



Montana Department of
ENVIRONMENTAL QUALITY

Brian Schweitzer, Governor

P. O. Box 200901

Helena, MT 59620-0901

(406) 444-2544

Website: www.deq.mt.gov

February 24, 2009

Todd Senescall, Environmental Associate
WBI Holdings, Inc.
P.O. Box 131
Glendive, MT 59330

Dear Mr. Senescall:

The Department of Environmental Quality (Department) has made its decision on the Montana Air Quality Permit application for Williston Basin Interstate Pipeline Company (WBIP) - Willow Creek Compressor Station. The application was given permit number 4282-00. The Department's decision may be appealed to the Board of Environmental Review (Board). A request for hearing must be filed by March 11, 2009. This permit shall become final on March 12, 2009, 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

Skye Hatten, P.E.
Environmental Engineer
Air Resources Management Bureau
(406) 444-5287

VW: sh
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: Williston Basin Interstate Pipeline Company
Willow Creek Compressor Station
P.O. Box 131
Glendive, MT 59330

Air Quality Permit number: 4282-00

Preliminary Determination Issued: January 23, 2009

Department Decision Issued: February 24, 2009

Permit Final:

1. *Legal Description of Site:* The WBIP – Willow Creek Compressor Station is located in Carter County, Montana, approximately 14 miles northwest of Alzada, Montana. The legal description is the SW $\frac{1}{4}$ of the NW $\frac{1}{4}$ of Section 11, Township 8 South, Range 57 East, Carter County, Montana.
2. *Description of Project:* WBIP proposes to construct and operate two lean-burn natural gas compressor engines having a maximum rated design capacity up to 3,550 hp with an oxidation catalyst for the compression and transportation of natural gas from local field wells.
3. *Objectives of Project:* The proposed project would provide business and revenue for WBIP by facilitating the gathering and selling of natural gas from the nearby gas field. Natural gas would be received and the WBIP – Willow Creek 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 WBIP 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 #4282-00.
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 NO_x, CO, VOC, HAPs, PM₁₀, and SO₂ emissions would be expected in this project area, but the emissions would have only a minor impact on existing terrestrial, aquatic life, and habitats of the area. The proposed project is located in a remote area where the land use is agricultural-grazing. The Department has determined that any impacts from emissions or deposition of pollutants would be minor due to dispersion characteristics of the pollutants, the atmosphere, and the conditions that would be placed in MAQP #4282-00.

B. Water Quality, Quantity, and Distribution

This permitting action would have little or no effect on the water quality, water quantity, and distribution, as there would be no discharge to groundwater or surface water associated with this project. The proposed project would not require surface or groundwater use and there would be no change in drainage patterns. However, minor amounts of water may be required to control fugitive dust emissions from the access roads and the general facility property. In addition, there could be minor pollutant deposition on surface waters near the project area. Therefore, the project would have minor, if any, impacts to water quality, quantity or distribution in the area.

C. Geology and Soil Quality, Stability, and Moisture

This permitting action would have a minor effect on geology and soil properties with the total land disturbance being very minimal. Some minor disturbance on up to 7.25 acres would occur during construction of the compressor station, but after construction, the only disturbance would be for occasional maintenance and general operation of the compressor engine. NO_x, CO, VOC, HAPs, PM₁₀, and SO₂ emissions from this project may have a minor effect on the soil quality; however, the air quality permit associated with this project would contain limitations and conditions to minimize the effect of the emissions on the surrounding environment. The Department determined that any impacts from deposition would be minor due to dispersion characteristics of pollutants, the atmosphere, and conditions that would be placed in MAQP #4282-00 (see section 7.F of this EA).

D. Vegetation Cover, Quantity, and Quality

The proposed project would have minor effects on the surrounding vegetation because construction on up to 7.25 acres would be required to install the engines. Other than the area encompassed by the compressor station, no additional vegetation at the site would be disturbed for the project. The NO_x, CO, VOC, HAPs, PM₁₀, and SO₂ emissions in the area from this project may have a minor effect on the surrounding vegetation; however, the air quality permit associated with this project would contain limitations to minimize the effect of the emissions on the surrounding environment. Overall, this project would have minor effects on the vegetation cover, quantity and quality.

E. Aesthetics

Construction of the compressor station will have minor impacts on the surrounding property from both the visual perspective, as well as noise pollution. However, most of the disturbance will be temporary, and once construction is complete, the natural landscaping and aesthetic value of the property will be restored. With the exception of some minimal noise from the operation of the compressor engines and the associated buildings, the Department determined only minor changes in the aesthetic value of the site will be experienced.

F. Air Quality

The air quality of the area would realize minor impacts from the proposed project because the facility would emit the following air pollutants: NO_x; CO; VOC, including HAPs; and very minor amounts of PM₁₀ and sulfur oxides (SO_x). Air emissions from the engine would be minimized by limitations and conditions that would be included in Permit #4282-00. Conditions would include, but would not be limited to, BACT emission limits and opacity limitations on the proposed engine and the general facility.

In addition, based on previous analysis of sources of this type operating under similar conditions, the Department believes that the emissions resulting from the proposed engines exhibit good dispersion characteristics resulting in relatively low deposition impacts. While deposition of pollutants would occur as a result of operating the facility, the Department 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 #4282-00. The air concentration of pollutants would be relatively small, and the corresponding deposition of those air pollutants 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. Search results concluded that the Greater Sage-Grouse would be a probable habitat at the project area. The species is designated as sensitive by the U.S. Forest Service and the U.S. Bureau of Land Management. Because minor emissions and minimal disturbance of the property and surroundings are anticipated, the Department has determined that there will be a minor disturbance (if any) to unique, endangered, fragile, or limited environmental resources in the area.

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 compressor engines would be a source of air pollutants. Deposition of pollutants would occur as a result of operating the facility; 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 facility 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 facility 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 has been one previously recorded site within the project vicinity. Site 24CT0277 is a lithic scatter located in the NW ¼ of Section 11. However, SHPO stated that based on previous inventories in the area, there is a low likelihood cultural properties will be impacted. Therefore, the Department determined that the chance of the project impacting any historical and archaeological sites in the area would be minor.

J. Cumulative and Secondary Impacts

The proposed project would cause minor effects on the physical and biological aspects of the human environment because the project would cause a slight increase in emissions of NO_x, CO, VOC, HAPs, PM₁₀, and SO₂ in the proposed area. However, conditions placed in MAQP #4282-00 to ensure that only minor air quality impacts would occur. Limitations would be established in the permit to minimize air pollution. Overall, any impacts to the physical and biological environment would be minor.

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 facilities 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

The proposed project would not cause disruption to any native or traditional lifestyles or communities (social structures or mores) in the area because the proposed project is located in a remote area. The proposed project would not change the predominant use of the surrounding area and the facility would be relatively small by industrial standards.

B. Cultural Uniqueness and Diversity

The cultural uniqueness and diversity of the area would remain unchanged from the proposed project (no impact) because the project would take place in a remote location, where the footprint of the project will be minor, and predominant use of the area would remain the same. Operation of the compressor station would require employment of one or two employees, which is not likely to cause a significant immigration of new people to the area for employment purposes. In addition, based on previous cultural resource inventories in the area, SHPO stated that there is a low likelihood cultural properties will be impacted. Therefore, the cultural uniqueness and diversity of the area would not likely be affected.

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 as a result of the proposed project. However, 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 and tax revenue would be minor.

D. Agricultural or Industrial Production

The land at the proposed location would be considered rural agricultural grazing land. The proposed project would result in minor impacts to industrial production because the proposed project would be a new industrial source. However, because the facility would be relatively small by industrial standards, only minor impacts to industrial production would be 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. 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 facility. The proposed project would have minor impacts on the quality of recreational and wilderness activities in the area because the facility, 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

The proposed project would have minor impacts on the quantity and distribution of employment as one to two employees would be hired as a result of the proposed project. Additionally, temporary construction-related positions could result from this project. Any impacts to the quantity and distribution of employment would be minor due to the relatively small size of the facility.

H. Distribution of Population

The proposed project would have minor impacts on the employment and population of the area as one to two employees would be required for normal operations. Additionally, temporary construction-related positions would result from this project. However, any impacts to the quantity and distribution of employment from construction related employment would be minor due to the relatively small size of the facility and the relatively short time period that would be required for constructing the facility. Overall, any impacts to the distribution of population 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 Permit #4282-00 and, in the future, to assure compliance with applicable rules, standards, and conditions that would be contained in Permit #4282-00. 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 not aware of any locally adopted environmental plans and goals affected by issuing MAQP #4282-00. This permit would contain limits for protecting air quality and keeping facility emissions in compliance with any applicable ambient air quality standards. Because the project is small, any impacts from the facility would be minor.

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 #4282-00.

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.

If an EIS is not required, explain why the EA is an appropriate level of analysis: The current permitting action is for the construction and operation of a natural gas compression station. Permit #4282-00 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.

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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: Skye Hatten
Date: January 8, 2009