

PRELIMINARY DETERMINATION
ON PERMIT APPLICATION

Date of Mailing: June 3, 2013

Name of Applicant: ONEOK Rockies Midstream, LLC

Source: Natural Gas Liquids Storage and Transfer 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 Montana Air Quality Permit Application Number 4631-02.

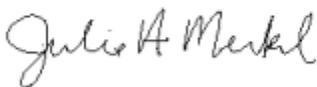
Proposed Conditions: See attached.

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 June 18, 2013. 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,



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JM:DCK
Enclosure

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: ONEOK Rockies Midstream, LLC. (ORM)- Riverview Terminal

Montana Air Quality Permit Number: 4631-02

Preliminary Determination Issued: 06/03/2013

Department Decision Issued:

Permit Final:

1. *Legal Description of Site:* East ½, Northwest ¼, Section 17 and Southeast ¼, Southwest ¼, Section 8, Township 22 North, Range 59 East, in Richland County.
2. *Description of Project:* ORM proposed the installation and operation of natural gas liquids (NGL) compressor engines to facilitate pipeline transfer of NGL to downstream sources. Equipment includes three electric powered compressor engines and associated piping components, as well as, a single air-assisted flare to control volatile organic compounds released during scheduled and unscheduled blown-downs and venting.
3. *Objectives of Project:* Ability to transfer NGL to downstream source via the Bakken Pipeline.
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 at the facility. However, the Department does not consider the “no-action” alternative to be appropriate because ORM 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 #4631-02.
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.

	Potential Physical and Biological Effects	Major	Moderate	Minor	None	Unknown	Comments Included
A	Terrestrial and Aquatic Life and Habitats				✓		Yes
B	Water Quality, Quantity, and Distribution				✓		Yes
C	Geology and Soil Quality, Stability and Moisture				✓		Yes
D	Vegetation Cover, Quantity, and Quality				✓		Yes
E	Aesthetics				✓		Yes
F	Air Quality			✓			Yes
G	Unique Endangered, Fragile, or Limited Environmental Resources			✓			Yes
H	Demands on Environmental Resource of Water, Air and Energy			✓			Yes
I	Historical and Archaeological Sites				✓		Yes
J	Cumulative and Secondary Impacts			✓			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

Terrestrials may be present in the surrounding area. Issuance of MAQP #4631-02 would permit a minor increase in VOC from the addition of the booster station. Conditions and limitations in the permit would limit the allowable emissions. With the minor increase in emissions no effects to terrestrial and aquatic life and habitats would be expected.

B. Water Quality, Quantity and Distribution

The proposed project would not result in a direct discharge to surface waters. No change in water usage at the facility would occur as a result of the proposed change. The Department would not expect any impacts to water quality, quantity and distribution as a result of the small emission increase.

C. Geology and Soil Quality, Stability and Moisture

No impacts to geology, and soil quality, stability and moisture would be expected to occur as the proposed modification would occur as equipment would be located within the facility footprint.

D. Vegetation Cover, Quantity, and Quality

No impacts to vegetation cover, quantity and quality would be expected to occur as the proposed modification would occur within the existing facility footprint.

E. Aesthetics

The proposed project would not be expected to cause any change in aesthetics, as the addition of the booster station would be within the existing facility boundary and the nature of site activities would remain unchanged.

F. Air Quality

Issuance of MAQP #4631-02 would permit an increase in emissions at the facility. The application, and conditions and limitations which would be placed in the permit, would require the facility to be constructed and operated in a manner which would minimize these emissions. The facility would remain a minor source of emissions. Minor effects to air quality would be expected as a result of issuing MAQP #4631-02.

G. Unique Endangered, Fragile, or Limited Environmental Resources

The Department reviewed the previous information prepared by the Montana Natural Heritage Program utilizing the Natural Resources Information System to identify any species of special concern in the general area in which the facility operates. Fifteen animal species of concern and a single plant species of concern were identified. The proposed project will not likely impact any of the identified species of concern, as the new equipment will be installed within the existing footprint of the facility. Furthermore, the allowable emissions increases resulting from this permit action are considered minor. Therefore only minor impact to the identified species of concern would be expected.

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

Only minor demands on water, air and energy are expected due to the minor increase in emissions from the proposed project.

I. Historical and Archaeological Sites

Construction activities would occur within the previous facility boundary that is owned and/or leased by ORM at the facility. Previous evaluations indicated that no sites were believed to be impacted by the facility and as the addition of booster station will occur within the facility footprint no impacts on historical or archaeological resources would be expected.

J. Cumulative and Secondary Impacts

The Department has determined there to be minor impacts to the individual physical and biological considerations above. The project takes place on land already owned by ORM, and impacts directly associated with issuance of MAQP #4631-02 are primarily air emissions outside the property boundaries but are expected to be minor. Cumulatively, the Department would expect minor impacts to physical and biological considerations. In turn, 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.

	Potential Economic and Social Effect	Major	Moderate	Minor	None	Unknown	Comments Included
A	Social Structures and Mores				✓		Yes
B	Cultural Uniqueness and Diversity				✓		Yes
C	Local and State Tax Base and Tax Revenue				✓		Yes
D	Agricultural or Industrial Production				✓		Yes
E	Human Health			✓			Yes
F	Access to and Quality of Recreational and Wilderness Activities				✓		Yes
G	Quantity and Distribution of Employment				✓		Yes
H	Distribution of Population				✓		Yes
I	Demands for Government Services				✓		Yes
J	Industrial and Commercial Activity			✓			Yes
K	Locally Adopted Environmental Plans and Goals				✓		Yes
L	Cumulative and Secondary Impacts			✓			Yes

SUMMARY OF COMMENTS ON POTENTIAL ECONOMIC AND SOCIAL EFFECTS: The following comments have been prepared by the Department.

A. Social Structures and Mores

MAQP #4631-02 would permit a minor increase in VOC, CO, and NO_x emissions and small increase in SO₂ emissions with the addition of the booster compressor equipment. No impacts would be expected to Social Structures and Mores.

B. Cultural Uniqueness and Diversity

MAQP #4631-02 would permit a small increase in emissions including NO_x, CO, and VOC with negligible increase in SO₂. An increase in the number of employees at the site would not be expected to occur. No impacts would be expected to Cultural Uniqueness and Diversity.

C. Local and State Tax Base and Tax Revenue

Only minor impacts to local and state tax base and tax revenue would be expected with the small scale of the proposed project.

D. Agricultural or Industrial Production

MAQP #4631-02 would permit a minor modification at the existing facility. The proposed project would take place within the existing facility footprint. No impacts to agricultural or industrial production would be expected as a result of issuance of MAQP #4631-02.

E. Human Health

MAQP #4631-02 would contain limitations and conditions derived from rules designed to protect human health. Given the minor increase in emissions that would occur under the proposed modification, only a minor impact to human health would be expected.

F. Access to and Quality of Recreational and Wilderness Activities

The project would take place within the existing facility footprint. No impacts to access to and quality of recreational and wilderness activities would be expected.

G. Quantity and Distribution of Employment

The proposed project would not add permanent employees to the facility and therefore no impacts to the quantity and distribution of employment would be expected.

H. Distribution of Population

The proposed project would not result in any increase in permanent employees. A temporary increase in population in the area may result from construction related activities. The Department would not expect any impacts to the distribution of population.

I. Demands for Government Services

Additional demands for government services would not be expected to occur as a result of the proposed facility changes.

J. Industrial and Commercial Activity

A temporary increase in industrial and commercial activity would be expected during the construction phase of the project given the scope of the proposed project. Any impacts would be expected to be relatively minor and short-lived. A minor increase in general industrial activity as a result of increased capacity of the facility would occur. Therefore, minor impact to industrial and commercial activity is expected to occur.

K. Locally Adopted Environmental Plans and Goals

The Department is not aware of any locally adopted environmental plans and goals for which issuance of MAQP #4631-02 would affect. The permit conditions and limitations would be derived from rules designed to protect public health.

L. Cumulative and Secondary Impacts

The Department would expect only minor cumulative impacts to the individual economic and social considerations above. Secondary impacts would not be expected to occur.

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 the addition of NGL compressor equipment at an existing natural gas liquids storage, transfer, and loading facility. MAQP #4631-02 includes conditions and limitations to ensure the facility would operate in compliance with all applicable rules and regulations. In addition, there are no significant impacts associated with this proposal.

Other groups or agencies who provided information used in this analysis 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, Montana Historical Society – State Historic Preservation Office, Natural Resource Information System – Montana Natural Heritage Program

EA prepared by: D. Kuenzli

Date: May 17, 2013