Montana Department of
ENVIRONMENTAL QUALITY

Brian Schweitzer, Governor

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LEGISLATIVE ENVIRONMENTAL
POLICY OFFICE

August 3, 2006

Cole Chandler
Lodge Creek Pipelines, LLC
Compressor Engine #9
PO Box 40
Havre, MT 59501

Dear Mr. Chandler:

Air Quality Permit #3841-00 is deemed final as of August 3, 2006, by the Department of Environmental Quality (Department). This permit is for the operation of a portable natural gas compressor engine known as Compressor Engine #9. 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:ob
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: Lodge Creek Pipelines, LLC
Compressor Engine #9
PO Box 40
Havre, MT 59501

Air Quality Permit Number: 3841-00

Preliminary Determination Issued: 06/30/06
Department Decision Issued: 07/18/06
Permit Final: 08/03/06

1. *Legal Description of Site*: LCP will originally be located approximately 25 miles north of Havre, Montana, in the SW¼ of the SW¼ of Section 10, Township 36 North, Range 15 East, in Hill County, Montana.

2. *Description of Project*: LCP proposes to operate a portable natural gas compressor engine. The engine will be a 188-bhp four-stroke rich-burn engine with NSCR and AFR.

3. *Objectives of Project*: The proposed project would supplement the applicant's ability to gather and compress natural gas for transmission through the 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 Montana Air Quality Permit to the proposed facility. However, the Department does not consider the "no-action" alternative to be appropriate because LCP 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 #3841-00.

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 to 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 animals would potentially use the area around the facility and because the facility would be a source of air pollutants. The facility would emit air pollutants and corresponding deposition of pollutants would occur; however, the Department determined that any impacts from deposition would be minor (as discussed in Section 7.F of this EA). In addition, minor land disturbance would occur from moving and installing the compressor. 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. The facility would have no direct discharges into surface water and the impacts to water quality, quantity, and distribution from installing the compressor should be minor. However, water may be required to control fugitive dust emissions from the access roads and the general facility property. In addition, the facility would emit air pollutants and corresponding deposition of pollutants would occur (as discussed in Section 7.F of this EA). However, the Department determined because of the relative size of the facility that any impact on 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 because of minor disturbances while installing the compressor. No discharges, other than air emissions, would occur at the facility. While deposition of pollutants would occur, any impacts resulting from the deposition of pollutants on the soils surrounding the site would be minor (as discussed in Section 7.F of this EA). Overall, any impacts to the geology and soil quality, stability, and moisture would be minor.

D. Vegetation Cover, Quantity, and Quality

Minor impacts would occur on vegetation cover, quantity, and quality because some disturbance would occur while installing the compressor. There would be no water discharges from the facility. However, the facility would be a source of air pollutants and corresponding deposition of pollutants would occur. The Department determined that any impacts resulting from the deposition of pollutants on the existing vegetation cover, quantity, and quality would be minor (as discussed in Section 7.F of this EA). Overall, any impacts to vegetation cover, quantity, and quality would be minor.

E. Aesthetics

Minor impacts would result on the aesthetic values of the area because the compressor is a new source. However, any visual aesthetic impacts would be minor because the compressor is small and would be located next to an existing pipeline site. The facility would also create additional noise in the area. However, any auditory aesthetic impacts would be minor because the compressor engine is small. Overall, any aesthetic impacts 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: NO_X; CO; VOC, including HAPs; and extremely small amounts of PM_{10} and sulfur oxides (SO_X). Air emissions from the facility would be minimized by limitations and conditions that would be included in Permit #3841-00. Conditions would include, but would not be limited to, BACT emission limits and opacity limitations on the proposed engine.

Pollutant deposition from the facility would be minimal because the pollutants emitted would be well controlled, widely dispersed (from factors such as wind speed and wind direction), and would have minimal deposition on the surrounding area. Since the controlled emissions would not exceed any Montana ambient air quality-modeling threshold, the Department believes that controlled emissions from the source would not cause or contribute to a violation of any ambient air quality standard. Therefore, the Department determined that any air quality impacts from the proposed project 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 located within the proposed project area. In this case, the project 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, the relatively low levels of pollutants that would be emitted, and because the controlled emissions from the source will not cause or contribute to a violation of any ambient air quality standard, 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 Resources of Water, Air, and Energy

The proposed project would have minor impacts on the demands for water because the facility may use water for dust suppression. Demands on air would be minor, because the facility would be a minor source of air pollutants. Deposition of pollutants would occur as a result of operating the facility; however, the Department determined that any impacts from deposition of pollutants would be minor (as discussed in Section 7.F of this EA).

The proposed project would be expected to have minor impacts on the demand for energy because the compressor engine would combust natural gas. The impact on the demand for the non-renewable energy resource 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 near the proposed project area, the Department contacted the Montana Historical Society, State Historic Preservation Office (SHPO). Search results concluded that there are no previously recorded historical or archaeological resources of concern within the area proposed for initial operations. According to the Montana State Historic Preservation Office, there would be a low likelihood of adverse disturbance to any known archaeological or historic site. Therefore, no impacts upon historical or archaeological sites would be expected as a result of operating the proposed portable compressor.

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 and negligible construction activities associated with this type of 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 #3841-00.

Additional facilities (compressor stations, gas plants, etc.) could locate in the area to withdraw natural gas from the nearby area and/or to separate the components of natural gas. However, any future facility would be required to apply for and receive the appropriate permits from the appropriate regulating authority. Environmental impacts from any future facilities would be assessed through the appropriate permitting process.

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 portable compressor would cause no disruption to the social structures and mores or cultural uniqueness and diversity in the area because the source would be a minor industrial source of emissions, and would only have temporary operations at this location. Further, the facility would be required to operate according to the conditions that would be placed in Permit #3841-00, which would limit the effects.

C. Local and State Tax Base and Tax Revenue

The proposed project should not result in any impacts to the local and state tax base and tax revenue because the facility would be a minor industrial source of emissions and would have only temporary operations. The facility would not require any additional employees.

D. Agricultural or Industrial Production

The land at the proposed location is grazing land with native grass cover. The proposed project could result in minor impacts to the surrounding vegetation cover, quantity, and quality; however, since the facility is a temporary source operating at existing sites and will have only a very small amount of emissions, the impacts should be minor.

The proposed project would have minor impacts to industrial production because the proposed project would facilitate natural gas compression in the pipeline. Additional facilities (compressor stations, gas plants, etc.) could locate in the area to withdraw natural gas from the nearby area and/or to separate the components of natural gas. However, any future facility would be required to apply for and receive the appropriate permits from the appropriate regulating authority. Environmental impacts from any future facilities would be assessed through the appropriate permitting process. The Department is not aware of plans for any additional facilities at this time. Overall, any impacts to agricultural or industrial production of the area would be minor.

E. Human Health

The proposed project would result in minor, if any, impacts to human health. 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. Overall, any impacts to public health would be minor.

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, small size, and temporary nature 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 would produce noise. The Lake Thibadeau National Wildlife Refuge is located approximately 10 miles southeast of the site. Overall, any impacts to the access and quality of recreational and wilderness activities in the area would be minor.

G. Quantity and Distribution of Employment
H. Distribution of Population

The portable compressor is a temporary source that supplements compression for the natural gas pipeline. The proposed project will have no impact on the employment and population because no additional employees are required.

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 the appropriate permits for the facility and to assure compliance with applicable rules, standards, and conditions that would be contained in those permits. 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

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. The proposed project would be relatively small and would take place at a relatively remote location.

Additional facilities (compressor stations, gas plants, etc.) could locate in the area to withdraw natural gas from the nearby area and/or to separate the components of natural gas. However, any future facility would be required to apply for and receive the appropriate permits from the appropriate regulating authority. Environmental impacts from any future facilities would be assessed through the appropriate permitting process. Overall, any impacts to the local industrial and commercial activity of the area would be minor.

K. Locally Adopted Environmental Plans and Goals

The Department is unaware of any locally adopted environmental plans or goals. The permit would ensure compliance with state standards and goals. 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, the industrial production, and tax revenue (etc.) impacts resulting from the proposed project would be minor. In addition, 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 #3841-00.

Additional facilities (compressor stations, gas plants, etc.) could locate in the area to withdraw natural gas from the nearby area and/or to separate the components of natural gas. However, any future facility would be required to apply for and receive the appropriate permits from the appropriate regulating authority. Environmental impacts from any future facilities would be assessed through the appropriate permitting process.

Recommendation: No EIS is required.

If an EIS is not required, explain why the EA is an appropriate level of analysis: The current permit action is for the construction and operation of a natural gas gathering plant. Permit #3841-00 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

EA prepared by: Christine Weaver
Date: June 13, 2006