Montana Department of
ENVIRONMENTAL QUALITY
Brian Schweitzer, Governor
P. O. Box 200901 Helena, MT 59620-0901 (406) 444-2544 Website: www.deq.mt.gov

PRELIMINARY DETERMINATION
ON PERMIT APPLICATION

Date of Mailing: 10/22/2010

Name of Applicant: Banner Transportation Company, LLC

Source: Crude Oil Truck Unloading Facility

Proposed Action: The Department of Environmental Quality (Department) proposes to issue a permit, with conditions, to the above-named applicant. The application was assigned Permit Application Number 4599-00.

Proposed Conditions: See attached.

Public Comment: Any member of the public desiring to comment must submit such comments in writing to the Air Resources Management Bureau (Bureau) of the Department at the above address. Comments may address the Department's analysis and determination, or the information submitted in the application. In order to be considered, comments on this Preliminary Determination are due by November 8, 2010. Copies of the application and the Department's analysis may be inspected at the Bureau's office in Helena. For more information, you may contact the Department.

Departmental Action: The Department intends to make a decision on the application after expiration of the Public Comment period described above. A copy of the decision may be obtained at the above address. The permit shall become final on the date stated in the Department's Decision on this permit, unless an appeal is filed with the Board of Environmental Review (Board).

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 by the date stated in the Department's Decision on this permit. 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, MT 59620.

For the Department,

Vickie Walsh

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

Shawn Juers
Environmental Engineer
Air Resources Management Bureau
(406) 444-2049

VW:SJ
Enclosures

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

DRAFT ENVIRONMENTAL ASSESSMENT (EA)

Issued To: Banner Transportation Company, LLC
P.O. Box 5103
Enid, OK 73702

Montana Air Quality Permit Number: 4599-00

Preliminary Determination Issued: 10/22/2010
Department Decision Issued:
Permit Final:

1. *Legal Description of Site*: SW¼ of the SW¼ of Section 25, Township 24 North, Range 56 East, in Richland County, Montana.

2. *Description of Project*: BTC proposes to operate a crude oil truck unloading station known as the Albin Station. This facility would be used to unload crude oil from transport trucks to storage tanks and to inject the oil into a pipeline.

3. *Objectives of Project:* The objectives of the project would be to generate business and revenue from the transport of crude oil to sales destinations.

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 BTC 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 MAQP #4599-00.

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			XX			Yes
B	Water Quality, Quantity, and Distribution			XX			Yes
C	Geology and Soil Quality, Stability and Moisture			XX			Yes
D	Vegetation Cover, Quantity, and Quality			XX			Yes
E	Aesthetics			XX			Yes
F	Air Quality			XX			Yes
G	Unique Endangered, Fragile, or Limited Environmental Resources			XX			Yes
H	Demands on Environmental Resource of Water, Air and Energy			XX			Yes
I	Historical and Archaeological Sites			XX			Yes
J	Cumulative and Secondary Impacts			XX			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 Department would expect minor effects to terrestrial and aquatic life and habitats in issuing MAQP #4599-00. The allowable emissions associated with this permitting action are relatively small, and include volatile organic compounds emissions and particulate emissions. Control requirements for fugitive dust emissions would be included in MAQP #4599-00 to reduce particulate matter emissions and therefore the amount of deposition. Overall, any impacts to terrestrial and aquatic life and habitats would be expected to be minor.

B. Water Quality, Quantity and Distribution
C. Geology and Soil Quality, Stability and Moisture

Water and/or chemical dust suppressant may be used to reduce fugitive dust emissions from vehicle traffic on unpaved roads. Minor, if any, impacts to water quality, quantity and distribution, and geology, soil quality, stability, and moisture would be expected from this activity.

D. Vegetation Cover, Quantity, and Quality

MAQP #4599-00 would require control of fugitive dust emissions to reduce deposition of particulate matter. The allowable emissions from the site are relatively small, and effects to vegetation cover, quantity, and quality would be expected to be minor.

E. Aesthetics

BTC proposes to own and operate a crude oil tanker truck unloading facility. The site would include tanks and truck traffic. Therefore, minor effects to aesthetics would be expected as a result of issuance of MAQP #4599-00.

F. Air Quality

MAQP #4599-00 would permit emissions of volatile organic compounds and particulate matter. MAQP #4599-00 would be derived from rules designed to protect air quality. The Department determined, based on the relatively small amount of emissions which would be allowable, that the impacts to air quality would be expected to be minor.

G. Unique Endangered, Fragile, or Limited Environmental Resources

In an effort to identify any unique, 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 area was defined by the section, township, and range of the proposed location with an additional one mile buffer zone. Due to the minor levels of potential air pollutant emissions and the results of the NRIS search, the Department would expect minor, if any, affect on any unique endangered, fragile, or limited environmental resources.

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

The proposed project would have minor impacts on the demands of environmental resources of water, air, and energy because the facility would be a source of air pollutants. Water would be required for the control of particulate matter from vehicle traffic. The Department has determined that while the proposed project would require environmental resources of water, air, and energy, the impact would be expected to be minor.

I. Historical and Archaeological Sites

The Department contacted the State Historic Preservation Office (SHPO) to request a cultural resource file search for the project location to aid the Department in the assessment of impacts to historical and archeological sites. According to SHPO's records, there have been no previously recorded sites within the designated search locale. The absence of cultural properties in the area does not mean that they do not exist but rather reflects the absence of any previous cultural resource inventory in the area. Therefore, the Department would expect minor, if any, impacts to historical and archaeological sites in issuing MAQP #4599-00.

J. Cumulative and Secondary Impacts

Potential physical and biological effects of any individual considerations above would be expected to be minor. Collectively, the potential cumulative and secondary impacts would be expected to 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			XX			Yes
B	Cultural Uniqueness and Diversity			XX			Yes
C	Local and State Tax Base and Tax Revenue			XX			Yes
D	Agricultural or Industrial Production			XX			Yes
E	Human Health			XX			Yes
F	Access to and Quality of Recreational and Wilderness Activities			XX			Yes
G	Quantity and Distribution of Employment			XX			Yes
H	Distribution of Population			XX			Yes
I	Demands for Government Services			XX			Yes
J	Industrial and Commercial Activity			XX			Yes
K	Locally Adopted Environmental Plans and Goals			XX			Yes
L	Cumulative and Secondary Impacts			XX			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 project would result in minor impacts to social structures and mores. The surrounding area is mainly used for agriculture activities, livestock grazing, and other oil and gas activities.

B. Cultural Uniqueness and Diversity

The project would be expected to result in minor, if any, impacts to cultural uniqueness and diversity. Effects to the distribution of population and the quantity and distribution of employment would be expected to be minor.

C. Local and State Tax Base and Tax Revenue

The proposed project would be expected to result in minor impacts to the local and state tax base and tax revenue.

D. Agricultural or Industrial Production

The facility would be located in an agricultural area. An increase in industrial production, and very slight decrease in agricultural resources, would be expected.

E. Human Health

MAQP #4599-00 would contain requirements and limitations derived from rules designed to protect human health. Therefore, the Department would expect no more than a minor effect to human health in issuing MAQP #4599-00.

F. Access to and Quality of Recreational and Wilderness Activities

The Department is not aware of recreational and wilderness activities in the area which this facility would affect.

G. Quantity and Distribution of Employment

The Department would expect a very minor effect to the quantity and distribution of employment as the facility would employ one person.

H. Distribution of Population

No significant change in the quantity and distribution of employment would be expected at this facility. Therefore, minor, if any, effects to the distribution of population would be expected as a result of issuance of MAQP #4599-00.

I. Demands for Government Services

Government services would be required for acquiring the appropriate permits for the proposed project and to verify compliance with the permits that would be issued. However, demands for government services would be expected to be minor.

J. Industrial and Commercial Activity

The Department would expect minor increases in local industrial and commercial activity with additional truck traffic associated with the normal operations of this facility.

K. Locally Adopted Environmental Plans and Goals

The Department is not aware of any locally adopted environmental plans or goals that would be affected by the proposed facility. MAQP #4599-00 would be issued to protect air quality.

L. Cumulative and Secondary Impacts

Overall, minor cumulative and secondary impacts to the social and economic aspects of the human environment would be expected in the immediate area of operation.

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 operation of a crude oil unloading station. MAQP #4599-00 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, Natural Resource Information System – Montana Natural Heritage Program

EA prepared by: Shawn Juers
Date: 10/14/2010