



Montana Department of
ENVIRONMENTAL QUALITY

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October 31, 2008

Ms. Barbara J. Ranck-Perry
Ranck Oil Company, Inc.
P.O. Box 548
Cut Bank, MT 59427

Dear Ms. Ranck-Perry:

Air Quality Permit #1739-03 is deemed final as of October 31, 2008, by the Department of Environmental Quality (Department). This permit is for the Kevin Sunburst Compressor Station and Gas Plant. 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,

Vickie Walsh
Air Permitting Program Supervisor
Air Resources Management Bureau
(406) 444-9741

Moriah Peck, P.E.
Environmental Engineer
Air Resources Management Bureau
(406) 444-4267

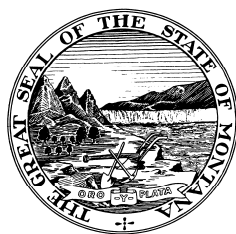
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Enclosure

Montana Department of Environmental Quality
Permitting and Compliance Division

Ranck Oil Company, Inc.
Kevin Sunburst Compressor Station and Gas Plant
P.O. Box 548
Cut Bank, MT 59427

Air Quality Permit #1739-03

October 31, 2008



AIR QUALITY PERMIT

Issued To: Ranck Oil Company, Inc.
P.O. Box 548
Cut Bank, MT. 59427

Permit #1739-03
Administrative Amendment (AA) Request
Received: 9/30/08
Department Decision on AA: 10/15/08
Permit Final: 10/31/08
AFS #101-0001

A Montana Air Quality Permit (MAQP), with conditions, is hereby granted to Ranck Oil Company, Inc. (Ranck), pursuant to Sections 75-2-204 and 211 of the Montana Code Annotated (MCA), as amended, and Administrative Rules of Montana (ARM) 17.8.740, *et seq.*, as amended, for the following:

Section I: Permitted Facilities

A. Plant Location

The Ranck natural gas compressor station is located in the SW $\frac{1}{4}$ of Section 18, Township 34 North, Range 1 West, in Toole County. This facility is known as the Kevin Sunburst Compressor Station and Gas Plant. A more complete description of the equipment is contained in Section I.A of the permit analysis.

B. Current Permit Action

On September 30, 2008, the Department of Environmental Quality (Department) received a request from Ranck to amend MAQP #1739-02 to allow the replacement of the existing 500-horsepower (hp) G399 compressor engine with two 200-hp compressor engines equipped with Non-Selective Catalytic Reduction (NSCR) and an electronic air/fuel ratio (AFR) controller. This request was made in accordance with ARM 17.8.745(2) and ARM 17.8.764, and is considered a de minimis change to the facility since no emission increases will occur. As described in Ranck's written malfunction report submitted to the Department on April 4, 2008, failure of the existing 500-hp compressor engine was imminent and temporary replacement equipment was allowed on-site in accordance with ARM 17.8.110. It is Ranck's intention to replace the original 500-hp compressor engine, as well as the two 200-hp temporary compressor engines, with an electrical unit. This new electrical system was originally planned to be placed by October 31, 2008; however, the new system will not be available until February 2009. Therefore, a permit amendment is necessary. The permit language and rule references were also updated.

Section II: Conditions and Limitations

A. Emission Limitations

1. Ranck may operate up to two compressor engines with a combined rating of no more than 500 hp. Ranck shall install, operate, and properly maintain an NSCR unit and an electronic AFR controller on each compressor engine. The lb/hr emission limits for these engines shall be determined using the following equation and pollutant specific g/bhp-hr emission factors (ARM 17.8.752):

Equation

Emission Limit (lb/hr) = Emission Factor (g/bhp-hr) * maximum rated design capacity of engine (bhp) * 0.002205 lb/g

Emission Factors

NO_x 2.0 g/bhp-hr (NO_x reported as NO₂)

CO 3.0 g/bhp-hr

VOC 0.8 g/bhp-hr

2. Ranck shall operate the flare stack only for equipment blowdown when shutdown is required for repair or for emergency use. This flare is not permitted to continuously flare sour gases (ARM 17.8.749).
3. Ranck shall operate all equipment to provide the maximum air pollution control for which it was designated (ARM 17.8.752).
4. Ranck shall not cause or authorize emissions to be discharged into the outdoor atmosphere from any sources installed after November 23, 1968, that exhibit an opacity of 20% or greater averaged over 6 consecutive minutes (ARM 17.8.304).
5. Ranck shall not cause or authorize emissions to be discharged into the atmosphere from haul roads, access roads, parking lots, or the general plant property without taking reasonable precautions to control emissions of airborne particulate matter (ARM 17.8.308).
6. Ranck shall treat all unpaved portions of the access roads, parking lots, and general plant area with fresh water and/or chemical dust suppressant as necessary to maintain compliance with the reasonable precautions limitation (ARM 17.8.752).
7. Ranck shall not operate the gas sweetening plant without first applying for a permit alteration (ARM 17.8.749).

B. Testing Requirements

1. All compliance source tests shall conform to the requirements of the Montana Source Test Protocol and Procedures Manual (ARM 17.8.106).
2. The Department may require further testing (ARM 17.8.105).

C. Operational Reporting Requirements

1. Ranck shall supply the Department with annual production information for all emission points, as required by the Department in the annual emission inventory request. The request will include, but is not limited to, all sources of emissions identified in emission inventory contained in the permit analysis.

Production information shall be gathered on a calendar-year basis and submitted to the Department by the date required in the emission inventory request. Information shall be in the units required by the Department. This information may be used to calculate operating fees, based on actual emissions from the facility, and/or to verify compliance with permit limitations (ARM 17.8.505).

2. Ranck shall notify the Department of any construction or improvement project conducted, pursuant to ARM 17.8.745, that would include *the addition of a new emissions unit*, change in control equipment, stack height, stack diameter, stack flow, stack gas temperature, source location, or fuel specifications, or would result in an increase in source capacity above its permitted operation. The notice must be submitted to the Department, in writing, 10 days prior to start-up or use of the proposed de minimis change or as soon as reasonably practicable in the event of an unanticipated circumstance causing the de minimis change and must include the information requested in ARM 17.8.745(1)(d) (ARM 17.8.745).
3. All records compiled in accordance with this permit shall be maintained by Ranck as a permanent business record for at least 5 years following the date of the measurement, must be available at the plant site for inspection by the Department, and must be submitted to the Department upon request (ARM 17.8.749).

Section III: General Conditions

- A. Inspection – Ranck shall allow the Department’s representatives access to the source at all reasonable times for the purpose of making inspections or surveys, collecting samples, obtaining data, auditing any monitoring equipment (CEMS, CERMS) or observing any monitoring or testing, and otherwise conducting all necessary functions related to this permit.
- B. Waiver – The permit and the terms, conditions, and matters stated herein shall be deemed accepted if Ranck fails to appeal as indicated below.
- C. Compliance with Statutes and Regulations – Nothing in this permit shall be construed as relieving Ranck of the responsibility for complying with any applicable federal or Montana statute, rule, or standard, except as specifically provided in ARM 17.8.740, *et seq.* (ARM 17.8.756).
- D. Enforcement – Violations of limitations, conditions and requirements contained herein may constitute grounds for permit revocation, penalties, or other enforcement action as specified in Section 75-2-401, *et seq.*, MCA.
- E. Appeals – Any person or persons jointly or severally adversely affected by the Department’s decision may request, within 15 days after the Department renders its decision, upon affidavit setting forth the grounds therefor, a hearing before the Board of Environmental Review (Board). A hearing shall be held under the provisions of the Montana Administrative Procedures Act. The filing of a request for a hearing does not stay the Department’s decision, unless the Board issues a stay upon receipt of a petition and a finding that a stay is appropriate under Section 75-2-211(11)(b), MCA. The issuance of a stay on a permit by the Board postpones the effective date of the Department’s decision until conclusion of the hearing and issuance of a final decision by the Board. If a stay is not issued by the Board, the Department’s decision on the application is final 16 days after the Department’s decision is made.
- F. Permit Inspection – As required by ARM 17.8.755, Inspection of Permit, a copy of the air quality permit shall be made available for inspection by the Department at the location of the source.

- G. Permit Fee – Pursuant to Section 75-2-220, MCA, as amended by the 1991 Legislature, failure to pay the annual operation fee by Ranck may be grounds for revocation of this permit, as required by that section and rules adopted thereunder by the Board.

Permit Analysis
Ranck Oil Company, Inc.
Permit #1739-03

I. Introduction/Process Description

A. Permitted Equipment

Ranck Oil Company, Inc. (Ranck) is permitted to operate a natural gas compressor station, gas plant, and associated equipment located in the SW ¼ of Section 18, Township 34 North, Range 1 West in Toole County, approximately 2 miles southeast of Oilmont. This facility is known as the Kevin Sunburst compressor station and Gas Plant. It includes two 200-horsepower (hp) natural gas compressor engines, one ethylene glycol dehydration unit, one 11, 500 gallon Liquid Petroleum Gas (LPG) tank, one emergency flare, and an amine sweetening plant (abandoned-in-place).

B. Source Description

Since 1990, the present operations at the Kevin Sunburst Compressor Station and gas plant have included gathering "sweet" natural gas from approximately 40 wells located in the Kevin/Sunburst area. The gas is gathered, compressed to pipeline pressure, and stripped of LPGs through a freon liquid extraction plant. Ethylene glycol is utilized at the extraction plant to eliminate gas hydration, which in turn lowers the dew point temperatures below pipeline standards. Ethylene glycol is regenerated utilizing a still tower and reboiler.

Natural gas is used to operate the compressor engines and the dehydration system. Total fuel gas metered at the facility is 2.2 Million Standard Cubic Feet per Minute (MMSCF/M) under normal operations. Of the total metered volume, approximately 600 Thousand Standard Cubic Feet (MSCF) or Thousand Standard Cubic Feet a Day (MSCF/D) is used at the still tower and reboiler. The remaining gas is consumed by the compressor engines.

C. Permit History

On March 10, 1983, the Department of Environmental Quality (Department) issued **Permit #1739** to Oil International Ltd. for a natural gas sweetening plant. The requirements of the permit included keeping daily hydrogen sulfide records and providing the Department with quarterly reports. Emissions of sulfur dioxide (SO₂) were limited to 1,423 pounds per day (lb/day) and were not to exceed 249 tons per year (tpy). On February 1, 1984, Northern Montana Gas Co. (NMG) purchased the facility. NMG had several permits from July 1984 through September 1985, which had violations, including the generation of SO₂ emissions in excess of 1,423 lb/day. The Department tried to resolve the problem prior to filing a civil complaint on November 6, 1985, in District Court (Toole County) against NMG for the SO₂ emissions violations.

On July 17, 1986, NMG and the Department signed a consent decree which specified that NMG would pay a \$10,000 penalty for the SO₂ emissions violations (\$3,500 suspended contingent on no further violations of the SO₂ emissions violations of the SO₂ limit within 12 months after the final compliance date) and would install by November 10, 1986, the necessary equipment and facilities sufficient for NMG to meet the SO₂ limit of 1,423 lb/day set forth in Permit #1739. However, NMG failed to install a sour gas reinjection system by November 1986 and continued to exceed the 1,423 lb/day SO₂

emissions limit; but the reinjection well was completed and approved by EPA in December 1987. In November 1987, NMG contracted to purchase gas from a new well in the Nisku formation that produced in excess of 400,000 cubic feet per day of sweet gas, thus, enabling NMG to curtail the production of the sour gas wells and operate within the SO₂ limit of 1,423 lb/day.

Finally, in September of 1990, NMG abandoned the property and the facility was shut down; the property then went through a foreclosure action. In December 1991, Natural Gas Processing Company (NGP) purchased and began operating the Kevin Sunburst Compressor station and gas plant. The sour gas system was disconnected and the amine plant was shut down prior to NGP purchasing the facility. All of the components of the Amine Sweetening plant are still located at the facility, but the flare is the only component still in operation. The safety-relief valves from the compressor and the dehydrator vent to the flare. Volumes of gas recorded going to the flare were recorded as less than 100 MCF since January 1993.

On July 27, 1995, NGP applied for a preconstruction permit; however, the permit application was never deemed complete. KCS purchased the facility in 1995 and upgraded the facility in late 1996 by replacing the existing 625-hp Waukesha 7042 NA compressor engine (no controls) with a 500-hp Caterpillar G399 compressor engine equipped with Non-Selective Catalytic Reduction (NSCR) and an air/fuel ratio (AFR) controller. On September 22, 1998, the Department issued a Notice of Violation, HK98-04, for failure to apply for the necessary alteration to Permit #1739-00 for the installation of the new compressor engine.

On October 13, 1998, KCS submitted a permit application to update Permit #1739, which was issued on March 10, 1983, for a gas sweetening plant. After Permit #1739 was issued, a new compressor engine was installed to replace the 625-hp Waukesha 7042 NA compressor engine and ownership of the facility changed several times from Oil International Ltd. to NMG to NPG and finally to KCS. During that time, the gas sweetening plant was abandoned in place. However, when the gas sweetening plant was operating at this facility, the SO₂ emissions were limited to 249 tons/year, 1,423 lb/day, or approximately 59 lb/hr. The gas sweetening plant would no longer be permitted to operate at this facility without KCS first obtaining the appropriate air quality permits. Thus, this facility was not required to obtain a Title V operating permit at the time. **Permit #1739-01** replaced Permit #1739-00.

On April 18, 2002, KCS requested that Permit #1739-01 be transferred to Ranck. The current permit action reflects the transfer of ownership and updates the current permit language and rule references used by the Department. **Permit #1739-02** replaced Permit #1739-01.

D. Current Permit Action

On September 30, 2008, the Department received a request from Ranck to amend Montana Air Quality Permit (MAQP) #1739-02 to allow the replacement of the existing 500-hp G399 compressor engine with two 200 hp compressor engines equipped with NSCR and an electronic AFR controller. This request was made in accordance with the Administrative Rules of Montana (ARM) 17.8.745(2) and ARM 17.8.764, and is considered a de minimis change to the facility since no emission increases will occur. As described in Ranck's written malfunction report submitted to the Department on April 4, 2008, failure of the existing 500-hp compressor engine was imminent and temporary replacement equipment was allowed on-site in accordance with ARM 17.8.110. It is

Ranck's intention to replace the original 500-hp compressor engine, as well as the two 200-hp temporary compressor engines, with an electrical unit. This new electrical system was originally planned to be placed by October 31, 2008; however, the new system will not be available until February 2009. Therefore, a permit amendment is necessary. The permit language and rule references were also updated. **MAQP #1739-03** replaces MAQP #1739-02.

E. Additional Information

Additional information, such as applicable rules and regulations, Best Available Control Technology (BACT)/Reasonably Available Control Technology (RACT) determinations, air quality impacts, and environmental assessments, is included in the permit analysis associated with each change to the permit.

II. Applicable Rules and Regulations

The following are partial explanations of some applicable rules and regulations that apply to the facility. The complete rules are stated in the ARM and are available, upon request, from the Department. Upon request, the Department will provide references for location of complete copies of all applicable rules and regulations or copies where appropriate.

A. ARM 17.8, Subchapter 1 - General Provisions, including, but not limited to:

1. ARM 17.8.101 Definitions. This rule is a list of applicable definitions used in this chapter, unless indicated otherwise in a specific subchapter.
2. ARM 17.8.105 Testing Requirements. Any person or persons responsible for the emission of any air contaminant into the outdoor atmosphere shall, upon written request of the Department, provide the facilities and necessary equipment (including instruments and sensing devices) and shall conduct tests, emission or ambient, for such periods of time as may be necessary using methods approved by the Department.
3. ARM 17.8.106 Source Testing Protocol. The requirements of this rule apply to any emission source testing conducted by the Department, any source, or other entity as required by any rule in this chapter, or any permit or order issued pursuant to this chapter, or the provisions of the Clean Air Act of Montana, 75-2-101, *et seq.*, Montana Code Annotated (MCA).

Ranck shall comply with all requirements contained in the Montana Source Test Protocol and Procedures Manual, including, but not limited to, using the proper test methods and supplying the required reports. A copy of the Montana Source Test Protocol and Procedures Manual is available from the Department upon request.

4. ARM 17.8.110 Malfunctions. (2) The Department must be notified promptly by telephone whenever a malfunction occurs that can be expected to create emissions in excess of any applicable emission limitation or to continue for a period greater than 4 hours.
5. ARM 17.8.111 Circumvention. (1) No person shall cause or permit the installation or use of any device or any means that, without resulting in reduction of the total amount of air contaminant emitted, conceals or dilutes an emission of

air contaminant that would otherwise violate an air pollution control regulation.
(2) No equipment that may produce emissions shall be operated or maintained in such a manner as to create a public nuisance.

B. ARM 17.8, Subchapter 2 - Ambient Air Quality, including, but not limited to the following:

1. ARM 17.8.210 Ambient Air Quality Standards for Sulfur Dioxide.
2. ARM 17.8.211 Ambient Air Quality Standards for Nitrogen Dioxide.
3. ARM 17.8.212 Ambient Air Quality Standards for Carbon Monoxide.
4. ARM 17.8.213 Ambient Air Quality Standard for Ozone.
5. ARM 17.8.214 Ambient Air Quality Standard for Hydrogen Sulfide.
6. ARM 17.8.220 Ambient Air Quality Standard for Settled Particulate Matter.
7. ARM 17.8.221 Ambient Air Quality Standard for Visibility.
8. ARM 17.8.222 Ambient Air Quality Standard for Lead.
9. ARM 17.8.223 Ambient Air Quality Standard for PM₁₀.

Ranck must maintain compliance with the applicable ambient air quality standards.

C. ARM 17.8, Subchapter 3 - Emission Standards, including, but not limited to:

1. ARM 17.8.304 Visible Air Contaminants. This rule requires that no person may cause or authorize emissions to be discharged into the outdoor atmosphere from any source installed after November 23, 1968, that exhibit an opacity of 20% or greater averaged over 6 consecutive minutes.
2. ARM 17.8.308 Particulate Matter, Airborne. (1) This rule requires an opacity limitation of less than 20% for all fugitive emission sources and that reasonable precautions be taken to control emissions of airborne particulate matter. (2) Under this rule, Ranck shall not cause or authorize the use of any street, road, or parking lot without taking reasonable precautions to control emissions of airborne particulate matter.
3. ARM 17.8.309 Particulate Matter, Fuel Burning Equipment. This rule requires that no person shall cause, allow, or permit to be discharged into the atmosphere particulate matter caused by the combustion of fuel in excess of the amount determined by this rule.
4. ARM 17.8.310 Particulate Matter, Industrial Processes. This rule requires that no person shall cause, allow, or permit to be discharged into the atmosphere particulate matter in excess of the amount set forth in this rule.
5. ARM 17.8.322 Sulfur Oxide Emissions--Sulfur in Fuel. (4) Commencing July 1, 1972, no person shall burn liquid or solid fuels containing sulfur in excess of 1 pound of sulfur per million Btu fired. (5) Commencing July 1, 1971, no person shall burn any gaseous fuel, containing sulfur compounds, in excess of 50 grains per 100 cubic feet of gaseous fuel, calculated as hydrogen sulfide at standard conditions.
6. ARM 17.8.324 Hydrocarbon Emissions--Petroleum Products. (3) No person shall load or permit the loading of gasoline into any stationary tank with a capacity of 250 gallons or more from any tank truck or trailer, except through a permanent submerged fill pipe, unless such tank is equipped with a vapor loss control device as described in (1) of this rule.

7. ARM 17.8.340 Standards of Performance for New Stationary Sources and Emission Guidelines for Existing Sources. The owner or operator of any stationary source or modification, as defined and applied in 40 CFR Part 60, New Source Performance Standards (NSPS), shall comply with the standards and provisions of 40 CFR Part 60. The Ranck facility is not an NSPS affected source because it does not meet any of the definitions in 40 CFR Part 60. The gas plant is not an NSPS affected source because it does not meet the definition of a natural gas processing plant as defined in 40 CFR 60, Subpart KKK.

8. ARM 17.8.342 Emission Standards for Hazardous Air Pollutants for Source Categories. A major Hazardous Air Pollutant (HAP) source, as defined and applied in 40 CFR 63, shall comply with the requirements of 40 CFR 63, as applicable, including the following subparts:

- Subpart HH – National Emission Standards for Hazardous Air Pollutants From Oil and Natural Gas Production Facilities.
- Subpart HHH – National Emission Standards for Hazardous Air Pollutants From Natural Gas Transmission and Storage Facilities
- Subpart ZZZZ – National Emission Standards for Hazardous Air Pollutants for Reciprocating Internal Combustion Engines.

40 CFR 63, Subpart ZZZZ applies to both major and area sources of HAPs; therefore, the Kevin Sunburst Compressor Station and Gas plant is subject to the provisions of 40 CFR 63, Subpart ZZZZ. Based on the information submitted by Ranck, the Kevin Sunburst Compressor Station and Gas plant is not subject to the provisions of 40 CFR 63, Subpart HHH because the facility is not a major source of HAPs. The facility is, however, considered an area source of HAPs, and therefore, subject to 40 CFR 63, Subpart HH. For area sources, the affected source includes each glycol dehydration unit. Because the glycol dehydration unit emits less than 1 tons per year (TPY) of benzene, however, it is exempt from the control requirements listed in 40 CFR 63, Subpart HH. Records of the determinations applicable to this exemption must be maintained as required in 40 CFR 63.774(d)(1).

D. ARM 17.8, Subchapter 5 - Air Quality Permit Application, Operation, and Open Burning Fees, including, but not limited to:

1. ARM 17.8.504 Air Quality Permit Application Fees. This rule requires that an applicant submit an air quality permit application fee concurrent with the submittal of an air quality permit application. A permit application is incomplete until the proper application fee is paid to the Department. A permit fee is not required for the current permit action because the permit action is considered an administrative permit change.
2. ARM 17.8.505 Air Quality Operation Fees. An annual air quality operation fee must, as a condition of continued operation, be submitted to the Department by each source of air contaminants holding an air quality permit, excluding an open burning permit, issued by the Department. This operation fee is based on the actual or estimated actual amount of air pollutants emitted during the previous calendar year.

An air quality operation fee is separate and distinct from an air quality permit application fee. The annual assessment and collection of the air quality operation fee, described above, shall take place on a calendar-year basis. The Department may insert into any final permit issued after the effective date of these rules, such conditions as may be necessary to require the payment of an air quality operation fee on a calendar-year basis, including provisions that pro-rate the required fee amount.

- E. ARM 17.8, Subchapter 7- Permit, Construction, and Operation of Air Contaminant Sources, including, but not limited to:
1. ARM 17.8.740 Definitions. This rule is a list of applicable definitions used in this chapter, unless indicated otherwise in a specific subchapter.
 2. ARM 17.8.743 Montana Air Quality Permits--When Required. This rule requires a person to obtain an air quality permit or permit alteration to construct, alter, or use any air contaminant sources that have the potential to emit (PTE) greater than 25 tons per year of any pollutant. Ranck has a PTE greater than 25 TPY of NO_x and CO; therefore, an air quality permit is required.
 3. ARM 17.8.744 Montana Air Quality Permits--General Exclusions. This rule identifies the activities that are not subject to the Montana Air Quality Permit program.
 4. ARM 17.8.745 Montana Air Quality Permits--Exclusion for De Minimis Changes. This rule identifies the de minimis changes at permitted facilities that do not require a permit under the Montana Air Quality Permit Program.
 5. ARM 17.8.748 New or Modified Emitting Units--Permit Application Requirements. (1) This rule requires that a permit application be submitted prior to installation, alteration, or use of a source. A permit application was not required for the current permit action because the permit change is considered an administrative permit change. (7) This rule requires that the applicant notify the public by means of legal publication in a newspaper of general circulation in the area affected by the application for a permit. An affidavit of publication of public notice was not required for the current permit action because the permit change is considered an administrative permit change.
 6. ARM 17.8.749 Conditions for Issuance or Denial of Permit. This rule requires that the permits issued by the Department must authorize the construction and operation of the facility or emitting unit subject to the conditions in the permit and the requirements of this subchapter. This rule also requires that the permit must contain any conditions necessary to assure compliance with the Federal Clean Air Act (FCAA), the Clean Air Act of Montana, and rules adopted under those acts.
 7. ARM 17.8.752 Emission Control Requirements. This rule requires a source to install the maximum air pollution control capability that is technically practicable and economically feasible, except that BACT shall be utilized. The required BACT analysis is included in Section III of this permit analysis.

8. ARM 17.8.755 Inspection of Permit. This rule requires that air quality permits shall be made available for inspection by the Department at the location of the source.
 9. ARM 17.8.756 Compliance with Other Requirements. This rule states that nothing in the permit shall be construed as relieving Ranck of the responsibility for complying with any applicable federal or Montana statute, rule, or standard, except as specifically provided in ARM 17.8.740, *et seq.*
 10. ARM 17.8.759 Review of Permit Applications. This rule describes the Department's responsibilities for processing permit applications and making permit decisions on those permit applications that do not require the preparation of an environmental impact statement.
 11. ARM 17.8.762 Duration of Permit. An air quality permit shall be valid until revoked or modified, as provided in this subchapter, except that a permit issued prior to construction of a new or altered source may contain a condition providing that the permit will expire unless construction is commenced within the time specified in the permit, which in no event may be less than 1 year after the permit is issued.
 12. ARM 17.8.763 Revocation of Permit. An air quality permit may be revoked upon written request of the permittee, or for violations of any requirement of the Clean Air Act of Montana, rules adopted under the Clean Air Act of Montana, the FCAA, rules adopted under the FCAA, or any applicable requirement contained in the Montana State Implementation Plan (SIP).
 13. ARM 17.8.764 Administrative Amendment to Permit. An air quality permit may be amended for changes in any applicable rules and standards adopted by the Board of Environmental Review (Board) or changed conditions of operation at a source or stack that do not result in an increase of emissions as a result of those changed conditions. The owner or operator of a facility may not increase the facility's emissions beyond permit limits unless the increase meets the criteria in ARM 17.8.745 for a de minimis change not requiring a permit, or unless the owner or operator applies for and receives another permit in accordance with ARM 17.8.748, ARM 17.8.749, ARM 17.8.752, ARM 17.8.755, and ARM 17.8.756, and with all applicable requirements in ARM Title 17, Chapter 8, Subchapters 8, 9, and 10.
 14. ARM 17.8.765 Transfer of Permit. This rule states that an air quality permit may be transferred from one person to another if written notice of intent to transfer, including the names of the transferor and the transferee, is sent to the Department.
- F. ARM 17.8, Subchapter 8 - Prevention of Significant Deterioration of Air Quality, including, but not limited to:
1. ARM 17.8.801 Definitions. This rule is a list of applicable definitions used in this subchapter.
 2. ARM 17.8.818 Review of Major Stationary Sources and Major Modifications-- Source Applicability and Exemptions. The requirements contained in ARM 17.8.819 through ARM 17.8.827 shall apply to any major stationary source and any major modification with respect to each pollutant subject to regulation under

the Federal Clean Air Act (FCAA) that it would emit, except as this subchapter would otherwise allow.

This facility is not a major stationary source because this facility is not a listed source and the facility's PTE is below 250 tons per year of any pollutant (excluding fugitive emissions).

- G. ARM 17.8, Subchapter 12 - Operating Permit Program Applicability, including, but not limited to:
1. ARM 17.8.1201 Definitions. (23) Major Source under Section 7412 of the FCAA is defined as any stationary source having:
 - a. PTE > 100 tons/year of any pollutant;
 - b. PTE > 10 tons/year of any one hazardous air pollutant (HAP), PTE > 25 tons/year of a combination of all HAPs, or a lesser quantity as the Department may establish by rule; or
 - c. PTE > 70 tons/year of PM₁₀ in a serious PM₁₀ non-attainment area.
 2. ARM 17.8.1204 Air Quality Operating Permit Program. Title V of the FCAA Amendments of 1990 requires that all sources, as defined in ARM 17.8.1204 (1), obtain a Title V Operating Permit. In reviewing and issuing MAQP #1739-03 for Ranck, the following conclusions were made:
 - a. The facility's PTE is less than 100 tons/year for all criteria pollutants.
 - b. The facility's PTE is less than 10 tons/year for any one HAP and less than 25 tons/year for all HAPs.
 - c. This source is not located in a serious PM₁₀ nonattainment area.
 - d. This facility is subject to area source provisions of 40 CFR 63, Subparts HH and ZZZZ.
 - e. This facility is not an NSPS affected source.
 - f. This source is not a Title IV affected source, or a solid waste combustion unit.
 - g. This source is not an EPA designated Title V source.

Based on the above facts, Ranck is not subject to the Title V Operating Permit Program.

III. BACT Determination

A BACT determination is required for each new or altered source. Ranck shall install on the new or altered source the maximum air pollution control capability that is technically practicable and economically feasible, except that BACT shall be used. A BACT analysis was not required for the current permit action because the current permit action is considered an administrative

amendment.

IV. Emission Inventory

This permitting action will not result in an increase in emissions. A complete emissions inventory is on file with the Department.

V. Existing Air Quality

MAQP #1739-03 is issued for the operation of a natural gas compressor station, gas plant, and associated equipment to be located at the Southwest ¼ of Section 18, Township 34 North, Range 1 West, in Toole County, Montana. Included in the permit are operational conditions and limitations that will be protective of air quality in the proposed area of operation.

VI. Ambient Air Impact Analysis

MAQP #1739-03 would allow the operation of a natural gas compressor station, gas plant, and associated equipment to be located in the Southwest ¼ of Section 18, Township 34 North, Range 1 West, in Toole County, Montana. The Department believes that the amount of controlled emissions generated by this facility will not cause or contribute to a violation of any ambient air quality standard.

VII. Taking or Damaging Implication Analysis

As required by 2-10-105, MCA, the Department conducted the following private property taking and damaging assessment.

YES	NO	
X		1. Does the action pertain to land or water management or environmental regulation affecting private real property or water rights?
	X	2. Does the action result in either a permanent or indefinite physical occupation of private property?
	X	3. Does the action deny a fundamental attribute of ownership? (ex.: right to exclude others, disposal of property)
	X	4. Does the action deprive the owner of all economically viable uses of the property?
	X	5. Does the action require a property owner to dedicate a portion of property or to grant an easement? [If no, go to (6)].
		5a. Is there a reasonable, specific connection between the government requirement and legitimate state interests?
		5b. Is the government requirement roughly proportional to the impact of the proposed use of the property?
	X	6. Does the action have a severe impact on the value of the property? (consider economic impact, investment-backed expectations, character of government action)
	X	7. Does the action damage the property by causing some physical disturbance with respect to the property in excess of that sustained by the public generally?
	X	7a. Is the impact of government action direct, peculiar, and significant?
	X	7b. Has government action resulted in the property becoming practically inaccessible, waterlogged or flooded?
	X	7c. Has government action lowered property values by more than 30% and necessitated the physical taking of adjacent property or property across a public way from the property in question?

	X	Takings or damaging implications? (Taking or damaging implications exist if YES is checked in response to question 1 and also to any one or more of the following questions: 2, 3, 4, 6, 7a, 7b, 7c; or if NO is checked in response to questions 5a or 5b; the shaded areas)
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Based on this analysis, the Department determined there are no taking or damaging implications associated with this permit action.

VIII. Environmental Assessment

This permitting action will not result in an increase of emissions from the facility and is considered an administrative action; therefore, an Environmental Assessment is not required.

Analysis Prepared by: Moriah Peck, P.E.

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