUCTION flare was 38,000 ppmv. Layline Energy, LLC (Layline) indicated that based on these results, the source had been in violation of the following permit condition on the listed dates:

Process Description	Rule/Permit Condition Violated	Comments
FGOILPRODUCTION	SC II.1	The increase in the H <sub>2</sub> S concentration is reported to have caused exceedances of the daily limit of H <sub>2</sub> S on March 18, 2020 and March 25 through April 5, 2020.

The conditions of Permit To Install (PTI) number 130-19 limit the amount of H<sub>2</sub>S going to the flare to 160 lb/day.

H<sub>2</sub>S sampling was performed on March 13, 2020, and the results were received by Layline on March 17, 2020. In the email received by AQD on April 6, 2020, Layline explained that the results were received during operational disruptions due to the COVID-19 pandemic and the drop in oil and gas prices, and were therefore overlooked while the company was analyzing operational changes needed to adjust for the disruptions caused by these events. Layline indicated they did not realize they were in violation until April 3, 2020, and the pumper was immediately instructed to further reduce production. The email also explained Layline was pursuing a new test of the wellhead to ensure that the reported H<sub>2</sub>S concentration increase was accurate.

In response to that email, AQD District staff requested additional information pursuant to SC VI.1, VI.2, and VI.3 of PTI 130-19 to further evaluate the exceedances. On April 7, 2020, the requested additional information was received and supported the

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exceedances. On April 13, 2020, AQD received the results of the new test which was conducted on April 9, 2020. The results showed an H<sub>2</sub>S concentration of 25,000 ppmv.

Please submit a written and electronic response to this Violation Notice by May 5, 2020 (which coincides with 21 calendar days from the date of this letter). The response should include what steps are being taken to prevent a reoccurrence.

Please submit the written response to EGLE, AQD, Bay City District, at 401 Ketchum Street, Suite B, Bay City, Michigan 48708 and submit a copy to Ms. Jenine Camilleri, Enforcement Unit Supervisor at EGLE, AQD, P.O. Box 30260, Lansing, Michigan 48909-7760. Please submit the electronic response to SheehanM@Michigan.gov and CamilleriJ@michigan.gov.

If Layline Energy, LLC 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.

Thank you for your attention to resolving the violation cited above. If you have any questions regarding the violation or the actions necessary to bring this facility into compliance, please contact me at the number or email address listed below.

Sincerely,



Environmental Quality Analyst  
Air Quality Division  
989-439-5001  
SheehanM@Michigan.gov

cc: Ms. Mary Ann Dolehanty, EGLE  
Dr. Eduardo Olaguer, EGLE  
Ms. Jenine Camilleri, EGLE  
Mr. Christopher Ethridge, EGLE  
Mr. Chris Hare, EGLE