Montana Department of
ENVIRONMENTAL QUALITY
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April 16, 2009

Garry Visser
Devon Energy Production Company, LP
Clear Creek Road
P.O. Box 2606
Havre, MT 59501

Dear Mr. Visser:

Air Quality Permit #1626-08 is deemed final as of April 16, 2009, by the Department of Environmental Quality (Department). This permit is for a natural gas compressor station. 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,

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

Kathleen Doran, P.E.
Environmental Engineer
Air Resources Management Bureau
(406) 247-4443

VW:kd
Enclosure

DEPARTMENT OF ENVIRONMENTAL QUALITY
Permitting and Compliance Division
Air and Waste Management Bureau
1520 East Sixth Avenue
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Helena, Montana 59620-0901
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FINAL ENVIRONMENTAL ASSESSMENT (EA)

Issued To: Devon Energy Production Company, L.P.
Blaine County #1 Compressor Station
Clear Creek Road
P.O. Box 2606
Havre, MT 59501

Air Quality Permit Number: #1626-08

Preliminary Determination Issued: March 11, 2009
Department Decision Issued: March 31, 2009
Permit Final: April 16, 2009

1. *Legal Description of Site*: NW¼ of Section 29, Township 31 North, Range 18 East, Blaine County, Montana.

2. *Description of Project*: The permit modification is to update the permit to include the installation of a 770 brake-horsepower (bhp) natural gas-fired emergency/standby engine/generator. Operation of this engine/generator will be limited to 500 hours per year. The source description is discussed in the permit analysis Section I.B of Permit #1626-08.

3. *Objectives of Project*: Devon submitted the current permit modification to allow for the installation of a 770 bhp natural gas-fired engine/generator that will provide power on an emergency/standby basis not to operate more than 500 hours per year.

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 a modified air quality preconstruction permit to the existing facility. However, the Department does not consider the "no-action" alternative to be appropriate because Devon 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 listing of enforceable conditions, including a BACT analysis, would be included in Permit #1626-08.

6. *Regulatory Effects on Private Property Rights*: The Department considered alternatives to the conditions imposed in this permit as part of the permit development. The Department determined 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 Resource			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

Emissions from the proposed project may have a minor impact on terrestrial and aquatic life and habitats in the project area. However, as stated in Section V and Section VI of the permit analysis and Section 7.F of this EA, any emissions and resulting impacts from the proposed project would be minor due to the low concentration of those pollutants emitted.

Further, the proposed project is within an existing facility and no new construction or ground disturbance to the area would be required. Overall, any impact to the terrestrial and aquatic life and habitats of the proposed project would be minor.

B. Water Quality, Quantity, and Distribution

Although there would be an increase in air emissions in the area where the natural gas-fired emergency/standby engine/generator would operate, minor impacts would be expected on water quality, quantity, and distribution because of the hourly limitations and conditions placed on the facility in Permit #1626-08. Further, as described in Section 7.F of this EA, the Department determined that any impacts from deposition of pollutants would be minor. In addition, any accidental spills or leaks from equipment would be required to be handled according to the appropriate environmental regulations in an effort to minimize any potential adverse impact on the immediate and surrounding area. Overall, the addition of the natural gas-fired emergency/standby engine/generator would have minor impacts to water quality, quantity, and distribution in the area of operations.

C. Geology and Soil Quality, Stability, and Moisture

As a result of the operation of the proposed natural gas-fired emergency/standby engine/generator, there would be minor impacts to the geology and soil quality, stability and moisture near the equipment's operational area because of an increase in the deposition of pollutants. Impacts from deposition would be minimized because of the hourly limitations and conditions placed on the facility in Permit #1626-08. In addition, the proposed project would be located at an existing facility, which would also reduce the potential impact to the local geology and soil quality, stability, and moisture. Overall, the addition of the natural gas-fired emergency/standby engine/generator would have minor impacts to geology and soil quality, stability, and moisture in the area of operations.

D. Vegetation Cover, Quantity, and Quality

The operation of the natural gas-fired emergency/standby engine/generator would result in minor impacts to the vegetative cover, quantity, and quality because pollution deposition would occur on the surrounding vegetation. However, as explained in Section 7.F of this EA, the Department determined that, due to the limited hours of operation and conditions placed in Permit #1626-08, any impacts from deposition would be minor. Overall, any impacts to vegetation cover, quantity, and quality would be minor.

E. Aesthetics

The natural gas-fired emergency/standby engine/generator would be visible and would create noise when operated. Permit #1626-08 would include conditions to control emissions (including visible emissions) from the natural gas-fired emergency/standby engine/generator and the surrounding work area. The proposed equipment would be installed in an existing facility. Overall, any aesthetic impacts would be minor.

F. Air Quality

Air quality impacts from the operation of the natural gas-fired emergency/standby engine/generator would be minor because emissions from the engine/generator would be relatively small. Dispersion and deposition of pollutants would occur from the operation of the natural gas-fired engine/generator; however, the Department determined that any air quality impacts from the pollutants would be minor. Permit #1626-08 would include conditions limiting the operating hours from the natural gas-fired emergency/standby engine/generator and the conditions under which it would be operated.

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 identified three occurrences of the Burrowing Owl within the area. Area, in this case, is defined by the township and range of the proposed site, with an additional one-mile buffer. Research for this analysis did not identify additional endangered, fragile, or limited species of concern.

Issuance of Permit #1626-08 would increase emissions to the atmosphere where the operation of the natural gas-fired emergency/standby engine/generator would occur; however; because of the limited hours of operation and conditions placed on this proposed project, any impacts to unique, endangered, fragile, or limited environmental resources from the deposition of pollutants would be minor. Overall, the Department determined that any impacts to unique endangered, fragile, or limited environmental resources from the pollutants would be minor.

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

The natural gas-fired engine/generator would be used to provide power on an emergency/standby basis only. Water would be used on haul roads, access roads, parking lots, or other general plant property, as necessary, to control dust resulting from indirect use of the natural gas-fired engine/generator. The emergency/standby engine/generator would use natural gas and air quality would be impacted by pollutant emissions. Because of the limited hours of operation and conditions placed on this proposed project, any demands on environmental resource of water, air, and energy from the engine/generator would be minor. Overall, the Department determined that any impacts to environmental resources of water, air, and energy from the pollutants 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 designated search locale. In addition, SHPO records indicated there have been a few previously conducted cultural resource inventories done in the area. SHPO indicated a low likelihood that cultural properties would be impacted and that a recommendation for a cultural resource inventory is unwarranted at this time. However, if during operations, structures over 50 years of age would need to be disturbed or altered or resources were to be discovered, SHPO must be contacted and the importance of the site determined.

The Department determined that due to the fact that the proposed emergency/standby engine/generator would be located at an existing permitted facility in the area (Blaine County #1 Compressor Station); it is unlikely that any impact would occur to any historical or archaeological sites.

J. Cumulative and Secondary Impacts

The proposed natural gas-fired engine/generator would cause minor cumulative and secondary impacts to the physical and biological aspects of the human environment of a given area of operation because the proposed equipment would generate emissions of regulated air pollutants and noise would be generated from equipment operations. In addition, due to the limited hours of operation and conditions placed on this proposed project, any cumulative and secondary impacts would be minor.

Because the proposed emergency/standby engine/generator would operate in an existing permitted facility, the overall industrial nature of the area would not change as a result of the proposed project and any associated impacts would be minor.

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 Department has prepared the following comments.

A. Social Structures and Mores

The operation of the natural gas-fired engine/generator would not alter or disrupt any local lifestyles or communities (social structures and mores) in the area of operation because the natural gas-fired engine/generator would operate on a limited emergency/standby basis and would be used with the additional permitted equipment at an existing permitted industrial site. Therefore, the existing social structures and mores would not be affected as a result of this permitting action.

B. Cultural Uniqueness and Diversity

It would be unlikely that the operation of the natural gas-fired engine/generator would have any impact on the uniqueness and diversity of the proposed area of operation because the natural gas-fired engine/generator would operate on a limited emergency/standby basis in a previously disturbed industrial area.

C. Local and State Tax Base and Tax Revenue

The operation of the natural gas-fired engine/generator would not alter the local and state tax base and tax revenue. The proposed project would be installed in an existing stationary source. No full time, permanent employees would be added as a result of issuing Permit #1626-08.

D. Agricultural or Industrial Production

The operation of the natural gas-fired engine/generator would take place in a previously disturbed industrial area. Therefore, the Department does not expect that the operation of the natural gas-fired engine/generator would affect or displace any agricultural land. Further, the natural gas-fired engine/generator would operate on a limited emergency/standby basis and would have only a minor impact on any local industrial production.

E. Human Health

Permit #1626-08 would incorporate conditions to ensure that the natural gas-fired engine/generator would be operated in compliance with all applicable air quality rules and standards. These rules and standards are designed to be protective of human health. As described in Section 7.F of this EA, the Department determined that any impacts from deposition of pollutants would be minor due to limitations and conditions placed in Permit #1626-08. The air emissions from this proposed project would be minimized due to limitations placed on the operating hours and conditions where the natural gas-fired engine/generator is used on an emergency/standby basis only.

F. Access to and Quality of Recreational and Wilderness Activities

The natural gas-fired engine/generator would be located on previously-disturbed industrial property and would not impact access to recreational and wilderness activities. However, minor impacts on the quality of recreational activities might be created by noise from the natural gas-fired engine/generator. Emissions from the natural gas-fired engine/generator would be minimized due to the limitations placed on hours of operation and the emergency/standby nature of the operation.

G. Quantity and Distribution of Employment

The operation of the natural gas-fired engine/generator is not expected to affect the quantity and distribution of employment in the area. The proposed project would be installed in an existing industrial facility. No full time, permanent employees would be hired or discharged as a result of issuing Permit #1626-08.

H. Distribution of Population

The operation of the natural gas-fired engine/generator is not expected to disrupt the normal population distribution within the proposed project area. The natural gas-fired emergency/standby engine/generator would be located in an existing industrial facility. No secondary activities are expected to move to the area as a result of the proposed project.

I. Demands on Government Services

Government services would be required for acquiring the appropriate permits and ensuring compliance with the permits that are issued; however, the government services required would be minor.

J. Industrial and Commercial Activity

The operation of the natural gas-fired engine/generator would represent only a minor increase in the industrial activity in the area. No additional industrial or commercial activity would result from the operation of the natural gas-fired engine/generator because no secondary activities are expected to move to the area as a result of the proposed project.

K. Locally Adopted Environmental Plans and Goals

The Department is not aware of any locally adopted environmental plans or goals. The conditions identified in Permit #1626-08 would apply to the operation of the natural-gas fired emergency/standby engine/generator.

L. Cumulative and Secondary Impacts

Overall, the cumulative and secondary social and economic impacts from this project would be minor because the natural gas-fired engine/generator would be installed at an existing industrial facility. New businesses would not be drawn to the area and permanent jobs would not be created or lost due to the operation of the natural gas-fired emergency/standby engine/generator. Because no new employees would be hired due to the operation of the natural gas-fired engine/generator, there would be no economic impacts from new employees. In addition, any social and economic impacts that are created would be minor because of the limited operation of the natural gas-fired engine/generator on an emergency/standby basis only.

Recommendation: An Environmental Impact Statement (EIS) is not required.

If an EIS is not required, explain why the EA is an appropriate level of analysis: All potential effects resulting from construction and operation of the proposed facility are minor; therefore, an EIS is not required. In addition, the source would be applying the Best Available Control Technology and the analysis indicated compliance with all applicable air quality rules and regulations.

Other groups or agencies contacted or that may have overlapping jurisdiction: Department of Environmental Quality – Permitting and Compliance Division (Air Resource Management Bureau), Montana Natural Heritage Program, and State Historic Preservation Office (Montana Historical Society).

Individuals or groups contributing to this EA: Department of Environmental Quality (Air Resource Management Bureau), Montana Natural Heritage Program, and State Historic Preservation Office (Montana Historical Society).

EA prepared by: K. Doran
Date: March 2, 2009