

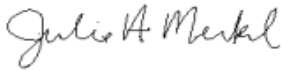
December 19, 2017

Havre Pipeline Company, LLC  
Blaine County #3 Compressor Station  
c/o 40 E. Broadway  
Butte, MT 59701

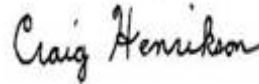
Dear Miss Stimatz:

Montana Air Quality Permit #2719-10 is deemed final as of December 19, 2017, by the Department of Environmental Quality (Department). 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,



Julie A. Merkel  
Permitting Services Section Supervisor  
Air Quality Bureau  
(406) 444-3626



Craig Henrikson P.E.  
Environmental Engineer  
Air Quality Bureau  
(406) 444-6711

JM:CH  
Enclosure

Montana Department of Environmental Quality  
Air, Energy & Mining Division

Montana Air Quality Permit #2719

Havre Pipeline Company, LLC  
Blaine County #3 Compressor Station  
c/o 40 E. Broadway  
Butte, MT 59701

December 19, 2017



## MONTANA AIR QUALITY PERMIT

Issued To: Havre Pipeline Company, LLC  
a Texas limited liability company  
Blaine County #3 Compressor Station  
c/o 40 E. Broadway  
Butte, MT 59701

MAQP: #2719-10  
Application Complete: 10/23/2017  
Preliminary Determination Issued: 11/15/2017  
Department Decision Issued: 12/1/2017  
Permit Final: 12/19/2017

A Montana Air Quality Permit (MAQP), with conditions, is hereby granted to Havre Pipeline Company, LLC, a Texas limited liability company (HPC), 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

MAQP #2719-10 is issued for the operation of the Blaine County #3 Compressor Station located in the NE<sup>1</sup>/<sub>4</sub> of the SE<sup>1</sup>/<sub>4</sub> of Section 7, Township 27 North, Range 19 East, Blaine County, Montana. A listing of the permitted equipment is contained in Section I.A of the permit analysis.

#### B. Current Permit Action

On October 23, 2017, the Department received a request from HPC to remove the 1,150 horsepower (hp) Waukesha engine and to address two conditions associated with the 750 hp Waukesha engine and 400 hp Waukesha engine. The 750 hp engine incorrectly had a permit condition for a 950 revolutions per minute (rpm) limit which was included in earlier permit versions. The 400 hp Waukesha engine had a requirement for an air-to-fuel ratio (AFR) controller. These requirements are being removed for the 750 hp Waukesha engine and 400 hp Waukesha engine. An associated testing condition with the removed 1,150 hp Waukesha engine was also removed. The current permit action reflects these requested changes and updates the MAQP to reflect current Department format, rule references, and language.

### SECTION II: Conditions and Limitations

#### A. Emission Limitations

1. Source #01, the 750-hp Waukesha L7042GU natural gas compressor engine, shall be operated with a NSCR unit and an AFR controller. The engine shall have a minimum stack height of 20 feet above ground level. The engine emissions shall not exceed the following limits (ARM 17.8.752):

Oxides of Nitrogen (NO <sub>x</sub> <sup>1</sup> )	3.31 lb/hr
Carbon Monoxide (CO)	4.96 lb/hr
Volatile Organic Compounds (VOC)	1.65 lb/hr

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<sup>1</sup> NO<sub>x</sub> reported as NO<sub>2</sub>.

2. Source #02, the 400-hp Waukesha F18GL lean-burn natural gas compressor engine shall have a minimum stack height of 14 feet above ground level, and the engine speed shall not exceed 1,800 rpm of continuous duty operation. Emissions from this engine shall not exceed the following limits (ARM 17.8.752):

NO <sub>x</sub> <sup>1</sup>	1.76 lb/hr
CO	2.75 lb/hr
VOC	0.88 lb/hr

3. Source #08, the rich-burn natural gas compressor engine with a maximum rated design capacity equal to or less than 1,547 hp, shall be operated with a NSCR unit and an AFR controller. The engine shall have a minimum stack height of 10 feet above ground level. The lb/hr emission limits for this engine 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 <sub>x</sub> <sup>1</sup>	1.0 g/bhp-hr
CO	1.0 g/bhp-hr
VOC	1.0 g/bhp-hr

4. HPC shall operate all equipment to provide the maximum air pollution control for which it was designed (ARM 17.8.749).
5. HPC 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).
6. HPC 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 (ARM 17.8.308).
7. HPC 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.7 (ARM 17.8.749).

B. Testing Requirements

1. HPC shall test Source #01, the 750-hp Waukesha L7042GU natural gas compressor engine for NO<sub>x</sub> and CO, concurrently, and demonstrate compliance with the NO<sub>x</sub> and CO emission limits contained in Section II.A.1 on an every 4-year basis or according to another testing/monitoring schedule as may be approved by the Department (ARM 17.8.105 and ARM 17.8.749).

2. HPC shall test the Source #02, the 400-hp Waukesha F18GL natural gas compressor engine for NO<sub>x</sub> and CO, concurrently, and demonstrate compliance with the NO<sub>x</sub> and CO emission limits contained in Section II.A.2 on an every 4-year basis or according to another testing/monitoring schedule as may be approved by the Department (ARM 17.8.105 and ARM 17.8.749).
3. HPC shall test Source #08, the rich burn natural gas compressor engine with a maximum rated design capacity equal to or less than 1,547-hp, for NO<sub>x</sub> and CO, concurrently within 180 days of startup to demonstrate compliance with the NO<sub>x</sub> and CO emission limits contained in Section II.A.3. After the initial source test, additional testing shall continue on an every 4-year basis or according to another testing/monitoring schedule as may be approved by the Department (ARM 17.8.105 and ARM 17.8.749).
4. All compliance source tests shall conform to the requirements of the Montana Source Test Protocol and Procedures Manual (ARM 17.8.106).
5. The Department may require further testing (ARM 17.8.105).

C. Operational Reporting Requirements

1. HPC 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 the 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. HPC 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 must be maintained by HPC 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 – HPC 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 emissions monitoring system (CEMS) or continuous emissions rate monitoring system (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 HPC fails to appeal as indicated below.
- C. Compliance with Statutes and Regulations – Nothing in this permit shall be construed as relieving HPC 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 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, failure to pay the annual operation fee by HPC may be grounds for revocation of this permit, as required by that section and rules adopted thereunder by the Board.
- H. Duration of Permit – Construction or installation must begin or contractual obligations entered into that would constitute substantial loss within 3 years of permit issuance and proceed with due diligence until the project is complete or the permit shall expire (ARM 17.8.762).

Montana Air Quality Permit (MAQP) Analysis  
Havre Pipeline Company, LLC, a Texas limited liability company  
Blaine County #3 Compressor Station  
MAQP #2719-10

I. Introduction/Process Description

Havre Pipeline Company, LLC, a Texas limited liability company (HPC) owns and operates a natural gas compressor station located in the NE<sup>1</sup>/<sub>4</sub> of the SE<sup>1</sup>/<sub>4</sub> of Section 7, Township 27 North, Range 19 East, Blaine County, Montana. The facility is known as the Blaine County #3 Compressor Station.

A. Permitted Equipment

The facility consists of the following equipment and materials:

1. Source #1: (1) 750-horsepower (hp) Waukesha L7042GU natural gas compressor engine with a non-selective catalytic reduction (NSCR) unit and an air/fuel ratio (AFR) controller;
2. Source #2: (1) 400-hp Waukesha F18GL lean-burn natural gas engine;
3. Source #3: (1) 500-thousand British thermal units per hour (MBtu/hr) tri-ethylene glycol (TEG) natural gas dehydration unit;
4. Source #5: (2) 100-MBtu/hr space heaters;
5. Source #6: (1) 200-gallon condensate tank;
6. Source #7: (1) 500-gallon lube oil tank; and
7. Source #8: (1) 4-stroke rich burn natural gas compressor engine with a maximum rated design capacity equal to or greater than 1,547-hp with a NSCR unit and an AFR controller.

B. Source Description

The Blaine County #3 Compressor Station utilizes three natural gas compressor engines to gather, compress, and transmit natural gas through a natural gas pipeline.

C. Permit History

On May 20, 1992, **MAQP #2719-00** was issued to Northern Natural Gas Company (NNGC). The permit was issued for the Blaine County #3 Compressor Station which consisted of one 750-hp Waukesha L7042GU compressor engine with a three-way catalyst on the engine exhaust, one RAMA glycol dehydrator rated at 380,000 Btu/hr, one meter building, one compressor building, and a EFM/SCADA building.

Havre Pipeline Company, LLC (HPC) acquired the Blaine County #3 compressor station from NNGC on September 30, 1995.

On December 29, 1996, **MAQP #2719-01** was issued to HPC. The permit acknowledged the change of ownership of the Blaine County #3 compressor station and added one 400-hp Waukesha F18GL lean-burn natural gas compressor engine and one 100-MBtu/hr space heater to the permit. Since the new engine would serve as the primary booster at the facility, the load on the existing 750-hp Waukesha L7042GU compressor engine was expected to fluctuate and run less efficiently. The Department of Environmental Quality (Department) and HPC expected that emission rates could exceed the current emission limits during worst case operating conditions; therefore, the emission limitations for this unit were slightly increased to allow HPC to operate in compliance during this scenario. The increased emission limits were established consistently with the limits at other similar HPC facilities. MAQP #2719-01 replaced MAQP #2719-00.

On May 7, 1999, the Department received notification that UMC Petroleum Corp was merged with Ocean Energy, Inc. The HPC Blaine County #3 compressor station now operates as a subsidiary of Ocean Energy, Inc. The Department updated the permit to reflect the name change. On June 27, 1999, **MAQP #2719-02** replaced MAQP #2719-01.

On September 22, 1999, the Department received a request from HPC to alter MAQP #2719-02 for the addition of a 1,150-hp Waukesha natural gas compressor engine. The Department made the suggested changes to the permit. On November 17, 1999, **MAQP #2719-03** replaced MAQP #2719-02.

On August 15, 2001, HPC submitted a request for a de minimis change at the Blaine County #3 compressor station. HPC proposed to replace a 370,000 Btu/hr TEG dehydrator with a 500,000 Btu/hr TEG dehydrator. This permit action incorporated the replacement according to the provisions of the Administrative Rules of Montana (ARM) 17.8.705(1)(r). In addition, the permit format was updated. **MAQP #2719-04** replaced MAQP #2719-03.

On August 23, 2004, the Department received a request to change the corporate name on MAQP #2719-04 from HPC to Devon-Louisiana Corporation. The Department changed the corporate name on MAQP #2719-04 from HPC to Devon-Louisiana Corporation, and updated the permit to reflect current permit language and rule references used by the Department. **MAQP #2719-05** replaced MAQP #2719-04.

On March 13, 2006, the Department received a request to change the corporate name on MAQP #2719-05 from Devon-Louisiana Corporation to Devon. The Department changed the corporate name on MAQP #2719-06 as requested. **MAQP #2719-06** replaced MAQP #2719-05.

On September 26, 2007, the Department received a complete permit application from Devon requesting that the Department modify MAQP #2719-06. Devon proposed to install a rich-burn natural gas compressor engine with a maximum rated design capacity equal to or less than 1,547-hp with a NSCR unit and an AFR controller. **MAQP #2719-07** replaced MAQP #2719-06.



On March 26, 2008, the Department received a request from Devon to clarify the conditions in MAQP #2719-07 to reflect the de minimis friendly nature of the permitting action for Source #8, the rich-burn natural gas compressor engine with a maximum rated design capacity equal to or less than 1,547 hp with a NSCR unit and an AFR controller. While the permitting action was intended to be de minimis friendly, the emission limits contained in the permit were incorrectly stated as a pounds per hour limit (lb/hr) based on an engine size of 1,547 hp. Because the de minimis friendly nature of this permit allows for smaller engine sizes to be used, the emission limits should instead be reflected on a grams per brake horsepower-hour (g/bhp-hr) basis. In addition, it was determined that the initial testing requirement (within 180 days of initial startup) for this compressor engine was inadvertently left out of MAQP #2719-07. Therefore, the Department amended this permit as allowed in ARM 17.8.764 to correct the administrative errors contained in the permit. **MAQP #2719-08** replaced MAQP #2719-07.

On January 16, 2014, the Department received correspondence from Devon as notification of a transfer of ownership from Devon to HPC. The permit action reflected this change in company name as well as updated the MAQP to reflect Department format, rule and references, and language. **MAQP #2719-09** replaced MAQP #2719-08.

#### D. Current Permit Action

On October 23, 2017, the Department received a request from HPC to remove the 1,150 horsepower Waukesha engine and to address two conditions associated with the 750 hp Waukesha engine and 400 hp Waukesha engine. The 750 hp engine incorrectly had a permit condition for a 950 rpm limit which was included in earlier permit versions but was never part of any performance or compliance strategy. Therefore, this element of the permit condition has been removed. The 400 hp Waukesha engine had a requirement for an air-to-fuel ratio (AFR) controller as was indicated in the application when this unit was initially permitted; however, this particular model of engine was not designed to incorporate an AFR and therefore did not operate with one. Repeated source testing on the 400 hp Waukesha has demonstrated compliance with the BACT limits without an AFR controller, therefore the AFR permit condition is being removed under this permitting action. An associated testing condition with the removed 1,150 hp Waukesha engine was also eliminated. The current permit action reflects these requested changes and updates the MAQP to reflect current Department format, rule and references, and language. **MAQP #2719-10** replaces MAQP #2719-09.

#### 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 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).

HPC shall comply with the 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 17.8.204 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 PM<sub>10</sub>

HPC 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, HPC 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 Process. 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. HPC will burn pipeline quality natural gas in the compressor engine, which will meet this limitation.
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 Code of Federal Regulations (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. HPC is not an NSPS affected source because it does not meet the definition of a natural gas processing plant 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 Part 63, shall comply with the requirements of 40 CFR Part 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 Emissions Standards for Hazardous Air Pollutants for Reciprocating Internal Combustion Engines (RICE)

Based on the information submitted by the applicant, the Blaine County #3 facility is not subject to the provisions of 40 CFR 63 Subparts HHH because the facility is not a major source of HAPs. The Blaine County #3 facility is, however, considered an area source of HAPs, and therefore, subject to 40 CFR 63, Subpart HH and ZZZZ. For area sources, the affected source under 40 CFR 63, Subpart HH includes each glycol dehydration unit. Because the glycol dehydration unit emits less than 1 ton 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). 40 CFR 63, Subpart ZZZZ applies to each stationary reciprocating internal combustion engine at the facility.

D. ARM 17.8, Subchapter 4 – Stack Height and Dispersion Techniques, including, but not limited to:

1. ARM 17.8.401 Definitions. This rule includes a list of definitions used in this chapter, unless indicated otherwise in a specific subchapter.
2. ARM 17.8.402 Requirements. HPC must demonstrate compliance with the ambient air quality standards with a stack height that does not exceed Good Engineering Practices (GEP). The proposed height of the new or modified stack for HPC is below the allowable 65-meter GEP stack height.

E. 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. HPC submitted the appropriate permit application fee.

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.

- F. 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 modification to construct, modify or use any air contaminant sources that have the potential to emit (PTE) greater than 25 TPY of any pollutant. HPC has a PTE greater than 25 TPY of carbon monoxide (CO), Oxides of Nitrogen (NO<sub>x</sub>), 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, modification, or use of a source. HPC submitted the required permit application for the current permit action. (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. HPC submitted an affidavit of publication of public notice for the October 20, 2017, issue of the *Havre Daily News*, a newspaper of general circulation in the city of Havre, Hill County, Montana.

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 HPC 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 modified 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 and authorized signatures of the transferor and the transferee, is sent to the Department.

G. 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 the facility's PTE is below 250 tons per year of any pollutant (excluding fugitive emissions).

H. 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 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 particulate matter with an aerodynamic diameter of 10 microns or less (PM<sub>10</sub>) in a serious PM<sub>10</sub> 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 MAQP #2719-10 for HPC, 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 PM<sub>10</sub> nonattainment area.
- d. This facility is not subject to any current NSPS.

- e. This facility is subject to current NESHAP (40 CFR 63, Subparts HH and ZZZZ).
- f. This source is not a Title IV affected source.
- g. This source is not a solid waste combustion unit.
- h. This source is not an EPA designated Title V source.

Based on these facts, the Department determined that HPC is a minor source of emissions as defined under Title V. Therefore, HPC is not required to obtain a Title V Operating Permit.

### III. BACT Determination

A BACT determination is required for each new or modified source. HPC shall install on the new or modified source the maximum air pollution control capability that is technically practicable and economically feasible, except that BACT shall be utilized.

HPC provided the following information for the updated BACT analysis.

MAQP #2719-01 originally stated an AFR controller constituted BACT for the 400 hp Waukesha engine. Source testing in 2004, 2009, and 2016, has demonstrated the 400 hp Waukesha engine was well within permits limit for NO<sub>x</sub> and CO. Subsequently, it was also identified that the 400 hp Waukesha engine never had an AFR controller and therefore since the BACT numerical permit limits are being achieved, the permit condition requiring the AFR should be removed. Additionally, HPC provided a review of the RACT/BACT/LAER Clearinghouse and highlighted that AFR controllers on compressor engines of this size is not required for BACT requirements.

Based on the numerical limits being achieved without an AFR and review of other BACT determinations for engines of this size, the AFR permit requirement is being removed for the 400 hp Waukesha engine.

### IV. Emission Inventory

Emitting Units	TPY				
	NO <sub>x</sub>	PM <sub>10</sub>	SO <sub>2</sub>	VOC	CO
<b>Existing</b>					
#01 750 hp Waukesha L7042GU Compressor Engine	14.50	0.26	0.02	7.23	21.72
#02 400 hp Waukesha F18GL Compressor Engine	7.71	0.16	0.01	3.85	12.05
#03 TEG Dehydration Unit	0.22	0.02	0.00	1.68	0.18
--- Natural Gas Fired Space Heaters	0.09	0.00	0.00	0.02	0.01
--- Miscellaneous VOC Sources	0.00	0.00	0.00	5.21	0.00
#08 1,547 hp 4-stroke, Rich-Burn Compressor Engine	14.94	0.51	0.03	14.94	14.94
<b>Total:</b>	<b>37.46</b>	<b>0.95</b>	<b>0.06</b>	<b>32.93</b>	<b>48.9</b>



The emission inventory for the engines is calculated from the individual pollutant permits limits for each engine assuming 8,760 hours of operation per year.

V. Existing Air Quality

The Blaine County #3 Compressor Station is located in the NE<sup>1</sup>/<sub>4</sub> of the SE<sup>1</sup>/<sub>4</sub> of Section 7, Township 27 North, Range 19 East, Blaine County, Montana. Blaine County is classified as “Unclassifiable/Attainment” for the National Ambient Air Quality Standards (NAAQS) for all criteria pollutants. The closest PSD Class I area is the UL Bend Wilderness Area, which is located approximately 50 miles southeast of the facility.

VI. Ambient Air Impact Analysis

The current permit removes an engine resulting in a reduction in the emission inventory although the engine is no longer on site, and therefore, no actual change in emissions is associated with this action. MAQP #2719-10 has limits and conditions that are designed to be protective of all ambient air quality standards.

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)

Based on this analysis, the Department determined there are no taking or damaging implications associated with this permit action.

VIII. Environmental Assessment

An environmental assessment, required by the Montana Environmental Policy Act, was completed for this project. A copy is attached.

Analysis Prepared By: Craig Henrikson

Date: October 26, 2017

MONTANA DEPARTMENT OF ENVIRONMENTAL QUALITY  
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**ENVIRONMENTAL ASSESSMENT (EA)**

*Issued To:* Havre Pipeline Company, LLC

*MAQP Number:* #2719-10

*EA Draft:* 11/15/2017

*EA Final:* 12/1/2017

*Permit Final:* 12/19/2017

1. *Legal Description of Site:* The legal description of the site location would be the NE ¼ of the SE ¼ of Section 7, Township 27 North, Range 19 East, Blaine County, Montana.
2. *Description of Project:* Havre Pipeline Company, LLC, (HPC) is proposing to eliminate a permitted engine from the site and modify conditions for two other engines. A complete list of the permitted equipment is included in Section I.A of the permit analysis.
3. *Objectives of Project:* The proposed project would correct two anomalies with previous permitting actions and remove an engine which is no longer in service.
4. *Alternatives Considered:* In addition to the proposed action, the Department also considered the "no action" alternative. The "no action" alternative would deny the issuance of the MAQP to the facility. However, the Department does not consider the "no action" alternative to be appropriate because HPC's facility is already in existence and has demonstrated compliance with all applicable rules and regulations as required for permit issuance. Therefore, the "no action" alternative was eliminated from further consideration. Other alternatives considered were discussed in the Best Available Control Technology (BACT) analysis.
5. *A listing of mitigation, stipulations, and other controls:* A list of enforceable conditions, including a BACT analysis, would be included in Montana Air Quality Permit (MAQP) #2719-10.
6. *Regulatory effects on private property:* The Department considered alternatives to the conditions imposed in this permit as part of the permit development. The Department determined that the permit conditions are reasonably necessary to ensure compliance with applicable requirements and demonstrate compliance with those requirements and do not unduly restrict private property rights.

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*

The proposed action would eliminate an engine from the permit that has already been removed from the site and modify conditions for two other engines. There are no changes in current operation or change to actual emissions associated with this proposed project. Conditions requiring control mechanisms have been placed within MAQP #2719-10 to ensure that only minor air quality impacts would occur. Additionally, existing limitations established within MAQP #2719-10 would minimize air pollution. Overall, any adverse impact on terrestrial and aquatic life and habitats is not expected to occur.

B. *Water Quality, Quantity, and Distribution*

This facility would have little or no effect on the water quality, water quantity, and distribution, as there is no discharge to groundwater or surface water associated with the proposed permit changes. Therefore, the project would not be expected to have any impacts to water quality, quantity or distribution in the area.

C. *Geology and Soil Quality, Stability, and Moisture*

This permitting action would have no impact on geology and soil properties with land disturbances as the current operation would not change. The Department determined no impacts from the proposed changes would occur on dispersion characteristics of pollutants, the atmosphere, and conditions that would be placed in MAQP #2719-10.

D. *Vegetation Cover, Quantity, and Quality*

This permitting action would have no impacts on the surrounding vegetation because the current operation would not be changed and no change in actual emissions would occur.

E. *Aesthetics*

Providing the proposed permit changes for the existing facility and associated equipment would not result in any aesthetic changes as no physical changes are associated with this permit action.

F. *Air Quality*

Emissions would be minimized by limitations and conditions that would be included in MAQP #2719-10. While deposition of pollutants would continue to occur, the Department determined that the impacts from the proposed changes would not result in any increase in actual emissions and therefore no impact on the deposition of pollutants.

G. *Unique Endangered, Fragile, or Limited Environmental Resources*

Since the proposed action does not result in a change in operation or change in actual emissions, no new analysis for Unique Endangered, Fragile or Limited Environmental Resources was conducted. Previous analysis for the operation of the site, has determined that there would be a minor disturbance to unidentified unique, endangered, fragile, or limited environmental resources in the area.

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

This permitting action would have no impacts on the Water, Air or Energy resources as the current operation would not be changed and no change in actual emissions would occur.

I. *Historical and Archaeological Sites*

Since the site already exists and no new disturbance is planned, no review of any historical or archaeological sites was attempted.

J. *Cumulative and Secondary Impacts*

This permitting action would not cause effects on the physical and biological aspects of the human environment because the proposed change does not change the current operation at the site. Overall, any impacts to the physical and biological environment would be unchanged from the current operation.

SUMMARY OF COMMENTS ON POTENTIAL SOCIAL AND ECONOMIC EFFECTS: The following comments have been prepared by the Department.

A. *Social Structures and Mores*

The facility would not cause disruption to any native or traditional lifestyles or communities (social structures or mores) in the area because the facility already exists and no physical changes occur with this permitting action.

B. *Cultural Uniqueness and Diversity*

No impacts to cultural uniqueness and diversity of the area would be anticipated as the site already exists. No additional employees are expected with the permit issuance. In addition, no new disturbance is planned. Therefore, the cultural uniqueness and diversity of the area would not likely be affected.

C. *Local and State Tax Base and Tax Revenue*

No impacts to tax base and revenue would be anticipated as the site already exists. No additional employees are expected with the permit issuance. In addition, no new disturbance is planned. Therefore, taxes and revenue of the area would not likely be affected.

D. *Agricultural or Industrial Production*

The land at the location is currently used as an existing compressor station. The permit changes occurring would not have any impacts on agricultural production. Because the facility currently exists, no impact to agricultural production or increase in industrial production would be expected.

E. *Human Health*

The permitting action would not result in any impacts to human health. As explained in Section 7.F of this EA, deposition of pollutants would occur; however, the Department determined that the facility 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 unchanged with the current permit action.

F. *Access to and Quality of Recreational and Wilderness Activities*

The facility already exists and there would be no impacts to access and quality of recreational and wilderness activities under this permitting action.

G. *Quantity and Distribution of Employment*

No impacts to the quantity and distribution would be anticipated as the site already exists. No additional employees are expected with the permit issuance. In addition, no new disturbance is planned.

H. *Distribution of Population*

No impacts to the quantity and distribution would be anticipated as the site already exists and therefore no change in the distribution of population is expected with this permitting action.

I. *Demands of Government Services*

No changes in the demand for Government Services are expected under this permitting action.

J. *Industrial and Commercial Activity*

No changes in the industrial and commercial activity are expected under this permitting action.

K. *Locally Adopted Environmental Plans and Goals*

The Department is not aware of any locally adopted environmental plans and goals affected by issuing MAQP #2719-10. This permit would contain limits for protecting air quality and keeping facility emissions in compliance with any applicable ambient air quality standards. Because the facility is existing, and no physical changes in operation or actual emissions, no impact on environmental plans and goals is expected.

L. *Cumulative and Secondary Impacts*

Overall, cumulative and secondary impacts from this permitting action are expected to be unchanged. 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 MAQP #2719-10.

Recommendation: No Environmental Impact Statement (EIS) is required.

If an EIS is not required, explain why the EA is an appropriate level of analysis: The current permitting action is for issuing a permit which does not result in physical changes to the facility and does not result in a change in actual emissions. MAQP #2719-10 would include conditions and limitations to ensure the facility would operate in compliance with all applicable air quality rules and regulations. In addition, there are no major or unknown effects associated with this proposal.

Individuals or groups contributing to this EA: Montana Department of Environmental Quality

EA prepared by: C. Henrikson

Date: October 26, 2017