Montana Department of
ENVIRONMENTAL QUALITY
Brian Schweitzer, Governor
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December 9, 2010

Greg Passini
Decker Coal Company
Decker Coal Mine
P.O. Box 12
Decker, MT 59025-0012

Dear Mr. Passini:

Montana Air Quality Permit #1435-06 is deemed final as of December 9, 2010, by the Department of Environmental Quality (Department). This permit is for a surface coal mine. 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) 444-9741

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

VW:JM
Enclosure

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: Decker Coal Company.
Decker Coal Mine
P.O. Box 12
Decker, MT 59025-0012

Air Quality Permit Number: 1435-06

Preliminary Determination Issued: October 21, 2010
Department Decision Issued: November 23, 2010
Permit Final: December 09, 2010

1. *Legal Description of Site:* Decker Coal Company operates the Decker Coal Mine, which is a surface coal mine and handling facility. The Decker Mine is located in the West ½ of the Southwest ¼ of Section 10, Township 9 South, Range 40 East in Big Horn County, Montana.

2. *Description of Project:* Under the current permit action, Decker requests a modification to update the facility's MAQP to reflect equipment currently on site. Although the diesel-fired engine equipment was originally permitted as "associated equipment", Decker consistently reported emissions from this equipment in its annual emissions inventory reports. However, when this equipment is added to the MAQP's emissions inventory, Decker's potential emissions are above the Title V Operating Permit threshold. Therefore, Decker requested federally enforceable limits to keep the facility's potential emissions below the Title V Operating Permit threshold.

3. *Objectives of Project*: The proposed project would update the permit to reflect emitting units currently at the facility.

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 Decker 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, is included in MAQP #1435-06.

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 would be reasonably necessary to ensure compliance with applicable requirements and to demonstrate compliance with those requirements and would 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 Department has prepared the following comments.

A. Terrestrial and Aquatic Life and Habitats
B. Water Quality, Quantity, and Distribution
C. Geology and Soil Quality, Stability, and Moisture
D. Vegetation Cover, Quantity, and Quality
E. Aesthetics

The proposed project would not result in any increase in emissions from the Decker facility. Listing all emitting units in the permit will characterize the actual emissions more appropriately. Therefore, the proposed project would have no impact on terrestrial and aquatic life and habitats, water quality quantity, and distribution, geology and soil stability and moisture, vegetation cover, quantity, and quality, or aesthetics in the proposed project area.

F. Air Quality

The proposed project would not result in any increase in emissions from the Decker facility; therefore, the proposed project would have no impact on air quality in the proposed project area. The Department determined that controlled emissions from the source will not cause or contribute to a violation of any ambient air quality standard.

G. Unique Endangered, Fragile, or Limited Environmental Resources
H. Demands on Environmental Resources of Water, Air, and Energy
I. Historical and Archaeological Sites
J. Cumulative and Secondary Impacts

The proposed project would not result in any increase in emissions from the Decker facility Listing all emitting units in the permit will characterize the actual emissions more appropriately. Therefore, the Department determined that any impacts to any existing unique endangered, fragile, or limited

environmental resources, demands on environmental resources of water, air, and energy, historical and archaeological site, or cumulative and secondary impacts due to the potential for a minor increase in deposition of air pollutants associated with the proposed project would be minor and consistent with current impacts. Overall, any impact to any existing unique endangered, fragile, or limited environmental resource in the proposed project area would be minor and consistent with existing impacts.

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
B. Cultural Uniqueness and Diversity
C. Local and State Tax Base and Tax Revenue
D. Agricultural or Industrial Production

The proposed project would not cause a disruption to any native or traditional lifestyles or communities (social structures or mores), impact the cultural uniqueness and diversity of the area, impact the local and state tax base and tax revenue, or the agricultural or industrial production of the area because the proposed project would not change the current industrial nature of the operation or the overall industrial nature of the area of operation. The predominant use of the surrounding area would not change as a result of the proposed project. The proposed modification of the Decker MAQP would not change the way the facility currently operates.

E. Human Health

The proposed project would not result in any increase in allowable emissions from the Decker facility because the facility would not change the way they currently operate; therefore, the proposed project would result in no impacts to human health.

F. Access to and Quality of Recreational and Wilderness Activities

The proposed project would not impact any access to recreational and wilderness activities because the proposed project would occur at an existing industrial facility used for such purposes.

G. Quantity and Distribution of Employment
H. Distribution of Population
I. Demands for Government Services
J. Industrial and Commercial Activity
K. Locally Adopted Environmental Plans and Goals
L. Cumulative and Secondary Impacts

The proposed modification would not have any, impacts on the quantity and distribution of employment, the distribution of population, demands for government services, industrial and commercial activity, locally adopted environmental plans and goals, or cumulative and secondary impacts in the area because no additional employees would be required at the facility and the facility would be operated as it is currently operated.

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: There are no significant impacts resulting from the project; therefore, an EIS is not required.

Other groups or agencies contacted or which may have overlapping jurisdiction: Department of Environmental Quality - Permitting and Compliance Division (Air Resources Management Bureau and Industrial and Energy Minerals Bureau.

Individuals or groups contributing to this EA: Department of Environmental Quality (Air Resources Management Bureau).

EA prepared by: Julie Merkel
Date: October 13, 2010