



PRELIMINARY DETERMINATION
ON PERMIT APPLICATION

Date of Mailing: January 8, 2010

Name of Applicant: Westmoreland Resources

Source: Absaloka Mine

Proposed Action: The Department of Environmental Quality (Department) proposes to issue a permit, with conditions, to the above-named applicant. The application was assigned Permit Application Number 1418-06.

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 February 8, 2010. 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,

Vickie Walsh
Air Permitting Program Supervisor
Air Resources Management Bureau
(406) 444-3490

Julie Merkel
Air Quality Specialist
Air Resources Management Bureau
(406) 444-3626

VW: JM
Enclosures

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: Westmoreland Resources, Inc.
Absaloka Mine
P.O. Box 449
Hardin, MT 59034

Air Quality Permit Number: 1418-06

Preliminary Determination Issued: January 8, 2010

Department Decision Issued:

Permit Final:

- 1. Legal Description of Site:* Westmoreland operates the Absaloka Mine, which is a surface coal mine and handling facility. The Absaloka Mine is located about 30 miles east of the city of Hardin. The general legal description of the permit area is as follows: All or portions of Sections 23, 24, 25, 26, 35, and 36 in Township 1 North, Range 37 East; Sections 19, 20, 21, 29, 30, 31, and 32 in Township 1 North, Range 38 East, in Big Horn County, Montana.
- 2. Description of Project:* Under the current permit action, Westmoreland requests a modification to update the facility's MAQP to reflect equipment currently on site. Although the diesel-fired generator equipment was originally permitted as "associated equipment", Westmoreland consistently reported emissions from this equipment in its annual emissions inventory reports. However, when this equipment is added to the MAQP's emissions inventory, Westmoreland's potential emissions are above the Title V Operating Permit threshold. Therefore, Westmoreland requested federally enforceable limits to keep the facility's potential emissions below the Title V Operating Permit threshold.
- 3. Objectives of Project:* The proposed project would update the permit to reflect emitting units currently at the facility.
- 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 HPL 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, is included in MAQP #1418-06.
- 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 Department has prepared the following comments.

- A. Terrestrial and Aquatic Life and Habitats
- B. Water Quality, Quantity, and Distribution
- C. Geology and Soil Quality, Stability, and Moisture
- D. Vegetation Cover, Quantity, and Quality
- E. Aesthetics

The proposed project would not result in any increase in emissions from the Westmoreland facility. Listing all emitting units in the permit will characterize the actual emissions more appropriately. Therefore, the proposed project would have no impact on terrestrial and aquatic life and habitats, water quality quantity, and distribution, geology and soil stability and moisture, vegetation cover, quantity, and quality, or aesthetics in the proposed project area.

- F. Air Quality

The proposed project would not result in any increase in emissions from the Westmoreland facility; therefore, the proposed project would have no impact on air quality in the proposed project area. The Department determined that controlled emissions from the source will not cause or contribute to a violation of any ambient air quality standard.

- G. Unique Endangered, Fragile, or Limited Environmental Resources
- H. Demands on Environmental Resources of Water, Air, and Energy
- I. Historical and Archaeological Sites
- J. Cumulative and Secondary Impacts

The proposed project would include the installation and operation of equipment that could result in a minor increase in actual emissions from the existing industrial source of air pollution. Since the proposed changes would occur at an existing industrial site, the Department determined that

any impacts to any existing unique endangered, fragile, or limited environmental resources, demands on environmental resources of water, air, and energy, historical and archaeological site, or cumulative and secondary impacts due to the potential for a minor increase in deposition of air pollutants associated with the proposed project would be minor and consistent with current impacts. Overall, any impact to any existing unique endangered, fragile, or limited environmental resource in the proposed project area would be minor and consistent with existing impacts.

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 Department has prepared the following comments.

- A. Social Structures and Mores
- B. Cultural Uniqueness and Diversity
- C. Local and State Tax Base and Tax Revenue
- D. Agricultural or Industrial Production

The proposed project would not cause a disruption to any native or traditional lifestyles or communities (social structures or mores), impact the cultural uniqueness and diversity of the area, impact the local and state tax base and tax revenue, or the agricultural or industrial production of the area because the proposed project would not change the current industrial nature of the operation or the overall industrial nature of the area of operation. The predominant use of the surrounding area would not change as a result of the proposed project. The proposed modification of the Westmoreland MAQP would not change the way the facility currently operates.

E. Human Health

The proposed project would not result in any increase in allowable emissions from the Westmoreland facility because the facility would not change the way they currently operate; therefore, the proposed project would result in no impacts to human health.

F. Access to and Quality of Recreational and Wilderness Activities

The proposed project would not impact any access to recreational and wilderness activities because the proposed project would occur at an existing industrial facility used for such purposes.

G. Quantity and Distribution of Employment

H. Distribution of Population

I. Demands for Government Services

J. Industrial and Commercial Activity

K. Locally Adopted Environmental Plans and Goals

L. Cumulative and Secondary Impacts

The proposed modification would not have any, impacts on the quantity and distribution of employment, the distribution of population, demands for government services, industrial and commercial activity, locally adopted environmental plans and goals, or cumulative and secondary impacts in the area because no additional employees would be required at the facility and the facility would be operated as it is currently operated.

Recommendation: An Environmental Impact Statement (EIS) is not required.

If an EIS is not required, explain why the EA is an appropriate level of analysis: There are no significant impacts resulting from the project; therefore, an EIS is not required.

Other groups or agencies contacted or which may have overlapping jurisdiction: Department of Environmental Quality - Permitting and Compliance Division (Air Resources Management Bureau and Industrial and Energy Minerals Bureau); Montana Natural Heritage Program; and the State Historic Preservation Office (Montana Historical Society).

Individuals or groups contributing to this EA: Department of Environmental Quality (Air Resources Management Bureau), Montana Natural Heritage Program, and State Historic Preservation Office (Montana Historical Society).

EA prepared by: Julie Merkel

Date: December 21, 2009