

DEPARTMENT OF ENVIRONMENTAL QUALITY  
AIR QUALITY DIVISION  
ACTIVITY REPORT: On-site Inspection

P093972451

<b>FACILITY:</b> Austin Energy LLC		<b>SRN / ID:</b> P0939
<b>LOCATION:</b> 8327 East Bacon Road, OSSEO		<b>DISTRICT:</b> Jackson
<b>CITY:</b> OSSEO		<b>COUNTY:</b> HILLSDALE
<b>CONTACT:</b> Phil Hoholik ,		<b>ACTIVITY DATE:</b> 05/29/2024
<b>STAFF:</b> Brian Merle	<b>COMPLIANCE STATUS:</b> Compliance	<b>SOURCE CLASS:</b>
<b>SUBJECT:</b> Self initiated, announced on site inspection. See inspection report from same date for P0943 for report attachments.		
<b>RESOLVED COMPLAINTS:</b>		

### Facility Contact

**Philip Hoholik, Ausin Energy**

**coyotewells@yahoo.com**

**517-256-0780**

### Purpose

On Wednesday, May 29<sup>th</sup>, 2024, an announced, self-initiated compliance inspection was conducted at wells belonging to Austin Energy, LLC. These wells are located at various addresses in Hillsdale County. This day I inspected four wells: P0943, Wessel 1-6, located at 2181 S Pittsford Road, Pittsford, MI, P0944, Wessel 2-6A, located at 2849 S Pittsford Road, Pittsford, MI, P0937, Gordon 1-36HD1, located at 8633 E Bacon Road, Hillsdale, MI, and P0939, Lindeman 1-36, located at 8327 E Bacon Road, Hillsdale, MI. The purpose of the inspection was to determine the facility's compliance status with applicable federal and state air pollution regulations, particularly with the Michigan Natural Resources and Environmental Protection Act 451 of 1994, Part 55, Air Pollution Control and the administrative rules, as well as to determine their applicability to 40 CFR Part 60 Subpart OOOO-Standards of Performance for Crude Oil and Natural Gas Facilities for Which Construction, Modification, or Reconstruction Commenced After August 23, 2011, and on or Before September 18, 2015.

### Facility Locations

These wells are located in Hillsdale County, surrounded mostly by farm fields.

### Facility Background

AQD was first made aware of these facilities in 2018, when they were assigned SRNs pending evaluation of NSPS applicability (Attachment 1). They were originally owned and operated by Meridian Resources, LLC, and ownership was transferred in 2022 to Austin Energy (Attachment 2).

### Regulatory Applicability

These facilities do not operate under any permits. Additionally, only three of the facilities, one of which is not owned by Austin Energy, would be subject to 40 CFR Part 60 Subpart OOOO-Standards of Performance for Crude Oil and Natural Gas Facilities for Which Construction, Modification, or Reconstruction Commenced After August 23, 2011, and on or Before September

18, 2015, based upon their installation date. These facilities would be P0936, P0940, and P0941. P0936, Gilg 1-2, is now owned by Gorlewski Resources, LLC and More Production, LLC as of 2019 (Attachment 2). All other wells predate the commencement date for OOOO.

Most of the equipment on site is operated under permit exemptions. The heater treaters and line heaters are operated under a Rule 282(2)(b)(1), Sweet natural gas, synthetic natural gas, liquefied petroleum gas, or a combination thereof and the equipment has a rated heat input capacity of not more than 50,000,000 Btu per hour. The storage tanks are operated under a Rule 284(2)(e) exemption, Storage of sweet crude or sweet condensate in a vessel that has a capacity of less than 40,000 gallons if vapor recovery or its equivalent is used to prevent the emission of vapors to the atmosphere. Each tank is 400 bbl or less, which is equivalent to 16,800 gallons. The flares are operated under Rule 288(c), for sweet gas flares. The pumpjacks that have not been electrified yet are still powered by engines, which are most likely operated under a Rule 285(2)(g) for Internal combustion engines that have less than 10,000,000 Btu/hour maximum heat input.

#### **P0943-Wessel 1-6**

##### **Arrival**

I spoke with Phil by phone on May 28<sup>th</sup> and explained who I was and the reason for my call-to conduct an inspection at one of Austin Energy's well sites and determine their compliance and if they are subject to Subpart OOOO. We scheduled to meet at P0943, Wessel 1-6, on May 29<sup>th</sup>. I arrived at 10:45 AM and met with Phil shortly thereafter.

##### **Pre-Inspection Meeting**

I explained to Phil that I was conducting my inspection to get a better idea of the well facilities and to request records to determine their applicability to NSPS OOOO. I first asked if any modifications had been done to the different wells since they were acquired. Phil explained that he has only converted two of the wells to operate with electric motors, with plans to upgrade the remaining wells with electric as well. I then asked if the wells were sour or sweet, and Phil confirmed that they are all sweet. I then asked if any of the well sites had pneumatic controllers or compressors, which Phil confirmed they did not. Phil also explained that the well we were currently at, Wessel 1-6, was currently shut in, and that we could go to a couple of the other wells in the area.

##### **Inspection**

#### **P0943 Wessel 1-6**

Wessel 1-6 consists of a pumpjack, four 400 bbl storage tanks, a heater treater, a line heater, and a flare (Images 1-4). This well is currently shut in and not producing. All of the equipment appeared to be in good working condition.

#### **P0944 Wessel 2-6A**

Wessel 2-6A consists of a pumpjack, three 400 bbl storage tanks, a heater treater, a line heater, and a flare (Images 5-8). This well is currently producing. During my inspection, the stored oil was being loaded onto a tanker truck. Phil and I went up to the tops of the tanks. There was oil spilled

over the side of one of them (Image 6), which Phil explained was from the previous operator. No odors were observed around the tank openings. This well was converted to operate on electric, and any gas produced is consumed in the heater treater.

#### **P0937 Gordon 1-36HD1**

Gordon 1-36HD1 consists of a pumpjack, four 400 bbl storage tanks, a heater treater, a line heater, and a flare (Images 9-11). This well is currently producing. Any gas produced by the well is consumed by the pumping unit engine.

#### **P0939 Lindeman 1-36**

Lindeman 1-36 consists of a pumpjack, four 210 bbl storage tanks, a heater treater, a line heater, and a flare (Images 12-15). This well is currently shut in and not producing.

Overall, each well site appeared to be in good condition and well maintained. No odors or visible emissions were observed at any of the sites. None of the flares were operating during my inspections, and Phil explained that they are very rarely operated.

#### **Post-inspection meeting**

I explained to Phil that I had not found anything concerning during my inspection and everything appeared to be in order-I would just need some records to determine compliance and applicability to NSPS OOOO. I thanked him for his time and left the last well at 12:15 PM.

#### **Recordkeeping Review**

I requested that Phil update the well information that AQD had originally received in 2018 (Attachments 3 and 4). Phil updated the spreadsheet and emailed it back (Attachment 5). Based upon these records, and assistance from Jodi Lindgren, AQD (Attachment 6), these wells are not subject to NSPS OOOO. They do not have any compressor engines, they do not have any pneumatic controllers, and the storage tanks are most likely not of a size to have greater than 6 tons per year of VOC emissions.

#### **Compliance Determination**

Based upon my inspection and following records review, I have found these facilities to be in compliance and they are not subject to 40 CFR Part 60 Subpart OOOO.



**Image 1: Wessel 1-6 pumpjack.**



**Image 2: Wessel 1-6 storage tanks.**



**Image 3: Wessel 1-6 heater treater and line heater.**



**Image 4: Wessel 1-6 flare.**



**Image 5: Wessel 2-6A pumpjack.**



**Image 6: Wessel 2-6A storage tanks. Note stained sides of tank.**



**Image 7: Wessel 2-6A heater treater and line heater, with flare in background.**



**Image 8: Wessel 2-6A flare.**



**Image 9: Gordon 1-36HD1 pumpjack.**



**Image 10: Gordon 1-36HD1 storage tanks.**



**Image 11: Gordon 1-36HD1 heater treater and line heater.**



**Image 12: Lindeman 1-36 pumpjack.**



**Image 13: Lindeman 1-36 storage tanks.**



**Image 14: Lindeman 1-36 heater treater and line heater.**



**Image 15: Lindeman 1-36 flare.**

NAME 

DATE 07/02/2024

SUPERVISOR 