

AIR QUALITY PERMIT

Issued To: Plains Marketing, L.P.
Reserve Truck Station
3600 Bowman Court
Bakersfield, CA 93308

Permit #3012-03
Administrative Amendment (AA)
Request Received: 05/11/04
Department Decision on AA: 07/15/04
Permit Final: 07/31/04
AFS: #091-0003

An air quality permit, with conditions, is hereby granted to Plains Marketing, L.P. (Plains), 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

Plains' owns and operates a crude oil tank farm located in Section 30, Township 33 North, Range 56 East, in Sheridan County, Montana. This facility is known as the Reserve Truck Station.

B. Current Permit Action

On May 11, 2004, the Department of Environmental Quality (Department) received a letter from Plains All American Pipeline, L.P. requesting an administrative amendment to Permit #3012-02 to change the corporate name on the permit from Link Energy Operating Limited Partnership (Link Energy) to Plains. The current permitting action changes the corporate name on Permit #3012-02 and updates the permit to reflect current permit language and rule references used by the Department. Permit #3012-03 replaces Permit #3012-02.

SECTION II. Conditions and Limitations

A. Emission Control Requirements

1. All visible emissions from the Plains facility may not exhibit an opacity of 20% or greater averaged over 6-consecutive minutes (ARM 17.8.304).
2. Plains 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 (PM) (ARM 17.8.308).
3. Plains shall treat all unpaved portions of the haul roads, access roads, parking lots, or general plant area with water and/or chemical dust suppressant as necessary to maintain compliance with the reasonable precautions limitation in Section II.A.2 (ARM 17.8.749).

B. Inspection and Repair Requirements

1. Each calendar month, all fugitive piping components (valves, flanges, pump seals, open-ended lines) shall be inspected for leaks. For purposes of this requirement, detection methods incorporating sight, sound, or smell are acceptable (ARM 17.8.105).

2. Plains shall (ARM 17.8.105 and ARM 17.8.752):
 - a. Make a first attempt at repair for any leak not later than 5 calendar days after the leak is detected; and
 - b. Repair any leak as soon as practicable, but no later than 15 calendar days after it is detected, except as provided in Section II.B.3.
3. Delay of repair of equipment for which a leak has been detected will be allowed if repair is technically infeasible without a source shutdown. Such equipment shall be repaired before the end of the first source shutdown after detection of the leak (ARM 17.8.749).

C. Operational Reporting Requirements

1. Plains shall maintain on-site records showing daily hours of operation and daily production rates for the last 12 months. These records must be available for inspection by the Department and must be submitted to the Department upon request (ARM 17.8.749).
2. Plains shall supply the Department with annual production information for all emission points, as required by the Department, in the annual Emissions Inventory request. The request will include, but is not limited to, all sources of emissions identified in the most recent Emission Inventory report and sources identified in Section I.A of 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).

3. Plains shall notify the Department of any construction or improvement project conducted pursuant to ARM 17.8.745, that would include a 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 or the addition of a new emission unit. 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).

D. Record Keeping Requirements

1. A record of each monthly leak inspection required by Section II.B.1 of this permit shall be kept on file with Plains. Inspection records shall include, at a minimum, the following information (ARM 17.8.749):
 - a. Date of inspection;
 - b. Findings (may indicate no leaks discovered or location, nature, and severity of each leak);
 - c. Leak determination method;

- d. Corrective action (date each leak repaired and reasons for any repair interval in excess of 15 calendar days); and
 - e. Inspector's name and signature.
- 2. The records compiled in accordance with the requirements above shall be maintained by Plains as a permanent business record for at least 5 years, shall be submitted to the Department upon request, and shall be available for inspection by the Department (ARM 17.8.749).
- E. Testing Requirements
- 1. The Department may require testing (ARM 17.8.105).
 - 2. All compliance source tests shall conform to the requirements of the Montana Source Test Protocol and Procedures Manual (ARM 17.8.106).

SECTION III: General Conditions

- A. Inspection – Plains 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; Continuous Emission Monitoring Systems (CEMS) or Continuous Emission Rate Monitory Systems (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 Plains fails to appeal as indicated below.
- C. Compliance with Statutes and Regulations – Nothing in this permit shall be construed as relieving Link Energy 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 therefore, a hearing before the Board of Environmental Review (Board). A hearing shall be held under the provisions of the Montana Administrative Procedures Act. The Department's decision on the application is not final unless 15 days have elapsed and there is no request for a hearing under this section. The filing of a request for a hearing postpones the effective date of the Department's decision until conclusion of the hearing and issuance of a final decision by the Board.
- F. Permit Inspection – As required by ARM 17.8.755, Inspection of Permit, a copy 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 Plains may be grounds for revocation of this permit, as required by that section and rules adopted thereunder by the Board.

Permit Analysis
Plains Marketing, L.P.
Permit #3012-03

I. Introduction/Process Description

A. Permitted Equipment/Source Description

Plains Marketing, L.P. (Plains) owns and operates a crude oil station located in Section 30, Township 33 North, Range 56 East, in Sheridan County, Montana. The facility is known as the Reserve Truck Station and the facility includes the following permitted equipment:

1. (2) 500-barrel (bbl) storage tanks;
2. (4) 100-gallon sump boxes;
3. (2) 30 gallon sampling/injection tanks; and
4. piping components.

B. Process Description

The Plains facility is used to unload oil from transport trucks and to inject the oil into a pipeline owned by Plains.

C. Permit History

On May 19, 1998, the Koch Oil Company/Reserve Truck Station (KOCH) submitted a permit application to operate two 500 bbl tanks, piping components, four 100-gallon sump boxes, and two 30-gallon sampling/injection tanks. Upon initial review, KOCH believed the facility was exempt from permitting requirements due to the low emissions. However, in light of new data regarding the Reid Vapor Pressure (RVP) of the oil, KOCH determined they did require an air quality preconstruction permit.

Although the exact date of construction of the facility is unknown, KOCH assured the Department of Environmental Quality (Department) that the construction of the facility occurred prior to 1984. Since the plant was constructed prior to 1984, 40 CFR 60, Subpart Kb does not apply. If the facility was constructed between May 18, 1978, and July 23, 1984, then Subpart Ka would apply; however, Subpart Ka exempts any petroleum liquid storage vessels with a capacity of less than 40,000 gallons. The tanks used by the Reserve Truck Station have less than a 40,000-gallon capacity; therefore, Subpart Ka does not apply. **Permit #3012-00** was issued final on July 18, 1998.

On December 14, 1998, KOCH, as well as EOTT Energy Corp. (EOTT), submitted written notice of Intent to Transfer Permit #3012-00 from KOCH to EOTT. **Permit #3012-01** was issued to reflect the change in ownership. On January 13, 1999, Permit #3012-01 became final and replaced Permit #3012-00.

On November 6, 2003, the Department received a letter from EOTT notifying the Department that EOTT changed its name to Link Energy and that the operating entity for the Reserve Truck Station changed to Link Energy Operating Limited Partnership (Link Energy). EOTT requested that the Department update Permit #3012-01 to reflect the name change. This permit action incorporated EOTT's request into the permit. In addition, the permit format, language, and rule references were updated to reflect the current format, language, and rule references used by the Department. **Permit #3012-02** replaced Permit #3012-01.

D. Current Permit Action

On May 11, 2004, the Department received a letter from Plains All American Pipeline, L.P. requesting an administrative amendment to Permit #3012-02 to change the corporate name on the permit from Link Energy to Plains. The current permitting action changes the corporate name on Permit #3012-02 and updates the permit to reflect current permit language and rule references used by the Department. **Permit #3012-03** replaces Permit #3012-02.

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 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 Administrative Rules of Montana (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 includes 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).

Plains shall comply with the requirements contained in the Montana Source Test Protocol and Procedures Manual, including, but not limited, 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 17.8.204 Ambient Air Monitoring
2. ARM 17.8.210 Ambient Air Quality Standards for Sulfur Dioxide
3. ARM 17.8.211 Ambient Air Quality Standards for Nitrogen Dioxide
4. ARM 17.8.212 Ambient Air Quality Standards for Carbon Monoxide
5. ARM 17.8.213 Ambient Air Quality Standard for Ozone
6. ARM 17.8.214 Ambient Air Quality Standard for Hydrogen Sulfide
7. ARM 17.8.220 Ambient Air Quality Standard for Settled Particulate Matter
8. ARM 17.8.221 Ambient Air Quality Standard for Visibility
9. ARM 17.8.222 Ambient Air Quality Standard for Lead
10. ARM 17.8.223 Ambient Air Quality Standard for PM₁₀

Plains 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 (PM). (2) Under this rule, Plains shall not cause or authorize the use of any street, road, or parking lot without taking reasonable precautions to control emissions of airborne PM.
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 PM caused by the combustion of fuel in excess of the amount determined by this rule.
4. ARM 17.8.310 Particulate Matter, Industrial Process. This rule requires that no person shall cause, allow or permit to be discharged into the atmosphere PM in excess of the amount set forth in this rule.
5. ARM 17.8.322 Sulfur Oxide Emissions--Sulfur in Fuel. This rule requires that no person shall burn liquid, solid, or gaseous fuel in excess of the amount set forth in this rule.
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 Standard of Performance for New Stationary Sources and Emission Guidelines for Existing Sources. This rule incorporates, by reference, 40 CFR 60, Standards of Performance for New Stationary Sources (NSPS). This facility is not an NSPS affected source because it does not meet the definition of any NSPS subpart defined in 40 CFR 60.

40 CFR 60, Subpart K – Standards of Performance for Storage Vessels for Petroleum Liquids for Which Construction, Reconstruction, or Modification Commenced After June 11, 1973, and Prior to May 19, 1978, does not apply because the facility was constructed after May 18, 1978 and prior to July 23, 1984.

40 CFR 60 Subpart Ka – Standards of Performance for Volatile Organic Liquid Storage Vessels (Including Petroleum Liquid Storage Vessels) for Which Construction, Reconstruction, or Modification Commenced after May 18, 1978, and prior to July 23, 1984, does not apply because the capacity of each of the tanks at the facility is less than 40,000 gallons.

40 CFR 60, Subpart Kb – Standards of Performance for Volatile Organic Liquid Storage Vessels (Including Petroleum Liquid Storage Vessels) for Which Construction, Reconstruction, or Modification Commenced After July 23, 1984, is not applicable to any of the tanks at the facility because the tanks were constructed prior to July 23, 1984.

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. The current permit action is considered an administrative action; therefore, a permit application fee was not required.
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. The air quality 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 prorate 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. Plains' has a PTE greater than 25 tons per year of PM and Volatile Organic Compounds (VOC); 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. Plains' was not required to submit a permit application for the current permit action because new sources are not being added to the facility and emissions from the facility are not being increased. (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. Plains was not required to notify the public of the current permit action because new sources are not being added to the facility and emissions from the facility are not being increased. The current permit action is considered an administrative action.
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 BACT analysis is discussed 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 Plains 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 (EIS).
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 FCAA that it would emit, except as this subchapter would otherwise allow.

This facility is not a major stationary source since this facility is not a listed source and does not have a PTE greater than 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 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 lesser quantity as the Department may establish by rule; or
 - c. PTE > 70 tons/year of PM with an aerodynamic diameter of 10 microns or less (PM₁₀) in a serious PM₁₀ nonattainment area.
 2. ARM 17.8.1204 Air Quality Operating Permit Program. (1) 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 Air Quality Permit #3012-03 for Plains, the following conclusions were made.
 - a. The facility's PTE is less than 100 tons/year for any pollutant.

- 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 not subject to any current NSPS.
- e. This facility is not subject to any current NESHAP standards.
- f. This source is not a Title IV affected source, nor a solid waste combustion unit.
- g. This source is not an EPA designated Title V source.

Based on these facts, the Department determined that Plains will be a minor source of emissions as defined under Title V.

III. BACT Determination

A BACT determination is required for each new or altered source. Plains shall install on the new or altered source the maximum air pollution control capability, which is technically practicable and economically feasible, except that BACT shall be utilized. However, a BACT analysis was not required for the current permit action because new sources are not being added to the facility and emissions from the facility are not increasing. The current permit action is considered an administrative action.

IV. Emission Inventory

Source	PM	PM ₁₀	NO _x	CO	VOC	SO _x
500 bbl Crude Oil Storage Tank	-----	-----	-----	-----	12.35	-----
500 bbl Crude Oil Storage Tank	-----	-----	-----	-----	12.35	-----
Pipeline Component Fugitives	-----	-----	-----	-----	3.31	-----
Haul Roads	42.98	19.34	-----	-----	-----	-----
Totals	42.98	19.34	-----	-----	28.01	-----

* A complete Emission Inventory is on file with the Department.

V. Existing Air Quality

The surrounding area is listed as attainment/unclassified for the National Ambient Air Quality Standards (NAAQS).

VI. Ambient Air Impact Analysis

The current permit action will not have an effect on the existing air quality because emissions are not increasing and the change is considered an administrative action.

VII. Taking or Damaging Implication Analysis

As required by 2-10-105, MCA, the Department conducted a private property taking and damaging assessment and determined there are no taking or damaging implications.

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.

Permit Analysis Prepared By: Eric Thunstrom

Date: July 12, 2004