



Montana Department of
ENVIRONMENTAL QUALITY

Brian Schweitzer, Governor

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October 21, 2008

C. Mark Taylor
Taylor Gas Compression Inc.
451 St. Moritz Dr.
Henderson, NV 89012

Dear Mr. Taylor:

The Department of Environmental Quality (Department) has made its decision on the Montana Air Quality Permit application for Taylor Gas Compression, Inc.'s (TGC) natural gas compressor station. The application was given permit number 2843-04. The Department's decision may be appealed to the Board of Environmental Review (Board). A request for hearing must be filed by November 5, 2008. This permit shall become final on November 6, 2008, unless the Board orders a stay on the permit.

Procedures for Appeal: Any person jointly or severally adversely affected by the final action may request a hearing before the Board. Any appeal must be filed before the final date stated above. The request for a hearing shall contain an affidavit setting forth the grounds for the request. Any hearing will be held under the provisions of the Montana Administrative Procedures Act. Submit requests for a hearing in triplicate to: Chairman, Board of Environmental Review, P.O. Box 200901, Helena, Montana 59620.

Conditions: See attached.

For the Department,

Vickie Walsh
Air Permitting Program Supervisor
Air Resources Management Bureau
(406) 444-3490

Julie A. Merkel
Air Quality Specialist
Air Resources Management Bureau
(406) 444-3626

VW:JM
Enclosures

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: Taylor Gas Compression, Inc.

Air Quality Permit Number: 2843-04

Preliminary Determination Issued: October 3, 2008

Department Decision Issued: October 21, 2008

Permit Final:

1. *Legal Description of Site:* TGC owns and operates a natural gas compressor station located in the SE¼ of Section 35, Township 33 North, Range 1 West in Toole County, Montana.
2. *Description of Project:* The project would be to move a compressor engine permitted under Permit #3401-00, to this location where it was originally permitted.
3. *Objectives of Project:* The purpose of the project would be to operate the compressor station in a location that it is needed.
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 air quality preconstruction permit to the proposed facility. However, the Department does not consider the “no-action” alternative to be appropriate because TGC 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 #2843-04.
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 because the facility would be a source of pollutants. The facility would have no direct 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 facility would emit air pollutants and corresponding deposition of pollutants would occur. However, the Department determined because of the relative size of the facility that any impact resulting from the deposition of pollutants on water quality, quantity, and distribution would be minor.

In addition, water quality, quantity, and distribution would not be impacted from the addition of the 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 facility construction. Therefore, no impacts to water quality, quantity, and distribution would be expected from facility construction. Overall, any impacts to water quality, quantity, and distribution would be minor.

C. Geology and Soil Quality, Stability, and Moisture

Minor impacts would occur on the geology and soil quality, stability, and moisture from the proposed project because minor construction would be required to develop the additional engine. No discharges, other than air emissions, would occur at the facility. Any impacts to the geology and soil quality, stability and moisture from the additional engine construction would be minor due to the relatively small size of the project.

Further, deposition of pollutants would occur; however, as described in Section 7.F of this EA, the Department determined that any impacts resulting from the deposition of pollutants on the soils surrounding the site would be minor. Overall, any impacts to the geology and soil quality, stability, and moisture would be minor.

D. Vegetation Cover, Quantity, and Quality

Minor impacts would occur on vegetation cover, quantity, and quality of the work associated with installing the additional engine. In addition, no discharges, other than air emissions, would occur at the facility. Any impacts to the vegetation cover, quantity, and quality from facility construction would be minor due to the relatively small size of the project.

The engine would be a source 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, any impacts to vegetation cover, quantity, and quality would be minor because of deposition of pollutants.

E. Aesthetics

Minor impacts would result on the aesthetic values of the area because the facility would include an additional compressor engine. However, any visual aesthetic impacts would be minor because the natural gas gathering plant is a relatively small industrial facility.

The facility would also create additional noise in the area. However, any auditory aesthetic impacts would be minor because the compressor engine would generally operate indoors with catalyst emission controls. Catalyst emission controls are typically designed to be installed in mufflers to achieve the appropriate temperature for proper operation. Overall, any aesthetic impacts would be minor.

F. Air Quality

The air quality of the area would realize minor impacts from the proposed project because the additional compressor engine would emit very small amounts of PM, PM₁₀, HAPs, NO_x, CO, SO_x, and VOC. Air emissions from the compressor engine would be minimized by conditions that would be placed in Permit #2843-04. Conditions would include, but would not be limited to, lb/hr limitations and a 20% opacity limitation for the facility. Permit #2843-04 would also include conditions requiring TGC to use reasonable precautions to control fugitive dust emissions.

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). The NRIS search did not identify any species of special concern in the vicinity of the project area. In this case, the project area was defined by the section, township, and range of the proposed location with an additional 1-mile buffer zone. Due to the

minor amounts of construction that would be required, the relatively low levels of pollutants that would be emitted, and because the controlled emissions from the additional engine will not cause or contribute to a violation of any ambient air quality standard, 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 Resources of Water, Air, and Energy

The proposed project would have minor impacts on the demands for the environmental resources of air because the addition of the compressor engine would result in a minor increase in air pollutants. Demands for water would be minor because the facility would continue to use water for dust suppression. Deposition of pollutants would occur as a result of operating the additional engine; 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 additional power would be required at the site. The impact on the demand for the non-renewable environmental resource of energy would be minor because the project 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 near the proposed project area, the Department contacted the Montana Historical Society, State Historic Preservation Office (SHPO). According to SHPO records, there have not been any previously recorded historic or archaeological sites within the proposed area. In addition, SHPO records indicated that no previous cultural resource inventories have been conducted in the area. SHPO recommended that a cultural resource inventory be conducted to determine if cultural or historic sites exist and if they would be impacted. However, neither the Department nor SHPO has the authority to require TGC to conduct a cultural resource inventory. The Department determined that due to the previous disturbance in the area and the small amount of land disturbance that would be required to install the additional engine, the chance of the project impacting any cultural or historic sites would be minor.

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 negligible construction activities associated with the installation of the additional engine. 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 #2843-04.

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.

		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 project would cause minor, if any, impacts to the above social and economic resources in the area because the proposed project would take place at an established facility. Further, the operation of a gas gathering plant of this type necessitates one half-time employee for normal operations and would likely not result in any, or very little, immigration of new people to the area for employment purposes; thereby, having little, if any, impact on the above social and economic resources of the area. Overall, any impacts to the above social and economic resources in the area would be minor.

- 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 no new employees would be expected as a result of the addition of a compressor engine at the facility. Further, the proposed project would necessitate negligible construction activities and typically would not require an extended period of time for completion. Therefore, any construction related jobs would be temporary and any corresponding impacts on the tax base/revenue in the area would be minor. Overall, any impacts to the local and state tax base would be minor.

- D. Agricultural or Industrial Production

The compressor engine would be installed at an established facility. The proposed project would have minor impacts to industrial production because it would result in a slightly larger facility. However, because the facility would be relatively small by industrial standards, the project would likely not result in additional industrial sources.

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, 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. 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 the compressor engine would be installed and operated at an established facility that is relatively small by industrial standards. The proposed project would have minor impacts on the quality of recreational and wilderness activities in the area because the addition of the compressor engine would slightly increase the size of the facility and would produce additional noise. Overall any impacts to the access 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 impacts on the employment and population because no employees would be required for operating the additional engine. Any impacts to the quantity and distribution of employment from construction related employment would be minor due to the relatively small size of the project and the relatively short time period that would be required for installing the compressor engine. Overall, any impacts to the above social and economic resources in the area would be minor.

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 permits for the project and to assure compliance with applicable rules, standards, and conditions that would be contained in those permits. Therefore, vehicle traffic would be relatively minor due to the relatively short time period that would be required to install the additional engine and the day-to-day over-site of the plant by permanent employees. Overall, any demands for government services to regulate the facility 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.

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, the industrial production, employment, and tax revenue (etc.) impacts resulting from the proposed project would be minor. 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 #2843-04.

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 the addition of a compressor engine at an existing natural gas compressor station. Permit #2843-04 includes conditions and limitations to ensure the facility will operate in compliance with all applicable rules and regulations. In addition, there are no significant impacts associated with this 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: Julie Merkel

Date: August 8, 2008