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April 22, 2011

Williston Basin Interstate Pipeline Company
Scott Fradenburgh
P.O. Box 131
Glendive, MT 59330

Dear Mr. Fradenburgh:

The Department of Environmental Quality (Department) has made its decision on the Montana Air Quality Permit application for Williston Basin Interstate Pipeline Company (WBI). The application was given permit number 3301-02. The Department's decision may be appealed to the Board of Environmental Review (Board). A request for hearing must be filed by May 23, 2011. This permit shall become final on May 8, 2011, 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.

For the Department,

Vickie Walsh
Air Permitting Program Supervisor
Air Resources Management Bureau
(406) 444-9741

Jenny O'Mara
Environmental Engineer
Air Resources Management Bureau
(406) 444-1452

VW:JO
Enclosures

DEPARTMENT OF ENVIRONMENTAL QUALITY
Permitting and Compliance Division
Air Resources Management Bureau
P.O. Box 200901, Helena, Montana 59620
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FINAL ENVIRONMENTAL ASSESSMENT (EA)

Issued To: Williston Basin Interstate Pipeline Company
Baker Booster and Sandstone Compressor Station
P.O. Box 131
Glendive, MT 59330

Montana Air Quality Permit number: 3301-02

Preliminary Determination Issued: April 5, 2011

Department Decision Issued: April 22, 2011

Permit Final:

1. *Legal Description of Site:* The WBI station is located approximately 1.5 miles north of Baker, Montana, in the NE $\frac{1}{4}$ of Section 2, Township 7 North, Range 59 East, in Fallon County.
2. *Description of Project:* WBI proposes to construct and operate an additional 1,680-bhp natural gas fired compressor engine at WBI's existing natural gas compressor station. The facility would consist of six 1,680-bhp natural gas fired compressor engines, a glycol dehydration unit, and associated equipment. The facility purpose is to serve as a central compressor station that receives natural gas from nearby production field facilities and dehydrates and compresses the natural gas for transmission through the pipeline.
3. *Objectives of Project:* The proposed project would provide additional business and revenue for WBI by allowing the company to gather and transmit large quantities of natural gas. Natural gas would be received from nearby production field facilities and the gas would be dehydrated and compressed for transmission through a natural gas sales pipeline.
4. *Alternatives Considered:* In addition to the proposed action, the Department considered the "no-action" alternative. The "no-action" alternative would deny issuance of the MAQP to the proposed facility. However, the Department does not consider the "no-action" alternative to be appropriate because WBI 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 #3301-02.
6. *Regulatory Effects on Private Property:* The Department considered alternatives to the conditions imposed in the 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 facility, and the addition of one engine to an existing facility would result in minor additional impacts to surroundings. Additionally, there are no known wetlands listed for the project site. Any construction would result in very little impact, if any, on the terrestrial and aquatic life and habitats because there would be minimal disturbance and any disturbance would be temporary and of short duration. Therefore, the Department believes that the proposed project would cause minor impacts to the area and overall, the impacts from this project to terrestrial and aquatic life and habitats would be minor.

B. Water Quality, Quantity, and Distribution

The current permit action would add one additional compressor engine to an existing facility consisting of five compressor engines. MAQP #3301-02 would permit a slight increase in emissions of all criteria pollutants at an existing site. However, emissions would be limited based on conditions and limitations in the MAQP. WBI would be required to add the appropriate control technology (NSCR/AFR) to minimize emissions. Unaltered hydrostatic test water may be discharged on-site. Water may be required for dust control, and additional water may be required for dust suppression during installation of equipment. There are no known surface water bodies on the site. The facility employs few people (two) and the amount of water for consumptive and non-consumptive use would be minimal. Therefore, the proposed permit would result in minor impacts to water quality, quantity, and distribution in the area.

C. Geology and Soil Quality, Stability, and Moisture

Impacts to the geology and soil quality, stability, and moisture from this facility would be minor because the permit action would impact a relatively small portion of land and the amount of resulting deposition of the air emissions would be small. There are no known unique geologic or physical features at the site. The soil stability in the immediate vicinity would be impacted by construction activities, but disturbances would be temporary. Installing the equipment, at an existing facility, would result in minimal impact on geology and soil quality, stability and moisture because the construction would be temporary and of short duration. Overall, the Department believes there would be minor impacts to geology, soil quality, stability, and moisture.

D. Vegetation Cover, Quantity, and Quality

The proposed project would result in minor impacts on the vegetative cover, quantity, and quality in the immediate area because only a small amount of property would be disturbed and the resulting deposition from air emissions would be relatively small. The new engine would be installed and operated at an existing facility. There are no known endangered or threatened plant species at the project site. This permit would result in minimal disturbance to the land and any disturbance would be temporary. Most of the newly disturbed areas would be restored to their previous status after installation of equipment. The corresponding deposition of the air pollutants on the surrounding vegetation would also be minor. Therefore, the proposed project would result in minor impacts on the vegetative cover, quantity, and quality.

E. Aesthetics

Impacts to the aesthetics of the area from this modification would be minor because the land use would predominantly remain the same. According to WBI, the nearest home or structure is located approximately one mile south of the facility.

Visible emissions from the facility would be limited to 20% opacity. There would not be an increase in odors with the change of equipment. The proposed change could result in some additional noise during construction. The area would receive very little increase in vehicle use as a result of the proposed project. Most vehicles would use the existing roads in the area on route to the roads established as part of the facility. Obviously during construction and installation of the proposed engine at the existing facility, there might be a noticeable increase in traffic; but any additional increase in traffic would be temporary.

Impacts to the aesthetics of the area from the project would be minor because of the industrial nature of the area, the relatively low visibility and minimal noise from the addition of the compressor engine. Therefore, the Department believes that aesthetics in the area would only experience minor impacts.

F. Air Quality

The Department determined, based on the allowable emissions this facility may emit that the impacts from this permitting action will be minor. The Department believes it will not cause or contribute to a violation of any ambient air quality standard.

The air quality classification of the immediate area is "Unclassifiable/Attainment" for all pollutants (40 CFR Part 81.327). For this permit action, the Department ran some preliminary modeling to demonstrate compliance with the NAAQS/MAAQS. Air emissions from the facility would be minimized by limitations and conditions that would be included in MAQP #3301-02. 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 lower deposition impacts to the affected area. Since controlled potential emissions from the proposed station would exhibit good dispersion characteristics, the Department determined that controlled emissions from the source would 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.

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 previously (with MAQP #3301-00) contacted the Montana Natural Heritage Program, Natural Resource Information System (NRIS). The NRIS search did not identify any known species of

special concern locating within the proposed 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 NRIS search did not identify any species of special concern in the area of the proposed facility, 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. Therefore, the Department believes there would be minor impacts to any 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 permit action would be a source of air pollutants. However, as explained in Section 7.F of this EA, the Department determined that the project would place very minor demands on air, water, and energy in order to provide compression to facilitate the transportation of natural gas in the natural gas pipeline. Minor effects would be expected on resources of water, air, and energy.

I. Historical and Archaeological Sites

In an effort to identify any historical and archaeological sites located near the project area, the Department previously contacted the Montana Historical Society, State Historic Preservation Office (SHPO). According to SHPO records, there are no previously recorded historic or archaeological sites within the proposed area. Further, according to SHPO records, several cultural resource inventories have been done within the defined area; therefore, it is unlikely that any cultural properties would be impacted by the proposed project and an additional cultural resource inventory would be unwarranted at this time. Overall, the Department determined that it is unlikely that the proposed project would have any impact on any historical and archaeological site.

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 little construction activities associated with this project. The Department believes that this facility could be expected to operate in compliance with all applicable rules and regulations as would be outlined in MAQP #3301-02.

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

		Major	Moderate	Minor	None	Unknown	Comments Included
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 ECENOMIC AND SOCIAL EFFECTS: The following comments have been prepared by the Department.

- A. Social Structures and Mores
- B. Cultural Uniqueness and Diversity

Additional activity (vehicle traffic, construction equipment, etc.) would be noticeable during facility construction; however, compressor stations typically do not require day-to-day employees and once the facility is constructed, activities associated with the operation of the facility would be minor. The proposed project would take place in a relatively remote location. The proposed permit would not cause a disruption to any native or traditional lifestyles or communities (social structures or mores, or cultural uniqueness and diversity) in the area because the land use would not be out of place given the industrial use of the surrounding area. Further, because the operation of a compressor station requires relatively few employees 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 minor, if any, impact on 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 few, if any new employees would be expected as a result of constructing the facility. Further, the proposed project would necessitate relatively little construction 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 of a given area would be minor. In addition, compressor operations of this type are common within the local area, and this area of Montana in general; therefore, because the proposed station constitutes a common industrial entity, 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 is rural oil and gas production. The project would take place within the boundaries of an existing privately owned site. Because the permit action would result in minor changes to the existing facility, the proposed project would not result in impacts to agricultural production. The proposed project would have minor impacts to industrial production because the proposed project consists of an additional engine to be located at an existing industrial area. 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. The proposed engine would locate at an existing, operational facility and the Department has determined that 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

H. Distribution of Population

The proposed project would have minor, if any, impacts on the above social and economic resources because two permanent employees would be required for normal operations thereby resulting in relatively few, if any, new immigration to the area. In addition, temporary construction-related positions would result from this project but 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 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 MAQP #3301-02 and to assure compliance with applicable rules, standards, and conditions contained in MAQP #3301-02. The increase in vehicle traffic would occur primarily during facility construction because compressor stations typically do not require day-to-day employees. Therefore, vehicle traffic would be relatively minor due to the relatively short time period that would be required to construct the facility. 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

The proposed project would be relatively small and would take place at a relatively remote location. 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.

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.

L. Cumulative and Secondary Impacts

Overall, the cumulative and secondary impacts from this project on the social and economic aspects of the human environment would be minor because few employment opportunities may result, state and local taxes might be generated from the facility but little change would result from the permit. Overall, the project would result in few additional jobs for the area. The emissions' increase that would result from this permit would be minimal and therefore would result in few cumulative or secondary impacts. 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 MAQP #3301-02.

Recommendation: No EIS is required.

If an EIS is not required, explain why the EA is an appropriate level of analysis: The current permit action is for the construction and operation of a natural gas central compressor station. This EA assesses the impacts specific to the proposed project. MAQP #3301-02 would include conditions and limitations to ensure the facility would operate in compliance with all applicable air quality rules and regulations. In addition, there are no significant impacts associated with the proposed project.

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: Montana Department of Environmental Quality; Montana Historical Society – State Historic Preservation Office; Natural Resource Information System – Montana Natural Heritage Program.

EA prepared by: Jenny O'Mara
Date: March 8, 2011