

DEPARTMENT OF ENVIRONMENTAL QUALITY
Permitting and Compliance Division
Air Resources Management Bureau
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DRAFT ENVIRONMENTAL ASSESSMENT (EA)

Issued To: Bitter Creek Pipelines, LLC
Visborg 25 Battery
P.O. Box 131
Glendive, MT 59330

RECEIVED

JUN 05 2006

Air Quality Permit Number: 3302-02

LEGISLATIVE ENVIRONMENTAL
POLICY OFFICE

Preliminary Determination Issued: June 2, 2006

Department Decision Issued:

Permit Final:

1. *Legal Description of Site:* BCPL – Visborg 25 Battery would be located in Big Horn County, Montana, near the town of Decker. The legal description would be the SW¼ of Section 25, Township 9 South, Range 40 East.
2. *Description of Project:* BCPL proposed to reduce the number of permitted engines from six to five and to increase the total hp from 2,400 hp to 2,460 hp. BCPL's request would add a 860-hp lean-burn engine (engine #5) to the existing four 400 hp lean-burn engines (engines #1, #2, #3, and #4).
3. *Objectives of Project:* The proposed project would provide operational flexibility by allowing the facility to change out engines on a relatively short notice.
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 BCPL 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 #3302-00.
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 would demonstrate compliance with those requirements and would not unduly restrict private property rights.
7. *Coal Bed Methane Programmatic Environmental Impact Statement:* The Bureau of Land Management (BLM), the Department, and the Montana Board of Oil and Gas Conservation (MBOGC) prepared a statewide Environmental Impact Statement (EIS) for coal bed methane development in Montana. The purpose of the EIS was to analyze potential impacts from projected oil and gas activities, particularly from coal bed methane exploration, production, development, and

reclamation activities from a broad planning perspective. The planning area (analysis area) was statewide with emphasis placed on the Powder River and Billings Resource Management Plans (RMP), as well as, Blaine, Gallatin, and Park Counties. The BLM, the Department, and the MBOGC were joint lead agencies responsible for preparing the EIS. The lead agencies consulted with the United States Fish and Wildlife Service (USFWS), the Montana Bureau of Mines and Geology (MBMG), the Montana Department of Fish, Wildlife, and Parks (MFWP), the Montana Department of Natural Resources and Conservation (DNRC), the Montana State Historic Preservation Office (MSHPO), the Crow Tribe of Indians, the Northern Cheyenne Tribe, and the Lower Brule Sioux Tribe while preparing the EIS. The final EIS was issued in January 2003, and is available on the Department's web site at <http://www.deq.state.mt.us/CoalBedMethane/index.asp>. This EA assesses the impacts specific to the proposed BCPL Visborg 25 Battery Facility.

8. 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 on 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 because the proposed action is a source of increased air pollutants. The facility would emit air pollutants and corresponding deposition of pollutants would occur. However, as described in Section 8.F. of this EA, the Department determined, based on ambient air quality modeling, that any impacts from deposition would be minor. The proposed action will occur in a location previously disturbed and construction activity should be minor and temporary. Any impacts on terrestrial and aquatic life and habitats from facility construction would be minor due to the relatively small size of the project. Overall, any impacts to terrestrial and aquatic life and habitats from the project would be minor.

B. Water Quality, Quantity, and Distribution

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. The proposed project would result in a slight increase in air pollutants and corresponding deposition of pollutants would occur. However, as described in Section 8.F. of this EA, the Department determined that air quality impacts from deposition would be minor. Therefore, the chance of deposition of pollutants impacting water quality, quantity, and distribution would be minor. The facility is a central compressor station, not a production field facility; therefore, no discharges into surface water would occur from operating the facility. However, minor amounts of water may be required to control fugitive dust emissions from the access roads and the general facility property.

Minor impacts may be expected on water quality, quantity, and distribution from constructing the facility because there is surface water relatively close to the site. However, no discharges into surface water would occur, and no use of surface water would be expected for facility construction. Therefore, minor impacts to water quality, quantity, and distribution would be expected from facility construction. Overall, any impacts to water quality, quantity, and distribution from the project would be minor.

C. 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 minor construction would be required for the removal and change out of generators. In addition, no discharges, other than air emissions, would occur from the facility. Any impacts to the geology and soil quality, stability, and moisture from facility construction would be minor due to the relatively small size of the project.

Deposition of pollutants would occur. However, as described in Section 8.F of this EA, the Department determined, based on ambient air quality modeling, that the impacts from the deposition of pollutants on the geology and soil in the areas surrounding the site would be minor. Overall, any impacts to the geology and soil quality, stability, and moisture from the project would be minor.

D. Vegetation Cover, Quantity, and Quality

Minor impacts would occur on vegetation cover, quantity, and quality because minor construction would be required to remove and change out generators.

In addition, no discharges, other than air emissions, would occur from the facility. Any impacts to the vegetation cover, quantity, and quality from facility construction would be minor due to the relatively small size of the project.

The facility would be a source of air pollutants, and corresponding deposition of pollutants would occur. However, as described in Section 8.F of this EA, the Department determined, based on ambient air quality modeling, that the chance of deposition of pollutants impacting the vegetation in the area surrounding the site would be minor. Overall, any impacts to vegetation cover, quantity, and quality from the project would be minor.

E. Aesthetics

No impacts would result from the proposed project because activity will occur at an existing facility. However, the proposed project would result in minor and temporary construction and would create additional noise in the area. Overall, any aesthetic impacts from the project would be minor.

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: PM₁₀, NO_x, CO, VOC, and SO_x. Additional deposition of these pollutants may occur from the proposed project. However, the Department determined that any air quality impacts from deposition would be minor based on ambient air quality modeling (described in Section VI of the Permit Analysis), dispersion characteristics of pollutants (stack height, stack temperature, etc.), the surrounding atmosphere (wind speed, wind direction, ambient temperature, etc.), and conditions placed in Permit #3302-02. These conditions would include, but would not be limited to BACT emission limits and opacity limitations. 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 contacted the Montana Natural Heritage Program, Natural Resource Information System (NRIS). The NRIS search identified no species of special concern in the area of the proposed facility. In this case, the 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 and the relatively low levels of pollutants that would be emitted, 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.

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 8.F of this EA, the Department determined that the impacts would be minor. Therefore, any impacts on air and water resources from the pollutants (including deposition) would be minor.

The proposed project would be expected to have minor impacts on the demand for the environmental resource of energy because some line power would be required at the site for the proposed project. The impact on the demand for the environmental resource of energy would be minor because the facility would be relatively small by industrial standards. Overall, the impacts for the demands on the environmental resources of water, air, and energy would be minor.

I. Historical and Archaeological Sites

In an effort to identify any historical and archaeological sites located near the proposed project area, the Department contacted the Montana Historical Society, State Historic Preservation Office (SHPO). According to SHPO records, there are not any previously recorded historic or archaeological sites within the proposed area. However, SHPO stated that the absence of

cultural properties in the area does not mean that they do not exist, but may reflect a lack of previous cultural resource inventories in the area. SHPO records indicate only one previous cultural resource inventory has been conducted for the area. The Department determined that the chance of the project impacting any historical and archaeological sites in the area would be minor due to the relatively small size of the project and because the new compressor engines would be installed at an existing site. The existing site experienced prior construction activities and currently has two compressor engines in operation.

J. Cumulative and Secondary Impacts

The cumulative and secondary impacts from this project 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. Only small amounts of construction and land disturbance would be required to complete the project. Noise impacts would be minor due to temporary nature and size of construction that would be required to remove and change out generators. There is potential for other operations to locate near the site that the facility would use. However, any operations would have to apply for and receive the appropriate permits from the Department prior to operation. These permits would address the environmental impacts associated with the operations at the proposed site. Further, as stated in Section VI of the Permit Analysis, a statewide EIS was completed to analyze potential impacts from coal bed methane exploration, production, development, and reclamation activities from a broad planning perspective. Overall, 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 #3302-02 and any impacts to the physical and biological environment from the project would be minor.

9. 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 following comments have been prepared by the Department:

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

The proposed project would cause minor, if any, disruptions to native or traditional lifestyles or communities (social structures and mores or cultural uniqueness and diversity) in the area because the proposed project would take place in a relatively remote location. The facility would be relatively small by industrial standards. Additional activity (vehicle traffic, construction equipment, etc.) may be noticeable during construction associated with the proposed project; however, the activity would be temporary and minor. Overall, any impacts to the social structures and mores in the area would be minor.

- 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 no additional employees would be hired as a result of operating the facility. In addition, only minor amounts of construction would be needed to complete the project and existing employees would be used to complete the project.

- D. Agricultural or Industrial Production

The proposed project will take place at an existing facility and would result in only a minor disturbance to a relatively small amount of rural agricultural grazing land. The proposed project would have minor impacts to industrial production because the proposed project is an existing industrial source in the area and any additional emissions from the project would be minor. While emissions of air pollutants and corresponding deposition of pollutants would occur (see Section 8.F of this EA), the Department determined, based on ambient air quality modeling, that the impacts due to the deposition of pollutants on agricultural or industrial production in the area surrounding the site would be minor. Overall, any impacts to agricultural or industrial production would be minor.

- E. Human Health

The proposed project would result in only minor, if any, impacts to human health. As explained in Section 8.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.

- 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 produce noise.

G. Quantity and Distribution of Employment

The proposed project would have minor, if any, impacts on the quantity and distribution of employment because only one part-time employee would be hired as a result of the proposed project. The BCPL employee would be responsible for the day-to-day operation of the facility. In addition, temporary construction-related positions may 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 corresponding relatively short time period that would be associated with constructing the facility.

H. Distribution of Population

The proposed project would have minor, if any, impacts on the distribution of population in the area because the facility would be located in a relatively remote location and the proposed project would create only one part-time job. Therefore, no people would be moving to the area for employment opportunities.

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 Permit #3302-00 and to assure compliance with applicable rules, standards, and Permit #3302-00. In addition, there would be minor impacts on the demands for government services to regulate the increase in vehicle traffic that would be associated with constructing and operating the facility. The increase in vehicle traffic would be primarily during facility construction because compressor stations typically do not require day-to-day employees. Vehicle traffic during construction would be 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 may represent a minor increase in the industrial activity in the area during construction of the project, but no additional industrial or commercial activity would result solely from the operation of the facility. Any impacts to industrial and commercial activities in the area would be minor.

K. Locally Adopted Environmental Plans and Goals

The Department is not aware of any locally adopted environmental plans and goals that would be affected by issuing Permit # 3302-02. The state standards would protect the proposed site and the environment surrounding the site.

L. Cumulative and Secondary Impacts

Overall, cumulative and secondary impacts from this project would result in minor impacts to the economic and social aspects of the human environment in the immediate area. Due to the relatively small size of the project changes resulting from the proposed project would be minor.

Additional facilities would likely locate in the area to withdraw the methane from the coal beds and supply BCPL with gas to be compressed for transmission through a natural gas pipeline. However, any future facility would be required to apply for and receive the appropriate permits from the appropriate

regulating authority. This permitting process would address any additional impacts to the economic and social aspects of the human environment. Further, as stated in Section VI of the permit analysis and Section 8 of the EA, a statewide EIS was completed to analyze potential impacts from coal bed methane exploration, production, development, and reclamation activities from a broad planning perspective.

Recommendation: No EIS is required.

The current permitting action is for the operation of up to five natural gas compressor engines with a total maximum rated design capacity of 2,460 hp. Permit #3302-02 includes conditions and limitations to ensure the facility will operate in compliance with all applicable rules and regulations. In addition, there are no significant impacts associated with this proposal.

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

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