Montana Department of
ENVIRONMENTAL QUALITY

Brian Schweitzer, Governor

P.O. Box 200901 • Helena, MT 59620-0901 • (406) 444-2544 • www.deq.mt.gov

January 25, 2006

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LEGISLATIVE ENVIRONMENTAL
POLICY OFFICE

Garry Visser
Devon Louisiana Corporation
Hill County #2
P.O. Box 2606
Havre, MT 59501

Dear Mr. Visser:

Air Quality Permit #2923-05 is deemed final as of January 25, 2006, by the Department of Environmental Quality (Department). This permit is for the addition of a natural gas-fired compressor engine equal to, or less than 625-horsepower (hp). 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,

David L. Klemp
Air Permitting Supervisor
Air Resources Management Bureau
(406) 444-3490

DK:lr
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: Devon Louisiana Corporation
Hill County #2 Compressor Station
P.O. Box 2606
Clear Creek Road
Havre, MT 59501

Air Quality Permit Number: 2923-05

Preliminary Determination Issued: December 22, 2005
Department Decision Issued: January 9, 2006
Permit Final: January 25, 2006

1. *Legal Description of Site*: The Hill County #2 Compressor Station is located approximately 11 miles southwest of Havre, Montana and one-half mile north of the Rocky Boy Indian Reservation. The legal description of the location is the SE ¼ of the SE ¼ of Section 15, Township 30 North, Range 15 East in Hill County, Montana.

2. *Description of Project*: The current permit action would permit a natural gas-fired compressor engine equal to, or less than 625-hp. The compressor engine is proposed to be a 4-stroke rich burn engine equipped with NSCR and an AFR controller.

3. *Objectives of Project*: The addition of a 625-hp compressor engine would increase Devon's ability to gather and compress more field gas.

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 Devon 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 Permit #2923-05.

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 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 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 the facility would emit additional air pollutants associated with the project and corresponding deposition of pollutants would occur; however, as described in Section 7.F. of this EA, the Department determined that any impacts from deposition would be minor. Further, the proposed project is at an existing facility. Overall, any impacts to terrestrial and aquatic life and habitats would be minor.

B. Water Quality, Quantity, and Distribution

No direct discharges into surface water would occur from operating the facility. Further, the proposed project is at an existing facility. However, minor amounts of water may be required to control fugitive dust emissions from the access roads and the general facility property. In addition, minor impacts would be expected on water quality, quantity, and distribution from the proposed project because the facility would be a source of air pollutants, as described in Section 7.F. of this EA.

C. Geology and Soil Quality, Stability, and Moisture

The proposed project is at an existing facility, which would minimize any impact to the geology and soil quality, stability, and moisture. Minor impacts would occur on the geology and soil quality, stability, and moisture from the proposed project because deposition of pollutants would occur. However, as described in Section 7.F of this EA, the Department determined that any impacts from deposition would be minor.

D. Vegetation Cover, Quantity, and Quality

Minor impacts would occur to vegetation cover, quantity, and quality because the facility would be an additional source of air pollutants as a result of the project and corresponding deposition of pollutants would occur. As described in Section 7.F of this EA, the Department determined that any impacts from deposition to vegetation cover, quantity, and quality would be minor. Further, the proposed project is at an existing facility.

E. Aesthetics

The proposed project would not result in any impact to the aesthetic nature of the area because the proposed project is at an existing facility and would not change the current industrial use of the area or the appearance of the facility.

F. Air Quality

The air quality of the area would realize minor impacts from the proposed project because the facility would emit the following air pollutants: PM_{10}, HAPs, NO_X, CO, VOC, and SO_x. The Department determined that any impacts from emissions would be minor due to the relatively small amount of pollutants that would be emitted. Also, air emissions from the facility would be minimized by limitations and conditions that would be included in Permit #2923-05. Conditions would include, but would not be limited to, BACT emission limits and opacity limitations on the proposed engine and/or the general facility. The Department believes that the emissions resulting from the proposed project would be well dispersed, resulting in lower deposition impacts to the affected area.

In addition, the Department believes that the existing facility is in compliance with all applicable air quality standards, as permitted under the existing permit. Therefore, since the facility emissions would be well dispersed, the Department determined that the proposed project would maintain compliance with all applicable ambient air quality standards. Therefore, any impacts to air quality from the proposed project would be minor.

G. Unique Endangered, Fragile, or Limited Environmental Resources

The proposed project includes the operation of equipment that would result in air pollutant emissions. The proposed project is at an existing facility. The Department determined that any impacts to any existing unique endangered, fragile, or limited environmental resource due to the deposition of air pollutants would be minor.

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 facility would be a source of air pollutants. Deposition of pollutants would occur as a result of operating the facility; however, as explained in Section 7.F of this EA, the Department determined that any impacts from deposition would be minor.

The proposed project would have minor impacts on the demand for the environmental resource of energy because power would be required at the site. Further, the proposed project is at an existing facility. Overall, the impacts for the demands on the environmental resources of water, air, and energy would be minor.

I. Historical and Archaeological Sites

The proposed project would not result in any impact to any existing historical and archaeological sites in the proposed project area because the proposed equipment would operate at an existing facility, within an existing industrial area, and the proposed project would not require any additional construction. According to previous correspondence from the Montana State Historic Preservation Office, there is low likelihood of any disturbance to any known archaeological or historic site, given previous industrial disturbance within a given area. Therefore, the Department determined that the proposed project would not impact any existing historical or archaeological site.

J. Cumulative and Secondary Impacts

Overall, cumulative and secondary impacts from the proposed project on the physical and biological resources of the human environment in the immediate area would be minor because the predominant use of the surrounding area would not change, because any cumulative and secondary impacts from the proposed project would be minor, and because the proposed project is part of an existing facility. The Department believes that this facility could be expected to operate in compliance with all applicable rules and regulations as would be outlined in Permit #2923-05.

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 ECENOMIC AND SOCIAL EFFECTS: The following comments have been prepared by the Department.

A. Social Structures and Mores

The proposed project would not impact the social structures and mores of the proposed area of operation. The predominant use of the surrounding area would not change as a result of the proposed project and the impacts would be reduced from the current operating status.

B. Cultural Uniqueness and Diversity

The proposed project would not impact the cultural uniqueness and diversity of the proposed area of operation because the project will occur at an existing facility. The predominant use of the surrounding area would not change as a result of the proposed project and the impacts would be reduced from the current operating status.

C. Local and State Tax Base and Tax Revenue

The proposed project would not impact the local and state tax base and tax revenue because the project would only slightly change current operations at the facility. There would not be any impacts to the area because the proposed project would not change typical operations at the facility. Further, the proposed project would not require any new construction and only a limited number of existing employees/operators and likely no new employees would be required for normal operations of the proposed equipment.

D. Agricultural or Industrial Production

The proposed project would not result in any impacts to agricultural production or land use because the proposed project would operate within the existing Devon site and no additional construction or land disturbance would be required to accommodate the project.

E. Human Health

The FCAA, which was last amended in 1990, requires the EPA to set NAAQS for pollutants considered harmful to public health and the environment. The FCAA established two types of NAAQS, Primary and Secondary. Primary Standards are limits set to protect public health, including, but not limited to, the health of "sensitive" populations such as asthmatics, children, and the elderly. Secondary Standards are limits set to protect public welfare, including, but not limited to, protection against decreased visibility, damage to animals, crops, vegetation, and buildings.

Permit #2923-05 would include conditions and limitations that would require compliance with all applicable national and state air quality standards, including the federal primary and secondary standards. The Department believes that the existing Devon operations maintain compliance with applicable ambient air quality standards; in addition, the Department determined that the project would maintain compliance with the NAAQS/Montana Ambient Air Quality Standards (MAAQS). Any impact to human health would be minor because the potential impacts from the facility after implementing the proposed project would result in less impact to human health than currently exist from the facility.

F. Access to and Quality of Recreational and Wilderness Activities

The proposed project would not impact any access to or quality of any recreation or wilderness activities in the area because the proposed project would operate within the existing Devon site.

G. Quantity and Distribution of Employment

The implementation of the proposed project would require the use of existing Devon personnel for operations and would likely not require any new employees. Therefore, the proposed project would not have an impact on the quantity and distribution of employment in the area.

H. Distribution of Population

The proposed project would not create any new permanent employment that would cause an increase in population in the area. In addition, the proposed project would not have impacts that would cause a decrease in the distribution of population in the surrounding area because the action will take place at a previously disturbed site and the facility would only emit relatively small amounts of emissions.

I. Demands for Government Services

Government services would be required for acquiring the appropriate permits from government agencies. In addition, the permitted source of emissions would be subject to periodic inspections by government personnel. Demands for government services would be minor and consistent with current demands.

J. Industrial and Commercial Activity

The proposed project would result in only minor impacts on local industrial and commercial activity because the proposed project would take place within the existing Devon site. Further, the proposed project would require only a small amount of new construction and would not result in significant additional industrial production.

K. Locally Adopted Environmental Plans and Goals

The Department is not aware of any locally adopted environmental plans or goals in the immediate area that would be affected by the proposed project. The state standards would be protective of the proposed project area.

L. Cumulative and Secondary Impacts

Overall, cumulative and secondary impacts from the proposed project on the economic and social resources of the human environment in the immediate area would be minor due to the fact that the predominant use of the surrounding area would not change as a result of implementing the proposed project. Further, the proposed project would maintain similar operations to the existing site operations, thereby not requiring new employment or additional employment or immigration to the area. Overall, the proposed project would maintain the operating status quo for the facility and the area at large; therefore, no additional cumulative or secondary impacts would be expected as a result of implementing the proposed 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 Permit #2923-05.

Recommendation: No EIS is required.

If an EIS is not required, explain why the EA is an appropriate level of analysis: Permit #2923-05 would include conditions and limitations to ensure the facility would operate in compliance with all applicable rules and regulations. In addition, as detailed in the above EA 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: 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: Trista Glazier
Date: December 1, 2005