



Montana Department of
ENVIRONMENTAL QUALITY

Brian Schweitzer, Governor

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

June 27, 2006

RECEIVED

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Plains Marketing, LP
Baker Truck Crude Oil Station
Attn: Daniel Holli
PO Box 708
Belfield, ND 58622

**LEGISLATIVE ENVIRONMENTAL
POLICY OFFICE**

Dear Mr. Holli:

The Department of Environmental Quality (Department) has made its decision on the air quality permit application for the operation of a crude oil truck unloading station, known as the Baker Truck Station. The application was given permit number 3416-00. The Department's decision may be appealed to the Board of Environmental Review (Board). A request for hearing must be filed by July 12, 2006. This permit shall become final on July 13, 2006, 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.

Conditions: See attached.

For the Department,

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

DK:dds
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: Plains Marketing L.P.
PO Box 708
Belfield, ND 58622

Air Quality Permit Number: 3416-00

Preliminary Determination Issued: June 9, 2006

Department Decision Issued: June 27, 2006

Permit Final:

1. *Legal Description of Site:* The facility is located approximately 10 km west of Baker and 4 km southeast of Plevna, in Section 3, Township 7 North, Range 58 East, in Fallon County, Montana.
2. *Description of Project:* The Baker Truck Station will consist of reactivating two existing 400-barrel (bbl) crude oil tanks and associated equipment. The purpose is to unload crude oil from transport trucks into the tanks, and pump the oil from the tanks through a pipeline into larger tanks on adjacent property owned by Plains Pipeline LP for introduction into the pipeline. The crude is pumped from the trucks into the tanks via submerged fill. The crude is then pumped from the tanks by a new 300 bbl/hr pump. The project will consist of reactivating the two existing 400-barrel (bbl) tanks, and installing a larger pump that will allow 300 bbl/hr throughputs. Plains will be restricted to 500,000 bbl/yr of crude oil.
3. *Objectives of Project:* Reactivation of a crude oil truck unloading station.
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 Plains 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 #3416-00.
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 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 on terrestrial or aquatic life and habitats would be expected from the proposed project because the facility would be a source of air pollutants, and because minor amounts of land disturbance would be required to reactivate the existing facility. While the facility would emit air pollutants and corresponding deposition of pollutants would occur, the Department determined that any impacts from deposition would be minor due to the relatively small amount of pollutants emitted (see Section 7.F of this EA), and conditions that would be placed in Permit #3416-00. In addition, minor land disturbance would occur to modify the facility, such as pouring a concrete slab to hold the pump. Any impacts 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 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 of the relatively small size of the project. While the facility would emit air pollutants and corresponding deposition of pollutants would occur, the Department determined that any impacts from deposition would be minor due to the relatively small amount of pollutants emitted, (see Section 7.F of this EA), and conditions that would be placed in Permit #3416-00. In addition, facility construction will be extremely minor, such as pouring a concrete slab to hold the new pump, and would not impact water quality, quantity, or distribution because there is no surface water on the site. Review of topo maps show the nearest surface water is located approximately 0.1 mile to the east/northeast.

By reactivating the truck unloading station, there is the elevated risk of leaks or spills that could result in crude oil reaching nearby surface water or groundwater. There will be a maximum of 33,600 gallons of crude oil stored on-site. As previously stated, the nearest surface water is at least 0.1 miles from the Baker Truck Station. In addition, Sandstone Creek is located approximately 1 mile to the northeast of the facility. The facility should have a Spill Prevention, Countermeasure & Control (SPCC) Plan that would address mitigation for any releases. Overall, any impacts to water quality, quantity, and distribution 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. The impacts would be minor due to the relatively small size of the project and the fact that most of the equipment already exists on-site. In addition, while deposition of pollutants would occur, the Department determined that the chance of pollutant deposition impacting the geology and soil in the areas surrounding the site would be minor due to the relatively small amount of pollutants emitted (see Section 7.F of this EA). Permit #3416-00 would contain conditions that would also minimize impacts to geology and soil by limiting the amount of equipment installed at the facility and limiting the emissions from the facility. Overall, any impacts to the geology and soil quality, stability, and moisture would be minor.

D. Vegetation Cover, Quantity, and Quality

Any impacts to the vegetation cover, quantity, and quality from facility construction would be minor due to the small size of the project, since there will be little expansion to an existing two-acre facility. In addition, while deposition of pollutants would occur, the Department determined that the chance of deposition of pollutants impacting the vegetation in the areas surrounding the site would be minor due to the relatively small amount of pollutants emitted (see Section 7.F of this EA). Permit #3416-00 contains conditions that would also minimize the impacts to vegetation by limiting the amount of equipment installed at the facility and limiting the emissions from the facility. Overall, any impacts to vegetation cover, quantity, and quality would be minor.

E. Aesthetics

No impact would result on the aesthetics of the area because the facility has existing equipment that they will be reactivating. The increase in truck traffic could be considered an aesthetic impact, but the facility is located off a highway next to an existing pipeline facility. Overall, there should not be an impact on the aesthetics of the area due to the relatively small size of the facility and the fact that most of the equipment is already existing on-site.

F. Air Quality

The air quality of the area would realize minor impacts from the proposed project because the facility would emit relatively small amounts of VOC, particulate matter less than 10 microns (PM₁₀), and a very small amount of Hazardous Air Pollutants (HAPs). Air emissions from the facility would be minimized by conditions that would be placed in Permit #3416-00. Conditions would include, but would not be limited to, the requirement to operate Best Available Control Technology (BACT).

Permit #3416-00 would also include conditions requiring Plains to use reasonable precautions to control fugitive dust emissions. The Department determined that controlled emissions from the source will 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 contacted the Montana Natural Heritage Program, Natural Resource Information System (NRIS). In this case, the area was defined by the section, township, and range of the proposed location with an additional 1-mile buffer zone. The NRIS search identified two species of special concern within one mile. The swamp milkweed is a species of concern found within the general area of the facility. In addition, the facility is located within one mile of the inferred extent of the greater Sage-grouse. However, due to the minor amounts of construction that would be required since there will be little expansion to an existing 2-acre facility, the relatively low levels of pollutants that would be emitted, and conditions that would be placed in Permit #3416-00, the Department determined that the chance of the project impacting any species of special concern would be minor.

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

The proposed project would have impacts on the demands on the environmental resources of air and water because the facility would be a source of air pollutants. However, any impacts on the environmental resources would be minor because the facility's potential to emit would be relatively small by industrial standards

The proposed project could potentially have an impact on water supply due to the risk of spills and leaks of crude oil. The facility should have a SPCC Plan to address mitigation efforts for any potential releases of crude oil. The proposed project would have minor impacts on the demand on the environmental resource of energy due to increase in electrical demand for powering pumps. Overall, any impacts on the demands on the environmental resources of air, water, and energy would be minor.

I. Historical and Archaeological Sites

In an effort to identify any historical and archaeological sites near the proposed project area, the Department contacted the Montana Historical Society, State Historic Preservation Office (SHPO). According to SHPO records, there have not been any previously recorded historic or archaeological sites within the proposed area. In addition, SHPO records indicated that no previous cultural resource inventories have been conducted in the area. SHPO stated that there was a low likelihood that cultural properties would be impacted and that a recommendation for a cultural resource inventory was unwarranted. However, SHPO requested to be contacted to have the site investigated if cultural materials are inadvertently discovered. Based on this information, the fact that the facility is small (two acres), and most of the equipment is existing other than the new pump, the Department determined that there is low likelihood that the project would impact any cultural or historic sites.

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. As described in Section 7E, the increase in truck traffic and potential releases of crude oil from unloading transportation trucks are both potential secondary impacts. Potential emissions from the facility would be relatively small by industrial standards. The Department expects this facility to operate in compliance with all applicable rules and regulations outlined in Permit #3416-00.

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 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 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 proposed project would take place at an existing site, in an unpopulated area, immediately adjacent to the highway next to the Plains Marketing's Baker Terminal tank farm. The proposed project would not change the predominant use of the surrounding area and the facility would be relatively small by industrial standards.

C. Local and State Tax Base and Tax Revenue

The proposed project would result in minor, if any, impacts to the local and state tax base and tax revenue because the proposed facility will be unmanned. In addition, only minor amounts of construction would be needed to complete the project.

D. Agricultural or Industrial Production

The site is existing. The land use for the surrounding area is pasture or agricultural land, as well as tank farms. The crude oil station may promote future industrial production in the area. 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 because of the relatively small quantity of potential emissions. As explained in Section 7.F of this EA, deposition of pollutants would occur. However, the Department determined that the proposed project, permitted by Permit #3416-00, would comply with all applicable air quality rules, regulations, and standards, which are designed to be protective of human health.

F. Access to and Quality of Recreational and Wilderness Activities

The proposed project would not have any impacts on access to recreational and wilderness activities because of the relatively small size of the facility and the fact that the project is at an existing facility. The proposed project would not have impacts on the quality of recreational and wilderness activities in the area.

G. Quantity and Distribution of Employment

The proposed project would not affect the quantity and distribution of employment because the station will be unmanned. However, temporary construction-related positions could result from this project. Any impacts to the quantity and distribution of employment would be minor due to the relatively small size of the facility.

H. Distribution of Population

The proposed project would not affect distribution of population in the area because the facility would be located in a relatively remote location and will be unmanned. The proposed project would not cause a change in population in the area because the facility would be unmanned, would be relatively small by industrial standards, and the facility would only emit relatively small amounts of emissions.

I. Demands for Government Services

There would be minor impacts on demands of government services because additional time would be required by government agencies to issue Permit #3416-00 and to monitor compliance with applicable rules and standards. In addition, the roads in the area may realize a minor increase in vehicle traffic. However, any impacts on government services to regulate the minor increase in traffic would be minor due to the overall small size of the operation. Overall, any impacts on the demands for government services would be minor.

J. Industrial and Commercial Activity

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. However, any new oil & gas well facilities with a PTE greater than 25 tons per year of any regulated air pollutant would be required to obtain a Montana Air Quality Permit and the Department would perform an EA for each permit application, evaluating impacts to industrial and commercial activity for each proposed project.

K. Locally Adopted Environmental Plans and Goals

The Department is not aware of any locally adopted environmental plans and goals affected by issuing Permit #3416-00. 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 the proposed 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 facility. Due to the relatively small size of the project, the industrial production, employment, and tax revenue (etc.) would not be significantly impacted by the proposed project. The Department would not expect other industries to be impacted by the proposed project and 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 #3416-00. In addition, further cumulative impacts may result from other companies actively drilling in the surrounding area. The companies would be required to apply for air quality permits for additional facilities with potential emissions greater than 25 tpy. Impacts from additional facilities that require air quality permits would be evaluated upon the Department's receipt of any future permit applications.

Recommendation: No 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 construction and operation of a crude oil truck unloading station. Permit #3416-00 would include 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 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: Christine Weaver
Date: June 1, 2006