



RICK SNYDER  
GOVERNOR

STATE OF MICHIGAN  
DEPARTMENT OF ENVIRONMENTAL QUALITY  
SAGINAW BAY DISTRICT OFFICE



DAN WYANT  
DIRECTOR

October 20, 2014

Mr. Jon Reynolds, President  
Tuscola Energy, Inc  
920 North Water Street, Suite 213  
Bay City, Michigan 48708

SRN: N7954, Tuscola County

Dear Mr. Reynolds:

**VIOLATION NOTICE**

On October 16, 2014, the Department of Environmental Quality (DEQ) visited your McPherson 1 crude oil production facility located in Wisner Township, Michigan. The purpose of this inspection was to determine your facility's compliance with the requirements of the federal Clean Air Act and Part 55, Air Pollution Control, and Office of Oil Gas and Minerals (OOGM) Part 615, Supervisor of Wells, of the Natural Resources and Environmental Protection Act, 1994 PA 451, as amended (Act 451).

During the visit, the following violation was noted:

Process Description	Rule/Permit Condition Violated	Comments
McPherson 1 Crude oil production facility	AQD PTI 14-09D IV 3.	Oil load out was occurring using a vac truck. The vapor recovery system was not being used. In fact, the truck itself was not even equipped with a vapor return connection.
McPherson 1 Crude oil production facility	OOGM Rule R324.1126(1)	Requires installation and use of vapor return system.

It should be noted the Tuscola Energy employee was informed of the requirement and immediately stopped loading oil. Also, at the point of discussion, the DEQ H2S personal meter exceeded 100 ppm.

Please initiate actions necessary to correct the cited violations and submit a written response to this Violation Notice by November 10, 2014. The written response should include: the dates the violations occurred; an explanation of the causes and duration of the violations; whether the violations are ongoing; a summary of the actions that have been taken and are proposed to be taken to correct the violations and the dates by which these actions will take place; and what steps are being taken to prevent a reoccurrence.

If Tuscola Energy, Inc. 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 violations cited above. If you have any questions regarding the violations, or the actions necessary to bring this facility into compliance, please contact me at the telephone number below, or via correspondence addressed to Air Quality Division, 401 Ketchum Street, Suite B, Bay City, Michigan 48708.

Sincerely,



Ben Witkopp  
Environmental Engineer  
Air Quality Division  
989-894-6219

bw/ai

cc: Ms. Lynn Fiedler, DEQ  
Ms. Mary Ann Dolehanty, DEQ  
Ms. Teresa Seidel, DEQ  
Mr. Thomas Hess, DEQ  
Mr. Chris Hare, DEQ  
Mr. Jim Armbruster, DEQ