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

PUBLIC NOTICE NO. **MT-12-52**
November 13, 2012

PURPOSE OF PUBLIC NOTICE

The purpose of this notice is to state the Department's intention to issue a wastewater discharge permit to the facility listed in this notice. This permit is issued by the Department under the authority of 75-5-402, Montana Code Annotated (MCA); the Administrative Rules of Montana (ARM) 17.30.1301 *et seq.*, Montana Pollutant Discharge Elimination System (MPDES); and Sections 402 and 303 of the Federal Clean Water Act. The Water Protection Bureau has prepared a draft permit for the facility listed below. Copies of the draft permit, statement of basis, and environmental assessment are available upon request from the Water Protection Bureau or on the Department's website www.deq.mt.gov .

APPLICANT INFORMATION

APPLICANT:	H & R Energy LLC PO Box 244 Shelby, MT 59474
FACILITY NAME:	Krause Lease
FACILITY LOCATION:	T35N R3W S9; Lat. 48.79945N, Long. 111.99319W
RECEIVING WATER:	Unnamed tributary of Alkali Flats Coulee
PERMIT NUMBER:	MT0031747

The Krause Lease facility is owned by H & R Energy LLC and collects crude oil and associated formation fluids from three oil wells in the Kevin, Montana oil fields. Fluids first enter an oil/water separation tank at the facility site from which crude oil is piped into an on-site oil storage tank and water is sent through an open channel into a skimming pond and on into a settling/storage pond. Treatment of produced fluids consists of oil/water separation, skimming, and settling. From the settling/storage pond, produced water enters an approximately 250-foot-long man-made open channel from which it discharges into an unnamed, intermittent tributary and flows approximately a half-mile to reach Alkali Flat Coulee. Influent and effluent volume measurements are made through readings of tank volume differences in the on-site tanks.

No mixing zone is being granted as the receiving water is an intermittent stream which will at times have no assimilative capacity. The discharge is not a new or increased source requiring

nonsignificance review. Effluent limits and monitoring requirements are proposed for oil & grease, total dissolved solids, fluorine, arsenic, copper, and selenium. Flow monitoring requirements are also proposed.

On September 21, 2000, a U.S. District Judge issued an order stating that until all necessary total maximum daily loads under Section 303(d) of the Clean Water Act are established for a particular water quality limited segment, the State is not to issue any new permits or increase permitted discharges under the MPDES program. The order was issued in the lawsuit Friends of the Wild Swan v. U.S. EPA, et al., CA 97-35-M-DWM, District of Montana, Missoula Division. The DEQ finds that the issuance of this proposed permit does not conflict with the order because the receiving water was not on the state's 303(d) list of impaired water bodies any time and the discharge is not a new or increased source.

PUBLIC COMMENT

Public comments are invited ANYTIME PRIOR TO CLOSE OF BUSINESS **December 13, 2012**. Comments may be directed to the DEQ Permitting & Compliance Division, Water Protection Bureau, PO Box 200901, Helena, MT 59620. All comments received or postmarked PRIOR TO CLOSE OF BUSINESS **December 13, 2012** will be considered in the formulation of final determinations to be imposed on the permits. If you wish to comment electronically, you may e-mail David Dunbar or Barb Sharpe at WPBPublicNotices@mt.gov.

During the public comment period provided by the notice, the Department will accept requests for a public hearing. A request for a public hearing must be in writing and must state the nature of the issue proposed to be raised in the hearing (ARM 17.30.1373).

The Department will respond to all substantive comments and issue a final decision within sixty days of this notice or as soon as possible thereafter. Additional information may be obtained upon request by calling (406) 444-3080 or by writing to the aforementioned address. The complete administrative record, including permit application and other pertinent information, is maintained at the Water Protection Bureau office in Helena and is available for review during business hours.

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