



# White River Production, LLC

Omimex Energy, Inc., its Sole Member

April 19, 2021

EGLE, ADQ

Grand Rapids District  
350 Ottawa Avenue NW, Unit 10  
Grand Rapids, Michigan 49503

Ms. Jenine Camillari  
Enforcement Unit Supervisor  
EGLE, AQD  
P.O. Box 30260  
Lansing, Michigan 48909-7760

Re: Violation Notice

White River Production, LLC  
White River 2 Unit Facility  
Muskegon County, Michigan  
Dated: March 29, 2021



Air Quality,

Omimex Energy-White River Production does not agree with the two observations in Mr. Chris Robinson's March 29, 2021 observation of two Violations of failure to obtain a permit for construction of facility with Air Quality and that the so called Sweetening Facility is only set back 1213 ft. when it was supposed to be 1300 ft. I will show that all of the equipment at this facility other than the compressor engine has been considered exempt at our Victory and Claybanks facilities in the past which did not require a permit to install by EGLE's Air Quality Division. Since the Amine unit is exempt from Air Quality the 1300 ft. setback does not apply. I will also show that the Compressor engine at White River which is a lot smaller than the ones at Victory and Claybanks is also exempt.

White River Production filed for a petition with EGLE (MDEQ at the time) Oil, Gas and Minerals Division (OGMD) to unitize a 320 acre unit and build a sour gas facility to be able to extract oil and sour gas out of 4 existing wells along with an Amine unit to extract Hydrogen Sulfide out of a portion of the separated gas to be used as fuel. It is required from the OGMD order that White River Production will operate an enclosed system (closed loop) and was required to build the facility per the Hydrogen Sulfide Management rules under part 615 of the NREPA which requires a sweet gas flare under R324.1123 for all emergency relief's (R324.1124) on all equipment including the Amine unit. **I attached this order from OGMD where it states on page 5 about using an enclosed system that I highlighted in yellow.** There are fifteen pages of OGMD Hydrogen Sulfide Management rules that are under part 11, to cover R324.1101 to R324.1130 that are requirements for us at this facility dealing with having multiple alarms and shut downs that are a lot stricter than Air Quality regulations.

I reviewed the 7 page inspection report, that I received by email on March 29, 2021 and like the Claybanks, 9 page report where I found 14 corrections, I found a similar amount here.

Instead of writing a letter explaining all of these corrections, I attached it here and highlighted the items in yellow and handwrote in the corrections.

The issue here, which is evident all of a sudden in 2021 at Claybanks where he now issued two similar proposed violations, is that Mr. Robinson does not want to accept what an enclosed (closed loop) system is anymore to support his proposed violations and that we have a sweet gas burning flare or a flare that burns less than 1 lb. of SO<sub>2</sub> per hour that all have been readily accepted as being exempt in the past including a 2017 inspection by Mr. Robinson himself. **If he accepted what 8 to 9 Air Quality previous employees have done at Victory and Claybanks since 2007, he would have no basis at White River. Therefore he had to issue potential violations all of a sudden at Claybanks, so he could do the same at White River.**

In fact, he stated to me in a phone conversation that there is no such thing as an enclosed system. I stated to him that all sour gas equipment whether it is exempt or not have to have safety reliefs per boiler codes that would send sour gas to a flare in an emergency. This is why a sweet gas flare is required by OGMD. Otherwise, the safety reliefs would go directly to atmosphere, like sweet gas vessels do. It rarely happens, but you need to be protected. No reliefs have ever gone off at either Claybanks or White River.

Mr. Robinson in 2021 is contradicting his 2017 inspection at Claybanks, along with the OGMD opinion that states we need to operate in an enclosed system for this White River Facility along with all the previous Air Quality employees Larry Schultz, Lori Myott, Jennifer Dixon, Heidi Hollenbach who were all either involved in the 2002 letter and issuing the 2007 permit at Claybanks or have had subsequent inspections at Claybanks, where they all accepted the enclosed (Closed Loop) system. By Mr. Robinson taking this new stance that there is no such thing as an enclosed system in 2021, Mr. Robinson is also contradicting all the Air Quality employees Jim Donaldson, Janice Denman, Kurt Childs and Caryn Owens who were involved in the 2007 permit writing at our Victory CPF and subsequent inspections that accepted the enclosed system (closed loop) where the Amine unit for fuel gas and the emergency flare were exempt.

Mr. Robinson also contradicts Air Quality Rule R336.1119(b)(cc) that defines what a sweetening facility is, as he now does not believe in enclosed systems. The Air Quality rule states "a sweetening facility does not include a facility or process **that operates in an enclosed system** and does not emit hydrogen sulfide to the outer air."

He also contradicts Air Quality 40 CFR subpart LL under 60.640(e) "where the provisions of this subpart do not apply to sweetening facilities producing acid gas re-injected into oil and gas bearing geologic strata or that is **otherwise** not released to the atmosphere." This is exactly what is going on at White River and Claybanks, where we have an enclosed system required by OGMD in their order, to gather the acid gas from the Amine unit and combine it with the sour Natural Gas and re-inject it back into the Niagaran oil and gas bearing formation by the means of an approved injection well on site that is approved by OGMD and EPA. The Amine unit at Claybanks has been out of commission since 2017, where we just use propane now and I have asked that it be removed from the permit even though it has been considered exempt by Air Quality and Mr. Robinson wants to issue a violation now, that we never had a permit to install it

because Air Quality considered it exempt when we disclosed it in a 2002 letter and also it was presented 8 times in our 2007 Permit to Install. He needs to take this position at Claybanks although, it is very weak so, he can try to apply it at White River.

**If Mr. Robinson's new interpretation is that there is no such thing as an enclosed system, then why does OGMD and Air Quality use the term enclosed systems in their order and regulations.**

When Claybanks, Victory and White River were discussed with Air Quality personal back in 2007, Claybanks and Victory were required to get Opt out permits as their PTE was over 100 tons because of the larger compressor engines, in which the rest of the equipment was exempt as far as Air Quality was concerned. White River PTE was way below the 100 ton requirement as it's compressor engine in 2006 was less than 10,000,000 BTU/hr. limit which made it exempt under R336.1285(2)(g). Since the rest of the common equipment was exempt at Victory and Claybanks, the same equipment would be exempt at White River, therefore there was no PTI required at White River from Air Quality which we verified with Air Quality back before the facility was constructed.

**I added as requested by Mr. Robinson in the proposed violation letter a PTE calculation spreadsheet (enclosed) for White River using the Compressor engine and heater factors for NOX and CO from MAERS and went with the full HP of 203 HP for the TA (turbo charged engine) at the full 1800 rpms even though there is a speed control on the unit limiting the RPM's to 1500, so the engine does not destroy the compressor frame that can only rotate at 1500 rpms. The PTE of the 203 HP compressor engine that was in place in 2006 added to the PTE of all the heaters calculates out to 13.40 tons of NOX and 19.89 tons of CO. I also provided what the PTE today would be with the 145 HP engine which is a NA now as the turbocharger was removed (as it was not needed) in which the PTE calculates out to 10.11 tons of NOX and 14.34 tons of CO. These are all well below the 100 ton PTE requirement for an opt-out permit. For enforcements sake, I did send Mr. Robinson the 2006 actual emissions in a 2-17-2021 email from the actual fuel numbers I retrieved from monthly sheets in which the actual NOX emissions were only 5.21 ton's for the entire facility, which is well below the 40 ton significant levels for NOX where a company may consider filling out a permit to install (PTE) from Rule 119.**

**At the far right of this same spreadsheet, I listed the applicable exemption rules that apply to all the equipment at White River and included a separate sheet with the verbiage of these exemption rules for everyone's convenience and to what pieces of equipment they apply to. I provided the same for Claybanks.**

The White River 2 facility and wells are governed by the OGMD order granted for the facility that specifies that the equipment operates in an enclosed system and must abide by the Hydrogen Sulfide Management Rules R324.1101 to R324.1130 that specifies a setback of 600 ft. It is really not required to have an order for us to abide to the Hydrogen Sulfide Management rules as that is standard at all sour facilities including Claybanks, but nevertheless it is stated in the White River order with the enclosed system language, as we presented exhibits and testimony of what our plans were for safety at our hearing in Lansing.

I also included a Google map that shows that the sweet gas flare where any gas would go in an emergency from the exempt Amine unit, is located 1304 ft. from the nearest home which is beyond the 1300 ft. limit, if Mr. Robinson does not agree that the Amine unit is not exempt. White River Production purchased 2 homes that were to the southwest and southeast of the facility when we bought the acreage to build the facility and bulldozed them down, so there would be no occupants (as a good gesture as both of these homes were for sale) even though they were still outside the 600 ft. required setback by OGMD.

**Based on all these factors of being in an enclosed system and the fact that all the equipment are exempt from Air Quality as shown on the PTE spreadsheet and attached Exemption rules for the various pieces of equipment, White River 2 Facility is under OGMD jurisdiction as pointed out by the order. Therefore, we do not feel that we are in violation of the two observations Mr. Robinson notes in his March 29<sup>th</sup>, 2021 letter as all of the equipment is exempt under Air Quality including the Compressor Engine.**

Sincerely,



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