



Montana Department of
ENVIRONMENTAL QUALITY

Brian Schweitzer, Governor

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August 21, 2006

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LEGISLATIVE ENVIRONMENTAL
POLICY OFFICE

Cole Chandler
Lodge Creek Pipelines, LLC
Signal Butte Compressor Station
P.O. Box 40
Havre, MT 59501

Dear Mr. Chandler:

Air Quality Permit #3345-02 is deemed final as of August 19, 2006, by the Department of Environmental Quality (Department). This permit is for the addition of a lean-burn compressor engine up to 1,341 horsepower (hp) equipped with an oxidation catalyst and an air-fuel ratio (AFR) controller. All conditions of the Department's decision remain the same. Enclosed is a copy of your permit with the final date indicated.

For the Department,

David L. Klemp
Air Permitting Supervisor
Air Resources Management Bureau
(406) 444-3490

DK:lr
Enclosure

DEPARTMENT OF ENVIRONMENTAL QUALITY
Permitting and Compliance Division
Air Resources Management Bureau
P.O. Box 200901, Helena, Montana 59620
(406) 444-3490

FINAL ENVIRONMENTAL ASSESSMENT (EA)

Issued To: Lodge Creek Pipelines, LLC
Signal Butte Compressor Station
P.O. Box 40
Havre, MT 59501

Air Quality Permit number: 3345-02

Preliminary Determination Issued: July 18, 2006

Department Decision Issued: August 3, 2006

Permit Final: August 19, 2006

1. *Legal Description of Site:* LCP – Signal Butte Compressor Station is located in Hill County, Montana, near the town of Havre. The legal description is the SE¼ of the SW¼ of Section 35, Township 37 North, Range 15 East, in Hill County, Montana.
2. *Description of Project:* LCP proposes to construct and operate an additional lean-burn engine having a maximum rated design capacity up to 1,341 hp with an oxidation catalyst and an AFR controller for the compression and transportation of natural gas.
3. *Objectives of Project:* The proposed project would provide business and revenue for LCP by facilitating the gathering and selling of natural gas from the nearby gas field. Natural gas would be received and the LCP – Signal Butte Compressor Station would compress the gas for transmission through a natural gas pipeline.
4. *Alternatives Considered:* In addition to the proposed action, the Department also considered the “no-action” alternative. The “no-action” alternative would deny issuance of the Montana Air Quality Permit to the proposed facility. However, the Department does not consider the “no-action” alternative to be appropriate because LCP demonstrated compliance with all applicable rules and regulations as required for permit issuance. Therefore, the “no-action” alternative was eliminated from further consideration.
5. *A Listing of Mitigation, Stipulations, and Other Controls:* A list of enforceable conditions, including a BACT analysis, would be included in Permit #3345-02.
6. *Regulatory Effects on Private Property:* The Department considered alternatives to the conditions imposed in this permit as part of the permit development. The Department determined that the permit conditions are reasonably necessary to ensure compliance with applicable requirements and demonstrate compliance with those requirements and do not unduly restrict private property rights.

7. The following table summarizes the potential physical and biological effects of the proposed project on the human environment. The “no-action” alternative was discussed previously.

		Major	Moderate	Minor	None	Unknown	Comments Included
A	Terrestrial and Aquatic Life and Habitats			X			Yes
B	Water Quality, Quantity, and Distribution			X			Yes
C	Geology and Soil Quality, Stability, and Moisture			X			Yes
D	Vegetation Cover, Quantity, and Quality			X			Yes
E	Aesthetics			X			Yes
F	Air Quality			X			Yes
G	Unique Endangered, Fragile, or Limited Environmental Resources			X			Yes
H	Demands on Environmental Resource of Water, Air, and Energy			X			Yes
I	Historical and Archaeological Sites			X			Yes
J	Cumulative and Secondary Impacts			X			Yes

SUMMARY OF COMMENTS ON POTENTIAL PHYSICAL AND BIOLOGICAL EFFECTS: The following comments have been prepared by the Department.

A. Terrestrial and Aquatic Life and Habitats

Minor impacts to terrestrial and aquatic life and habitats would be expected from the proposed project because deer, antelope, coyotes, geese, ducks, and other terrestrials would potentially use the area around the additional engine and because the additional engine would be a source of air pollutants. The additional engine would emit air pollutants and corresponding deposition of pollutants would occur; however, as described in Section 7.F. of this EA, the Department determined that any impacts from deposition would be minor. In addition, minor land disturbance would occur through additional engine construction activities. Any impacts from the additional engine construction would be minor due to the relatively small size of the project and the relatively short period of time required for construction. Overall, any impacts to terrestrial and aquatic life and habitats would be minor.

B. Water Quality, Quantity, and Distribution

Minor impacts would be expected on water quality, quantity, and distribution from the proposed project. The additional engine would have no discharges into surface water. However, minor amounts of water may be required to control fugitive dust emissions from the access roads and the general facility property. In addition, the additional engine would emit air pollutants and corresponding deposition of pollutants would occur. However, as described in Section 7.F. of this EA, the Department determined that any impact resulting from the deposition of pollutants on water quality, quantity, and distribution would be minor.

Further, water quality, quantity, and distribution would not be impacted from constructing the additional engine because there is no surface water at or relatively close to the site. Furthermore, no direct discharges into surface water would occur and no use of surface water would be expected for the additional engine construction. Overall, any impacts to water quality, quantity, and distribution would be minor.

G. Unique Endangered, Fragile, or Limited Environmental Resources

In an effort to identify any unique endangered, fragile, or limited environmental resources in the area, the Department contacted the Montana Natural Heritage Program, Natural Resource Information System (NRIS). In this case, the area was defined by the section, township, and range of the proposed location with an additional 1-mile buffer zone. The NRIS did not find any unique, endangered, fragile, or limited environmental resources near the proposed site. Due to the minor amounts of construction that would be required and the relatively low levels of pollutants that would be emitted, the Department determined that it would be unlikely that the proposed project would impact any species of special concern and that any potential impacts would be minor.

H. Demands on Environmental Resource of Water, Air, and Energy

The proposed project would have minor impacts on the demands for the environmental resources of air and water because the additional engine would be a source of air pollutants. Deposition of pollutants would occur as a result of operating the additional engine; however, as explained in Section 7.F of this EA, the Department determined that any impacts on air and water resources from the pollutants (including deposition) would be minor. Since controlled emissions from the proposed station would exhibit good dispersion characteristics and would not exceed any Montana ambient air quality modeling threshold, the Department determined that controlled emissions from the source will not cause or contribute to a violation of any ambient air quality standard. Therefore, any impacts to air quality from the proposed additional engine would be minor.

The proposed project would be expected to have minor impacts on the demand for the environmental resource of energy because power would be required at the site. The impact on the demand for the environmental resource of energy would be minor because the additional engine would be relatively small by industrial standards. Overall, the impacts for the demands on the environmental resources of water, air, and energy would be minor.

I. Historical and Archaeological Sites

In an effort to identify any historical and archaeological sites located near the proposed project area, the Department contacted the Montana Historical Society, State Historic Preservation Office (SHPO). According to SHPO records, there are no previously recorded historic or archaeological sites within the proposed area. However, SHPO stated that the absence of cultural properties in the area does not mean that they do not exist, but may reflect a lack of previous cultural resource inventories in the area, because SHPO records indicate no previous inventories were conducted. Overall, the Department determined that the chance of the project impacting any historical and archaeological sites in the area would be minor due to the relatively small size of the project.

J. Cumulative and Secondary Impacts

Overall, the cumulative and secondary impacts on the physical and biological aspects of the human environment in the immediate area would be minor due to the relatively small size of the project and little construction activities associated with this type of additional engine. The Department believes that this additional engine could be expected to operate in compliance with all applicable rules and regulations as would be outlined in Permit #3345-02.

D. Agricultural or Industrial Production

The area surrounding the site is grazing land. Since the construction activities associated with the addition of a new engine would be relatively small (approximately one acre), the proposed project would result in only minor impacts to agricultural production.

Additional facilities (compressor stations, gas plants, etc.) could locate in the area to withdraw natural gas from the nearby area and/or to separate the components of natural gas. However, any future facility would be required to apply for and receive the appropriate permits from the appropriate regulating authority. Environmental impacts from any future facilities would be assessed through the appropriate permitting process. Overall, any impacts to agricultural or industrial production of the area would be minor.

E. Human Health

The proposed project would result in minor, if any, impacts to human health. As explained in Section 7.F of this EA, deposition of pollutants would occur; however, the Department determined that the proposed project would comply with all applicable air quality rules, regulations, and standards. These rules, regulations, and standards are designed to be protective of human health. Overall any impacts to public health would be minor.

F. Access to and Quality of Recreational and Wilderness Activities

The proposed project would have minor, if any, impacts on access to recreational and wilderness activities because of the relatively remote location and the relatively small size of the additional engine. The proposed project would have minor impacts on the quality of recreational and wilderness activities in the area because the additional engine, while relatively small by industrial standards, would be visible and would produce noise. Overall any impacts to the access to and quality of recreational and wilderness activities in the area would be minor.

G. Quantity and Distribution of Employment

H. Distribution of Population

The proposed project would have no impact on the employment and population of the area because no permanent employees would be required for normal operations. Furthermore, construction activities would be minor and not require the addition of any employees. There should be no change in the quantity and distribution of employment or population resulting from this project.

I. Demands for Government Services

There would be minor impacts on the demands for government services because additional time would be required by government agencies to issue Permit #3345-02 and, in the future, to assure compliance with applicable rules, standards, and conditions that would be contained in Permit #3345-02. Overall, any demands for government services to regulate the additional engine or activities associated with the facility would be minor due to the relatively small size of the facility.

J. Industrial and Commercial Activity

Only minor impacts would be expected on the local industrial and commercial activity because the proposed project would represent only a minor increase in the industrial and commercial activity in the area. The proposed project would be relatively small and would take place at a relatively remote location.