

DEPARTMENT OF ENVIRONMENTAL QUALITY
Permitting and Compliance Division
Air Resources Management Bureau
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FINAL ENVIRONMENTAL ASSESSMENT (EA)

Issued To: Omimex Canada, Ltd.
4854 West Angling Rd.
Lundington, MI 49431

Air Quality Permit Number: 3898-01

Preliminary Determination Issued: 4/10/08

Department Decision Issued: 4/28/08

Permit Final: 05/14/08

1. *Legal Description of Site:* The facility would be located in the West ½ of the Southeast ¼ of Section 29, Township 35 North, Range 3 East, in Toole County, Montana.
2. *Description of Project:* The proposed action is to issue a modified Montana Air Quality Permit #3898-01 to Omimex for the Strawberry Creek Compressor station. The modification to the facility includes retrofitting the two existing 842-bhp natural gas compressor engines with turbochargers upgrades rendering them capable of 1,289-bhp. The existing facility includes two 842-bhp compressors to pump the field gas up to the required pressure in the natural gas transmission system, a TEG dehydration unit and associated 1 MMBtu per hour TEG reboiler to dehydrate the natural gas, and a 2.21 MMBtu/hr heater to provide heat to the building.
3. *Objectives of Project:* The objectives of the project are to issue a modification to permit #3998-00 whereby, authorizing Omimex to install the retrofit turbocharger upgrades to the existing compressor engines. It is assumed that the engine upgrade would enhance Omimex's capability and/or efficiency to sell natural gas to the transmission line providing efficiency cost savings and/or increase compressing capacity and revenue for the company.
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 modified air quality preconstruction permit, where-by Omimex would not be authorized to make the proposed upgrades to the existing facility. The Department does not consider the "no-action" alternative to be appropriate because Omimex has demonstrated compliance with the requirements of the existing permit and the proposed action does not constitute a violation of any applicable rules or regulation, upon modification of the permit. Furthermore, selection of the no-action alternative may inappropriately or unduly restrict Omimex's private property rights. 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 #3898-01.
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. This analysis is tiered to environmental impacts analysis conducted for the project at-large that was published by the Department December 14, 2006.

| | | 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

The proposed action does not involve further disturbance outside the footprint of the existing facility; therefore, no impacts are expected to terrestrial or aquatic life or habitats. The proposed changes to the facility would result in limited increases of air pollutant emissions. However, the increase in pollutant emissions from the proposed action is relatively minor and is expected to result in minor changes in to terrestrial and aquatic life, and habitat.

B. Water Quality, Quantity and Distribution

The proposed action is not expected to impact water quality, quantity, and distribution. The proposed action does not include direct discharges into surface water or consumption, displacement or redistribution of water resources. The proposed action will results in additional emissions of air pollutants and deposition of pollutants would occur. However, the Department has determined that the effect of any additional air pollutant deposition on water quality, quantity and distribution will be minor due to the relatively minor increase in total air emissions.

C. Geology and Soil Quality, Stability and Moisture

No additional disturbance is proposed extending beyond the current foot-print of the facility. Additional deposition of air pollutants would occur; however, the Department determined, based on the relatively small increase in air pollutant emission that impacts resulting from the increased deposition of pollutants on the soils surrounding the site would be minor.

D. Vegetation Cover, Quantity, and Quality

No additional disturbance is proposed extending beyond the current foot-print of the facility; therefore, no impacts to vegetative cover, quantity and quality will occur.

The facility would increase its emissions of air pollutants and corresponding deposition of pollutants would occur. However, the Department determined that any impacts resulting from the deposition of pollutants on the existing vegetation cover, quantity, and quality would be minor. Overall, minor impacts to vegetation cover, quantity, and quality from the proposed turbocharger retrofit project are expected.

E. Aesthetics

No modification to the visual profile of the existing facility is proposed; therefore, no visual impacts would result to the aesthetic values of the area.

Noise created by the facility may increase or take on a different character due to the operation of turbochargers and increased compressor engine power; however, the Department has determined any auditory aesthetic impacts would be minor.

F. Air Quality

The air quality of the area would realize minor impacts from the proposed project because the facility would increase emissions of the following air pollutants: PM₁₀; NO_x; CO; VOC, including HAPs; and sulfur oxides (SO_x). Increases in air emissions from the facility would be minimized by limitations and conditions that would be included in Permit #3898-01. Conditions would include, but would not be limited to, BACT emission limits and opacity limitations on the proposed engines and the general facility. In addition, based on professional experience and the relatively small size of the proposed increases in emissions, the Department determined that the proposed project would comply with the MAAQS and NAAQS.

Increased deposition of pollutants would occur as a result of the turbocharger upgrade; however, the Department has determined that the impacts from deposition of pollutants would be minor due to dispersion characteristics of pollutants (stack height, stack temperature, etc.), the atmosphere (wind speed, wind direction, ambient temperature, etc.), and conditions that would be placed in Permit #3898-01. Therefore, the Department believes that controlled emissions from the source would not cause or contribute to a violation of any ambient air quality standard. Therefore, any impacts to air quality from the proposed action would be minor and nonsignificant.

G. Unique, Endangered, Fragile, or Limited Environmental Resources

Previous environmental analysis concluded that, based on State Historic Preservation Office records, there are no recorded historic or archaeological sites within the proposed area. The currently proposed action does not require additional disturbance of the surrounding environment; therefore, no addition potential for impacts upon unique, endangered, fragile or limited resources is expected.

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, because the facility would emit a relatively minor amount of addition air pollutants. No additional demands for water are expected by the currently proposed action. Additional deposition of pollutants would occur as a result of the increased air emissions; however, the Department determined that any impacts from deposition of pollutants would be minor.

The proposed project would be expected to have minor impacts on the demand for the environmental resource of energy because fuel consumption by the compressor engines would increase due to the turbocharger upgrade. The impact on the demand for the non-renewable environmental resource of energy would be minor because the increase fuel demand is relatively small by industrial standards. Overall, the impacts for the demands on the environmental resources of water, air, and energy would be minor and nonsignificant.

I. Historical and Archaeological Sites

The proposed actions does not require additional land disturbance; therefore no impacts to potential undiscovered historical or archeological sites is expected.

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 and nonsignificant due to a relatively small increase in air emissions from those originally analyzed for this compressor station. The Department believes that this facility could be expected to operate in compliance with all applicable rules and regulations as would be outlined in Permit #3898-01.

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.

8. The following table summarizes the potential economic and social effects of the proposed project on the human environment. The “no-action” alternative was discussed previously. This analysis is tiered to environmental impacts analysis conducted for the project at-large that was published by the Department December 14, 2006.

| | | Major | Moderate | Minor | None | Unknown | Comments Included |
|---|---|-------|----------|-------|------|---------|-------------------|
| A | Social Structures and Mores | | | | X | | Yes |
| B | Cultural Uniqueness and Diversity | | | | X | | Yes |
| C | Local and State Tax Base and Tax Revenue | | | X | | | Yes |
| D | Agricultural or Industrial Production | | | | X | | Yes |
| E | Human Health | | | X | | | Yes |
| F | Access to and Quality of Recreational and Wilderness Activities | | | | X | | Yes |
| G | Quantity and Distribution of Employment | | | | X | | Yes |
| H | Distribution of Population | | | | X | | Yes |
| I | Demands for Government Services | | | X | | | Yes |
| J | Industrial and Commercial Activity | | | | X | | Yes |
| K | Locally Adopted Environmental Plans and Goals | | | | X | | Yes |
| L | Cumulative and Secondary Impacts | | | X | | | Yes |

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

- A. Social Structures and Mores
- B. Cultural Uniqueness and Diversity

The proposed action would not impact the above social and economic resources in the area because the facility is located at a relatively remote location. The proposed action is not expected to necessitate additional new permanent employment; therefore, it would likely not result in immigration of new people to the area for employment purposes. Accordingly, no impact on the above social and economic resources, and cultural uniqueness and diversity of the area are expected.

Additional activity (vehicle traffic, construction equipment, etc.) may occur to deliver parts and personnel to implement the turbocharger upgrade. However, once the retrofit is complete activities associated with the operation of the facility are not expected to change. Overall, impacts to the above social and economic resources in the area would be negligible.

- C. Local and State Tax Base and Tax Revenue

The proposed project would result in minor impacts to the local and state tax base and tax revenue because the facility may be capable of increasing production of a taxable commodity due to increases in compressor engine power. However, corresponding impacts on state and local tax base/revenue would be minor and nonsignificant.

- D. Agricultural or Industrial Production

No disturbance, consumption or acquisition of agricultural land is proposed by the current action; therefore, impacts to agricultural production are not expected.

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. The Department is not aware of plans for any additional facilities at this time. Overall, no impacts to agricultural or industrial production of the area are expected.

- E. Human Health

The proposed project would result in minor, if any, impacts to human health. Increases in air pollutant emissions and deposition would occur; however, the Department has 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 and nonsignificant.

- F. Access to and Quality of Recreational and Wilderness Activities

The proposed project would not have impacts on access to recreational and wilderness activities because no additional construction or access limitations are proposed. The proposed action may produce additional, or a change in the character of noise emitted by the facility; however, the Department has determined these changes are negligible. Overall, impacts to the access and quality of recreational and wilderness activities are not expected.

- G. Quantity and Distribution of Employment
- H. Distribution of Population

The proposed action will not cause impacts on the employment or population distribution in the area because no new permanent employment would be required.

- 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 the appropriate permit modifications. However, the nature of the modifications to the existing permit(s) required to authorize the proposed action are minor and nonsignificant. No other demands on governmental services are expected. Overall, demands for government services to regulate the facility or activities associated with the facility would be minor and nonsignificant due to the relatively minor changes required to the permit(s) and compliance evaluation efforts.

- J. Industrial and Commercial Activity

No impacts would be expected on the local industrial and commercial activity because the proposed action is a modification to an existing facility and does not represent an increase in the industrial and commercial activity in the area.

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 the local industrial and commercial activity of the area would be minor.

- K. Locally Adopted Environmental Plans and Goals

The Department is unaware of any locally adopted environmental plans or goals. The permit would ensure compliance with state standards and goals. The state standards would protect the proposed site and the environment surrounding the site.

- L. Cumulative and Secondary Impacts

Overall, cumulative and secondary impacts from this project would result in minor impacts to the economic and social aspects of the human environment in the immediate area. Due to the relatively small size of the project, any impacts resulting from the proposed project would be minor and nonsignificant. In addition, the Department believes that this facility could be expected to operate in compliance with all applicable rules and regulations as would be outlined in Permit #3898-01.

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.

Recommendation: No Environmental Impact Statement (EIS) is required.

The current permitting action is for modification of an existing facility, of which the environmental impacts have already been analyzed and found to be nonsignificant. Permit #3898-01 includes conditions and limitations to ensure the facility will operate in compliance with all applicable rules and regulations. There are no significant impacts associated with the turbocharger retrofit proposal.

Other groups or agencies contacted or which may have overlapping jurisdiction: Montana Historical Society – State Historic Preservation Office, Natural Resource Information System – Montana Natural Heritage Program

Individuals or groups contributing to this EA: Department of Environmental Quality – Air Resources Management Bureau, Montana Historical Society – State Historic Preservation Office, Natural Resource Information System – Montana Natural Heritage Program

EA prepared by: P. Skubinna

Date: April 3, 2008