



May 31, 2018

Peter Schoonmaker  
Powder Holdings LLC  
1 East Alger  
Sheridan, WY 82801

Dear Mr. Schoonmaker:

Montana Air Quality Permit #3383-03 is deemed final as of May 31, 2018, by the Department of Environmental Quality (Department). This permit is for a coal bed methane natural gas field/central compressor station. 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,

A handwritten signature in black ink that reads "Julie A. Merkel".

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

A handwritten signature in black ink that reads "Rhonda Payne".

Rhonda Payne  
Environmental Science Specialist  
Air Quality Bureau  
(406) 444-5287

JM:RP  
Enclosure

Montana Department of Environmental Quality  
Air, Energy & Mining Division

Montana Air Quality Permit #3383-03

Powder Holdings LLC  
1 East Alger  
Sheridan, WY 82801

May 31, 2018



# MONTANA AIR QUALITY PERMIT

Issued To: Powder Holdings LLC  
1 East Alger  
Sheridan, WY 82801

MAQP: #3383-03  
Administrative Amendment (AA)  
Request Received: 4/17/2018  
Department's Decision on AA: 5/15/2018  
Permit Final: 5/31/2018

A Montana Air Quality Permit (MAQP), with conditions, is hereby granted to Powder Holdings LLC (Powder Holdings), 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 Facility

### A. Plant Location

The facility is located approximately nine miles northeast of Decker, Montana, in the NW<sup>1</sup>/<sub>4</sub> of Section 14, Township 9 South, Range 41 East, in Big Horn County, Montana (45.05112, -106.68385). The facility is a coal bed methane natural gas field/central compressor station and is referred to as the Deer Creek Central – Holmes 14 Complex.

### B. Current Permit Action

On April 17, 2018, the Montana Department of Environmental Quality (Department) received an Administrative Amendment (AA) request to transfer ownership of the Deer Creek Central - Holmes 14 Complex compressor station from WBI Energy Midstream, LLC to Powder Holdings. In addition to accounting for this transfer of ownership, the permit action updates the rule references and the permit format.

## Section II: Conditions and Limitations

### A. Emission Limitations

1. Powder Holdings shall not operate more than five compressor engines at any one time at the Deer Creek Central - Holmes 14 Complex (ARM 17.8.749).
2. Compressor engines #1, #2, and #3 (Holmes 14 Battery), shall not exceed a combined maximum rated design capacity of 1266-horsepower (hp) and the maximum rated design capacity of each individual compressor engine shall not exceed 860-hp. Compressor engines #1, #2, and #3, shall be one of the following compressor engines: lean-burn Ajax 2802LE; rich-burn Caterpillar 3408TA; lean-burn Waukesha F18GL; lean-burn Caterpillar 3508 LE; rich-burn Waukesha 3524GSI; and lean-burn Caterpillar 3512LE (ARM 17.8.749).

3. Compressor engines #4 and #5 (Deer Creek Central Station) shall not exceed individual maximum rated design capacities of 1,775-hp. Compressor engines #4 and #5 shall be one of the following compressor engines: lean-burn Caterpillar 3520B; rich-burn Waukesha 7044GSI; or lean-burn Caterpillar 3606 (ARM 17.8.749).

4. The pound per hour (lb/hr) emission limits for each of the 316-hp Ajax 2802LE shall be (ARM 17.8.752):

Oxides of Nitrogen (NOX)	0.70 lb/hr
Carbon Monoxide (CO)	1.46 lb/hr
Volatile Organic Compounds (VOC)	0.70 lb/hr

5. The 400-hp Waukesha F18GL shall be controlled with an oxidation catalyst. The lb/hr emission limits for each of the 400-hp Waukesha F18GL shall be (ARM 17.8.752):

NO <sub>x</sub>	0.88 lb/hr
CO	0.44 lb/hr
VOC	0.88 lb/hr

6. The 1,675-hp Caterpillar 3520B shall be controlled with an oxidation catalyst and an air-to-fuel ratio (AFR) controller. The lb/hr emission limits for each of the 1,675-hp Caterpillar 3520B shall be (ARM 17.8.752):

NO <sub>x</sub>	3.69 lb/hr
CO	1.85 lb/hr
VOC	3.69 lb/hr

7. The 1,775-hp Caterpillar 3606 shall be controlled with an oxidation catalyst and an AFR controller. The lb/hr emission limits for each of the 1,775-hp Caterpillar 3606 shall be (ARM 17.8.752):

NO <sub>x</sub>	3.91 lb/hr
CO	1.96 lb/hr
VOC	3.91 lb/hr

8. The 633-hp Caterpillar 3508LE shall be controlled with an oxidation catalyst and an AFR controller. The lb/hr emission limits for each of the 633-hp Caterpillar 3508LE shall be (ARM 17.8.752):

NO <sub>x</sub>	2.79 lb/hr
CO	0.70 lb/hr
VOC	1.40 lb/hr

9. The 860-hp Caterpillar 3512LE shall be controlled with an oxidation catalyst and an AFR controller. The lb/hr emission limits for each of the 860-hp Caterpillar 3512LE shall not exceed the following (ARM 17.8.752):

NO <sub>x</sub>	2.85 lb/hr
CO	0.94 lb/hr
VOC	1.90 lb/hr

10. The 400-hp Caterpillar G3408TA shall be controlled with a non-selective catalytic reduction (NSCR) unit and an AFR controller. The lb/hr emission limits for each of the 400-hp Caterpillar 3408TA shall not exceed the following (ARM 17.8.752):

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

11. The 840-hp Waukesha 3524GSI shall be controlled with an NSCR and an AFR controller. The lb/hr emission limits for each of the 840-hp Waukesha 3524GSI shall not exceed the following (ARM 17.8.752):

NO <sub>x</sub>	1.85 lb/hr
CO	3.70 lb/hr
VOC	1.85 lb/hr

12. The 1,680-hp Waukesha 7044GSI shall be controlled with a non-selective catalytic reduction (NSCR) unit and an AFR controller. The lb/hr emission limits for each of the 1,680-hp Waukesha 7044GSI shall not exceed the following (ARM 17.8.752):

NO <sub>x</sub>	3.70 lb/hr
CO	7.41 lb/hr
VOC	3.70 lb/hr

13. Powder Holdings 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 six consecutive minutes (ARM 17.8.304).
14. Powder Holdings 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).
15. Powder Holdings 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.14 (ARM 17.8.749).

## B. Testing Requirements

1. Ajax 2802LE compressor engine(s) shall be initially tested for nitrogen oxides (NO<sub>x</sub>) and carbon monoxide (CO), concurrently, to demonstrate compliance with the emission limits contained in Section II.A.4. The initial source testing shall be conducted within 180 days of the initial startup date of the compressor engine(s). After the initial source test, additional testing shall continue on an every four-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. Waukesha F18GL compressor engine(s) shall be initially tested for NO<sub>x</sub> and CO, concurrently, to demonstrate compliance with the emission limits contained in Section II.A.5. The initial source testing shall be conducted within 180 days of the initial startup date of the compressor engine(s). After the initial source test, additional testing shall continue on an every four-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. Caterpillar 3520B compressor engine(s) shall be initially tested for NO<sub>x</sub> and CO, concurrently, to demonstrate compliance with the emission limits contained in Section II.A.6. The initial source testing shall be conducted within 180 days of the initial startup date of the compressor engine(s). After the initial source test, additional testing shall continue on an every four-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. Caterpillar 3606 compressor engine(s) shall be initially tested for NO<sub>x</sub> and CO, concurrently, to demonstrate compliance with the emission limits contained in Section II.A.7. The initial source testing shall be conducted within 180 days of the initial startup date of the compressor engine(s). After the initial source test, additional testing shall continue on an every four-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).
5. Caterpillar 3508LE compressor engine(s) shall be initially tested for NO<sub>x</sub> and CO, concurrently, to demonstrate compliance with the emission limits contained in Section II.A.8. The initial source testing shall be conducted within 180 days of the initial startup date of the compressor engine(s). After the initial source test, additional testing shall continue on an every four-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).
6. Caterpillar 3512LE compressor engine(s) shall be initially tested for NO<sub>x</sub> and CO, concurrently, to demonstrate compliance with the emission limits contained in Section II.A.9. The initial source testing shall be conducted within 180 days of the initial startup date of the compressor engine(s). After the initial source test, additional testing shall continue on an every four-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).

7. Caterpillar G3408TA compressor engines shall be initially tested for NO<sub>x</sub> and CO, concurrently, to demonstrate compliance with the emission limits contained in Section II.A.10. The initial source testing shall be conducted within 180 days of the initial startup date of the compressor engine. After the initial source test, additional testing shall continue on an every four-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).
8. Waukesha 3524GSI compressor engine(s) shall be initially tested for NO<sub>x</sub> and CO, concurrently, to demonstrate compliance with the emission limits contained in Section II.A.11. The initial source testing shall be conducted within 180 days of the initial startup date of the compressor engine(s). After the initial source test, additional testing shall continue on an every four-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).
9. Waukesha 7044GSI compressor engine(s) shall be initially tested for NO<sub>x</sub> and CO, concurrently, to demonstrate compliance with the emission limits contained in Section II.A.12. The initial source testing shall be conducted within 180 days of the initial startup date of the compressor engine(s). After the initial source test, additional testing shall continue on an every four-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).
10. All compliance source tests shall conform to the requirements of the Montana Source Test Protocol and Procedures Manual (ARM 17.8.106).
11. The Department may require further testing (ARM 17.8.105).

C. Operational Reporting Requirements

1. Powder Holdings 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. Powder Holdings shall notify the Department of any construction or improvement project conducted pursuant to ARM 17.8.745, that would include *the additional 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 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).

3. All records compiled in accordance with this permit must be maintained by Powder Holdings as a permanent business record for at least five 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. These records may be stored at a location other than the plant site upon approval by the Department (ARM 17.8.749).

### Section III: General Conditions

- A. Inspection – Powder Holdings 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), 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 Powder Holdings fails to appeal as indicated below.
- C. Compliance with Statutes and Regulations – Nothing in this permit shall be construed as relieving Powder Holdings 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, failure to pay the annual operation fee by Powder Holdings 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  
Powder Holdings, LLC  
MAQP #3383-03

I. Introduction/Process Description

Powder Holdings, LLC (Powder Holdings) owns and operates a coal bed methane natural gas field/central compressor station. The facility is located approximately nine miles northeast of Decker, Montana, in the NW<sup>1</sup>/<sub>4</sub> of Section 14, Township 9 South, Range 41 East, (45.05112, -106.68385) in Big Horn County, Montana and is known as the Deer Creek Central – Holmes 14 Complex.

A. Permitted Equipment

The facility consists of not more than five compressor engines. Three of the five compressor engines shall not exceed a combined maximum rated design capacity of 1266-horsepower (hp) and the maximum rated design capacity of each individual engine shall not exceed 860-hp. These three compressor engines may include any combination of lean-burn 316-hp Ajax 2802LE compressor engines; rich-burn 400-hp Caterpillar 3408TA compressor engines; lean-burn 400-hp Waukesha F18GL compressor engines; lean-burn 633-hp Caterpillar 3508LE compressor engines; rich-burn 840-hp Waukesha 3524GSI compressor engines; and lean-burn 860-hp Caterpillar 3512LE compressor engines as long as the combined maximum rated design capacity of 1266-horsepower (hp) is not exceeded. This permit does not allow the use of other engine models.

Two of the five compressor engines shall not exceed individual maximum rated design capacities of 1,775-hp. These two compressor engines may include any combination of lean-burn 1,675-hp Caterpillar 3520B compressor engines, rich-burn 1,680-hp Waukesha 7044GSI compressor engines, and lean-burn 1,775-hp Caterpillar 3606 compressor engines. This permit does not allow the use of other engine models.

In addition to the compressor engines, the facility would also include two glycol dehydration units up to 1 million British thermal units per hour (MMBtu/hr) and miscellaneous support equipment and materials including, but not limited to, tanks, tank heaters, etc.

B. Source Description

The Deer Creek Central - Holmes 14 Complex is a coal bed methane, natural gas field/central compressor station. Coal bed methane is a natural hydrocarbon gas, primarily methane, which occurs in beds of coal. Production field facilities withdraw the methane from the coal beds and send the methane to central compressor stations where the gas is dehydrated and compressed for further transportation to sales destinations through a natural gas pipeline. The Holmes 14 portion of the complex is a field compression facility and the Deer Creek Central portion of the complex is a central compressor station. The two glycol dehydration units are used to remove moisture from the gas and the compressor engines are used to gather the field gas and boost pipeline pressure for transmitting the natural gas through the pipeline.

### C. Permit History

On July 28, 2005, the Department of Environmental Quality- Air Quality Bureau (Department) issued **MAQP #3383-00** to Bitter Creek Pipelines, LLC for the construction and operation of the Deer Creek Central - Rancholme 14 Complex. The facility is a coal bed methane natural gas field/central compressor station.

On December 5, 2005, the Department received a request to change the name of the compression facility on Permit #3383-00 from Deer Creek Central - Rancholme 14 Complex to Deer Creek Central - Holmes 14 Complex, and update the permit to reflect the current permit language and rule references used by the Department. **MAQP #3383-01** replaced MAQP #3383-00.

On December 10, 2012, the Department received an Administrative Amendment (AA) request from WBI to change the official name of the company from Bitter Creek Pipelines, LLC to WBI Energy Midstream, LLC. **MAQP #3383-02** replaced MAQP #3383-01.

### D. Current Permit Action

On April 17, 2018, the Department received an Administrative Amendment (AA) request to transfer ownership of the Deer Creek Central - Holmes 14 Complex compressor station from WBI Energy Midstream, LLC to Powder Holdings. In addition to accounting for this transfer of ownership, the permit action updates the rule references and the permit format. **MAQP #3383-03** replaces MAQP #3383-02.

### 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).

Powder Holdings 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>

Powder Holdings 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, Powder Holdings 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. 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 Part 60, Standards of Performance for New Stationary Sources (NSPS). This facility is considered an NSPS affected facility under 40CFR Part 60 and is subject to the requirements of the following subparts.
  - a. 40 CFR 60, Subpart A – General Provisions apply to all equipment or facilities subject to an NSPS Subpart as listed below.
  - b. 40 CFR 60, Subpart JJJJ – Standards of Performance for Stationary Spark Ignition Internal Combustion Engines (SI ICE). Owners and operators of stationary SI ICE that commence construction after June 12, 2006, where the stationary SI ICE are manufactured on or after July 1, 2007, for engines with a maximum engine power greater than or equal to 500 hp (except lean burn engines with a maximum engine power greater than or equal to 500 hp and less than 1,350 hp); on or after January 1, 2008, for lean burn engines with a maximum engine power greater than or equal to 500 hp and less than 1,350 hp; on or after July 1, 2008, for engines with a maximum engine power less than 500 hp; or on or after January 1, 2009, for emergency engines with a maximum engine power greater than 19 kW (25 hp) are subject to this subpart. Owners and operators of stationary SI ICE that are modified or reconstructed after June 12, 2006, and any person that modifies or reconstructs any stationary SI ICE after June 12, 2006, are also subject to this subpart. The engines at the Deer Creek Central - Holmes 14 Complex were manufactured and/or constructed prior to the applicability dates. However, should any of the engines undergo modification or reconstruction as defined for

this Subpart, or Powder Holdings replaces an engine with one manufactured on or after July 1, 2007, this Subpart would become applicable.

8. ARM 17.8.341 Emission Standards for Hazardous Air Pollutants. This source shall comply with the standards and provisions of 40 CFR Part 61, as appropriate.
9. ARM 17.8.342 Emission Standards for Hazardous Air Pollutants for Source Categories. The source, as defined and applied in 40 CFR Part 63, shall comply with the requirements of 40 CFR Part 63, as applicable:
  - a. 40 CFR 63, Subpart A – General Provisions apply to all equipment or facilities subject to an NESHAP Subpart as listed below:
  - b. 40 CFR 63, Subpart HH – National Emission Standards for Hazardous Air Pollutants from Oil and Natural Gas Production Facilities. Owners or operators of oil and natural gas production facilities, as defined and applied in 40 CFR Part 63, shall comply with standards and provisions of 40 CFR 63, Subpart HH. For a natural gas production facility to be subject to conditions of 40 CFR 63 Subpart HH requirements, certain criteria must be met. First, the facility must be a major or area source of hazardous air pollutants (HAP) as determined according to paragraphs (a)(1)(i) through (a)(1)(iii) of 40 CFR 63, Subpart HH. Second, a facility that is determined to be major for HAP must also either process, upgrade, or store hydrocarbon liquids prior to the point of custody transfer, or process, upgrade, or store natural gas prior to the point at which natural gas enters the natural gas transmission and storage source category or is delivered to an end user. Third, the facility must also contain an affected source as specified in paragraphs (b)(1) through (b)(2) of 40 CFR 63, Subpart HH. Finally, if the first three criteria are met, and the exemptions contained in paragraphs (e)(1) and (e)(2) of 40 CFR 63, Subpart HH do not apply, the facility is subject to the applicable provisions of 40 CFR 63, Subpart HH. Based on the information submitted by Powder Holdings, the Deer Creek Central - Holmes 14 Complex is not subject to the provisions of 40 CFR 63, Subpart HH because the facility does not process, upgrade or store hydrocarbon liquids prior to the point of custody transfer.
  - c. 40 CFR Part 63, Subpart HHH – National Emission Standards for Hazardous Air Pollutants from Natural Gas Transmission and Storage Facilities. Owners or operators of natural gas transmission or storage facilities, as defined and applied in 40 CFR Part 63, shall comply with the standards and provisions of 40 CFR 63, Subpart HHH. For a natural gas transmission and storage facility to be subject to 40 CFR 63, Subpart HHH requirements, certain criteria must be met. First, the facility must transport or store natural gas prior to the gas entering the pipeline to a local distribution company or to an end user if there is no local distribution company. In addition, the facility must be a major source of HAP as determined using the maximum natural gas throughput as calculated in either paragraphs (a)(1) and (a)(2) or paragraphs (a)(2) and (a)(3) of 40 CFR 63, Subpart HHH. Second, a facility must contain an affected source (glycol dehydration unit) as defined in paragraph (b) of 40 CFR 63, Subpart HHH. Finally, if the first two criteria are met, and the exemptions contained in paragraph (f) of 40 CFR 63,

Subpart HHH, do not apply, the facility is subject to the applicable provisions of 40 CFR 63, Subpart HHH. Based on the information submitted by Powder Holdings, the Deer Creek Central - Holmes 14 Complex is not subject to the provisions of 40 CFR 63, Subpart HHH because the facility is not a major source of HAP.

- d. 40 CFR 63, Subpart ZZZZ – National Emissions Standards for Hazardous Air Pollutants for Stationary Reciprocating Internal Combustion Engines (RICE). An owner or operator of a stationary RICE at a major or area source of HAP emissions is subject to this subpart, except if the stationary RICE is being tested at a stationary RICE test cell/stand. Therefore, Powder Holdings is subject to this subpart.

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. As the current action is an administrative action, no fee is 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 modification to construct, modify, or use any air contaminant sources that have the potential to emit (PTE) greater than 25 tons per year of any pollutant. Powder Holdings has a PTE greater than 25 tons per year of oxides of nitrogen, volatile organic compounds, and carbon monoxide; 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. 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. No public notice was required for this 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 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 Powder Holdings 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 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 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 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 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 #3383-03 for Powder Holdings, 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 current NSPS.
- e. This facility is subject to area source provisions of a current NESHAP (40 CFR 63, Subpart HH and Subpart ZZZZ).
- 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 these facts, the Department determined that Powder Holdings will be a minor source of emissions as defined under Title V.

### III. BACT Determination

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

A BACT analysis was not required for the current permit action because the current permit action is considered an administrative permit action.

### IV. Emission Inventory

The emissions inventory remains the same for this administrative action.

Possible engines	Permit Limitations	Ton/year				
		PM <sub>10</sub>	NO <sub>x</sub>	VOC	CO	SO <sub>x</sub>
316-hp Ajax 2802LE	Any combination of 3 engines - total hp not to exceed 1266	0.09	3.07	1.66	6.40	0.00
400-hp Caterpillar G3408TA		0.13	3.85	3.85	7.71	0.01
400-hp Waukesha F18GL		0.13	3.85	3.85	1.93	0.01
633-hp Caterpillar G3508LE		0.22	12.22	6.13	3.07	0.01
840-hp Waukesha 3524GSI		0.27	8.10	8.10	16.21	0.01
860-hp Caterpillar 3512LE		0.26	12.44	8.32	4.16	0.02
1675-hp Caterpillar 3520B	Any combination of two engines	0.53	16.16	16.16	8.10	0.03
1680-hp Waukesha 7044 GSI		0.57	16.21	16.21	32.46	0.04
1775-hp Caterpillar 3606		0.53	12.00	17.13	8.59	0.03

Ton/year						
Possible engines	Permit Limitations	PM <sub>10</sub>	NO <sub>x</sub>	VOC	CO	SO <sub>x</sub>
Worst Case Engine Combination NO <sub>x</sub> <sup>1</sup>		1.53	48.71	44.59	76.79	0.11
Worst Case Engine Combination CO <sup>2</sup>		1.54	44.37	44.37	88.84	0.10
<b><i>Complex Worst-Case Engine Combination<sup>3</sup></i></b>		<b><i>1.54</i></b>	<b><i>48.71</i></b>	<b><i>44.59</i></b>	<b><i>88.84</i></b>	<b><i>0.11</i></b>
Up To 1 MMBtu/hr Dehydrator #1		0.03	0.44	0.02	0.37	0.00
Up To 1 MMBtu/hr Dehydrator #2		0.03	0.44	0.02	0.37	0.00
Miscellaneous Tanks (35)		0.00	0.00	10.0	0.00	0.00
Miscellaneous Tank Heaters (3)		0.06	0.66	0.03	0.54	0.00
<b>Complex Totals</b>		<b>1.66</b>	<b>50.25</b>	<b>54.66</b>	<b>90.12</b>	<b>0.11</b>

<sup>1</sup>Worst Case NO<sub>x</sub> = (2) 1680-hp Waukesha 7044 GSI, (1) 400-hp Caterpillar G3408TA, and (1) 860-hp Caterpillar 3512LE.

<sup>2</sup>Worst Case CO = (2) 1680-hp Waukesha 7044 GSI, (1) 400-hp Caterpillar G3408TA, and (1) 840-hp Waukesha 3524 GSI.

<sup>3</sup>Complex Worst Case Engine Combination = the higher of NO<sub>x</sub> or CO Worst Case Engine Combination.

### 316-hp Ajax 2802LE Compressor Engine

Horsepower: 316 hp  
Hours of operation: 8760 hr/yr

#### PM<sub>10</sub> Emissions

Emission Factor: 9.91E-03 lb/MMBtu (AP-42, Chapter 3, Table 3.2-1, 7/00)  
Fuel Consumption: 2.46 MMBtu/hr (Maximum Design)  
Calculations: 2.46 MMBtu/hr \* 9.91E-03 lb/MMBtu = 0.02 lb/hr  
0.02 lb/hr \* 8760 hr/yr \* 0.0005 ton/lb = 0.09 ton/yr

#### NO<sub>x</sub> Emissions

Emission factor: 1.00 gram/bhp-hour (BACT Determination)  
Calculations: 1.00 gram/bhp-hour \* 316 hp \* 0.002205 lb/gram = 0.70 lb/hr  
0.70 lb/hr \* 8760 hr/yr \* 0.0005 ton/lb = 3.07 ton/yr

#### VOC Emissions

Emission factor: 0.55 gram/bhp-hour (BACT Determination)  
Calculations: 0.55 gram/bhp-hour \* 316 hp \* 0.002205 lb/gram = 0.38 lb/hr  
0.38 lb/hr \* 8760 hr/yr \* 0.0005 ton/lb = 1.66 ton/yr

#### CO Emissions

Emission factor: 2.10 gram/bhp-hour (BACT Determination)  
Calculations: 2.10 gram/bhp-hour \* 316 hp \* 0.002205 lb/gram = 1.46 lb/hr  
1.46 lb/hr \* 8760 hr/yr \* 0.0005 ton/lb = 6.40 ton/yr

#### SO<sub>2</sub> Emission

Emission factor: 5.88E-04 lb/MMBtu (AP-42, Chapter 3, Table 3.2-1, 7/00)  
Fuel Consumption: 2.46 MMBtu/hr (Maximum Design)  
Calculations: 2.46 MMBtu/hr \* 5.88E-04 lb/MMBtu = 0.001 lb/hr  
0.001 lb/hr \* 8760 hr/yr \* 0.0005 ton/lb = 0.004 ton/yr

## 400-hp Caterpillar G3408TA Compressor Engine

Horsepower: 400 hp  
Hours of operation: 8760 hr/yr

### PM<sub>10</sub> Emissions

Emission Factor: 9.91E-03 lb/MMBtu (AP-42, Chapter 3, Table 3.2-3, 7/00)  
Fuel Consumption: 3.02 MMBtu/hr (Maximum Design)  
Calculations: 3.02 MMBtu/hr \* 9.91E-03 lb/MMBtu = 0.03 lb/hr  
0.03 lb/hr \* 8760 hr/yr \* 0.0005 ton/lb = 0.13 ton/yr

### NO<sub>x</sub> Emissions

Emission factor: 1.00 gram/bhp-hour (BACT Determination)  
Calculations: 1.00 gram/bhp-hour \* 400 hp \* 0.002205 lb/gram = 0.88 lb/hr  
0.88 lb/hr \* 8760 hr/yr \* 0.0005 ton/lb = 3.85 ton/yr

### VOC Emissions

Emission factor: 1.00 gram/bhp-hour (BACT Determination)  
Calculations: 1.00 gram/bhp-hour \* 400 hp \* 0.002205 lb/gram = 0.88 lb/hr  
0.88 lb/hr \* 8760 hr/yr \* 0.0005 ton/lb = 3.85 ton/yr

### CO Emissions

Emission factor: 2.00 gram/bhp-hour (BACT Determination)  
Calculations: 2.00 gram/bhp-hour \* 400 hp \* 0.002205 lb/gram = 1.76 lb/hr  
1.76 lb/hr \* 8760 hr/yr \* 0.0005 ton/lb = 7.71 ton/yr

### SO<sub>2</sub> Emission

Emission factor: 5.88E-04 lb/MMBtu (AP-42, Chapter 3, Table 3.2-3, 7/00)  
Fuel Consumption: 3.02 MMBtu/hr (Maximum Design)  
Calculations: 3.02 MMBtu/hr \* 5.88E-04 lb/MMBtu = 0.002 lb/hr  
0.002 lb/hr \* 8760 hr/yr \* 0.0005 ton/lb = 0.01 ton/yr

## 400-hp Waukesha F18GL Compressor Engine

Horsepower: 400 hp  
Hours of operation: 8760 hr/yr

### PM<sub>10</sub> Emissions

Emission Factor: 9.91E-03 lb/MMBtu (AP-42, Chapter 3, Table 3.2-2, 7/00)  
Fuel Consumption: 2.86 MMBtu/hr (Maximum Design)  
Calculations: 2.86 MMBtu/hr \* 9.91E-03 lb/MMBtu = 0.03 lb/hr  
0.03 lb/hr \* 8760 hr/yr \* 0.0005 ton/lb = 0.13 ton/yr

### NO<sub>x</sub> Emissions

Emission factor: 1.00 gram/bhp-hour (BACT Determination)  
Calculations: 1.00 gram/bhp-hour \* 400 hp \* 0.002205 lb/gram = 0.88 lb/hr  
0.88 lb/hr \* 8760 hr/yr \* 0.0005 ton/lb = 3.85 ton/yr

### VOC Emissions

Emission factor: 1.00 gram/bhp-hour (BACT Determination)  
Calculations:  $1.00 \text{ gram/bhp-hour} * 400 \text{ hp} * 0.002205 \text{ lb/gram} = 0.88 \text{ lb/hr}$   
 $0.88 \text{ lb/hr} * 8760 \text{ hr/yr} * 0.0005 \text{ ton/lb} = 3.85 \text{ ton/yr}$

### CO Emissions

Emission factor: 0.50 gram/bhp-hour (BACT Determination)  
Calculations:  $0.50 \text{ gram/bhp-hour} * 400 \text{ hp} * 0.002205 \text{ lb/gram} = 0.44 \text{ lb/hr}$   
 $0.44 \text{ lb/hr} * 8760 \text{ hr/yr} * 0.0005 \text{ ton/lb} = 1.93 \text{ ton/yr}$

### SO<sub>2</sub> Emission

Emission factor: 5.88E-04 lb/MMBtu (AP-42, Chapter 3, Table 3.2-2, 7/00)  
Fuel Consumption: 2.86 MMBtu/hr (Maximum Design)  
Calculations:  $2.86 \text{ MMBtu/hr} * 5.88\text{E-}04 \text{ lb/MMBtu} = 0.002\text{lb/hr}$   
 $0.002 \text{ lb/hr} * 8760 \text{ hr/yr} * 0.0005 \text{ ton/lb} = 0.01 \text{ ton/yr}$

## **633-hp Caterpillar G3508LE Compressor Engine**

Horsepower: 633 hp  
Hours of operation: 8760 hr/yr

### PM<sub>10</sub> Emissions

Emission Factor: 9.91E-03 lb/MMBtu (AP-42, Chapter 3, Table 3.2-2, 7/00)  
Fuel Consumption: 4.80 MMBtu/hr (Maximum Design)  
Calculations:  $4.80 \text{ MMBtu/hr} * 9.91\text{E-}03 \text{ lb/MMBtu} = 0.05 \text{ lb/hr}$   
 $0.05 \text{ lb/hr} * 8760 \text{ hr/yr} * 0.0005 \text{ ton/lb} = 0.22 \text{ ton/yr}$

### NO<sub>x</sub> Emissions

Emission factor: 2.00 gram/bhp-hour (BACT Determination)  
Calculations:  $2.00 \text{ gram/bhp-hour} * 633 \text{ hp} * 0.002205 \text{ lb/gram} = 2.79 \text{ lb/hr}$   
 $2.79 \text{ lb/hr} * 8760 \text{ hr/yr} * 0.0005 \text{ ton/lb} = 12.22 \text{ ton/yr}$

### VOC Emissions

Emission factor: 1.00 gram/bhp-hour (BACT Determination)  
Calculations:  $1.00 \text{ gram/bhp-hour} * 633 \text{ hp} * 0.002205 \text{ lb/gram} = 1.40 \text{ lb/hr}$   
 $1.40 \text{ lb/hr} * 8760 \text{ hr/yr} * 0.0005 \text{ ton/lb} = 6.13 \text{ ton/yr}$

### CO Emissions

Emission factor: 0.50 gram/bhp-hour (BACT Determination)  
Calculations:  $0.50 \text{ gram/bhp-hour} * 633 \text{ hp} * 0.002205 \text{ lb/gram} = 0.70 \text{ lb/hr}$   
 $0.70 \text{ lb/hr} * 8760 \text{ hr/yr} * 0.0005 \text{ ton/lb} = 3.07 \text{ ton/yr}$

### SO<sub>2</sub> Emission

Emission factor: 5.88E-04 lb/MMBtu (AP-42, Chapter 3, Table 3.2-2, 7/00)  
Fuel Consumption: 4.80 MMBtu/hr (Maximum Design)  
Calculations:  $4.80 \text{ MMBtu/hr} * 5.88\text{E-}04 \text{ lb/MMBtu} = 0.003 \text{ lb/hr}$   
 $0.003 \text{ lb/hr} * 8760 \text{ hr/yr} * 0.0005 \text{ ton/lb} = 0.01 \text{ ton/yr}$

## 840-hp Waukesha 3524GSI Compressor Engine

Horsepower: 840 hp  
Hours of operation: 8760 hr/yr

### PM<sub>10</sub> Emissions

Emission Factor: 9.50E-03 lb/MMBtu (AP-42, Chapter 3, Table 3.2-3, 7/00)  
Fuel Consumption: 6.57 MMBtu/hr (Maximum Design)  
Calculations: 6.57 MMBtu/hr \* 9.50E-03 lb/MMBtu = 0.06 lb/hr  
0.06 lb/hr \* 8760 hr/yr \* 0.0005 ton/lb = 0.27 ton/yr

### NO<sub>x</sub> Emissions

Emission factor: 1.00 gram/bhp-hour (BACT Determination)  
Calculations: 1.00 gram/bhp-hour \* 840 hp \* 0.002205 lb/gram = 1.85 lb/hr  
1.85 lb/hr \* 8760 hr/yr \* 0.0005 ton/lb = 8.10 ton/yr

### VOC Emissions

Emission factor: 1.00 gram/bhp-hour (BACT Determination)  
Calculations: 1.00 gram/bhp-hour \* 840 hp \* 0.002205 lb/gram = 1.85 lb/hr  
1.85 lb/hr \* 8760 hr/yr \* 0.0005 ton/lb = 8.10 ton/yr

### CO Emissions

Emission factor: 2.00 gram/bhp-hour (BACT Determination)  
Calculations: 2.00 gram/bhp-hour \* 840 hp \* 0.002205 lb/gram = 3.70 lb/hr  
3.70 lb/hr \* 8760 hr/yr \* 0.0005 ton/lb = 16.21 ton/yr

### SO<sub>2</sub> Emission

Emission factor: 5.88E-04 lb/MMBtu (AP-42, Chapter 3, Table 3.2-3, 7/00)  
Fuel Consumption: 6.57 MMBtu/hr (Maximum Design)  
Calculations: 6.57 MMBtu/hr \* 5.88E-04 lb/MMBtu = 0.004 lb/hr  
0.004 lb/hr \* 8760 hr/yr \* 0.0005 ton/lb = 0.01 ton/yr

## 860-hp Caterpillar 3512LE Compressor Engine

Horsepower: 860 hp  
Hours of operation: 8760 hr/yr

### PM<sub>10</sub> Emissions

Emission Factor: 9.91E-03 lb/MMBtu (AP-42, Chapter 3, Table 3.2-2, 7/00)  
Fuel Consumption: 6.42 MMBtu/hr (Maximum Design)  
Calculations: 6.42 MMBtu/hr \* 9.91E-03 lb/MMBtu = 0.06 lb/hr  
0.06 lb/hr \* 8760 hr/yr \* 0.0005 ton/lb = 0.26 ton/yr

### NO<sub>x</sub> Emissions

Emission factor: 1.50 gram/bhp-hour (BACT Determination)  
Calculations: 1.50 gram/bhp-hour \* 860 hp \* 0.002205 lb/gram = 2.84 lb/hr  
2.84 lb/hr \* 8760 hr/yr \* 0.0005 ton/lb = 12.44 ton/yr

### VOC Emissions

Emission factor: 1.00 gram/bhp-hour (BACT Determination)

Calculations:  $1.00 \text{ gram/bhp-hour} * 860 \text{ hp} * 0.002205 \text{ lb/gram} = 1.90 \text{ lb/hr}$   
 $1.90 \text{ lb/hr} * 8760 \text{ hr/yr} * 0.0005 \text{ ton/lb} = 8.32 \text{ ton/yr}$

#### CO Emissions

Emission factor: 0.50 gram/bhp-hour (BACT Determination)  
Calculations:  $0.50 \text{ gram/bhp-hour} * 860 \text{ hp} * 0.002205 \text{ lb/gram} = 0.95 \text{ lb/hr}$   
 $0.95 \text{ lb/hr} * 8760 \text{ hr/yr} * 0.0005 \text{ ton/lb} = 4.16 \text{ ton/yr}$

#### SO<sub>2</sub> Emission

Emission factor:  $5.88\text{E-}04 \text{ lb/MMBtu}$  (AP-42, Chapter 3, Table 3.2-2, 7/00)  
Fuel Consumption: 6.42 MMBtu/hr (Maximum Design)  
Calculations:  $6.42 \text{ MMBtu/hr} * 5.88\text{E-}04 \text{ lb/MMBtu} = 0.004 \text{ lb/hr}$   
 $0.004 \text{ lb/hr} * 8760 \text{ hr/yr} * 0.0005 \text{ ton/lb} = 0.02 \text{ ton/yr}$

### **1675-hp Caterpillar 3520B Compressor Engine**

Horsepower: 1675 hp  
Hours of operation: 8760 hr/yr

#### PM<sub>10</sub> Emissions

Emission Factor:  $9.91\text{E-}03 \text{ lb/MMBtu}$  (AP-42, Chapter 3, Table 3.2-2, 7/00)  
Fuel Consumption: 11.84 MMBtu/hr (Maximum Design)  
Calculations:  $11.84 \text{ MMBtu/hr} * 9.91\text{E-}03 \text{ lb/MMBtu} = 0.12 \text{ lb/hr}$   
 $0.12 \text{ lb/hr} * 8760 \text{ hr/yr} * 0.0005 \text{ ton/lb} = 0.53 \text{ ton/yr}$

#### NO<sub>x</sub> Emissions

Emission factor: 1.00 gram/bhp-hour (BACT Determination)  
Calculations:  $1.00 \text{ gram/bhp-hour} * 1675 \text{ hp} * 0.002205 \text{ lb/gram} = 3.69 \text{ lb/hr}$   
 $3.69 \text{ lb/hr} * 8760 \text{ hr/yr} * 0.0005 \text{ ton/lb} = 16.16 \text{ ton/yr}$

#### VOC Emissions

Emission factor: 1.00 gram/bhp-hour (BACT Determination)  
Calculations:  $1.00 \text{ gram/bhp-hour} * 1675 \text{ hp} * 0.002205 \text{ lb/gram} = 3.69 \text{ lb/hr}$   
 $3.69 \text{ lb/hr} * 8760 \text{ hr/yr} * 0.0005 \text{ ton/lb} = 16.16 \text{ ton/yr}$

#### CO Emissions

Emission factor: 0.50 gram/bhp-hour (BACT Determination)  
Calculations:  $0.50 \text{ gram/bhp-hour} * 1675 \text{ hp} * 0.002205 \text{ lb/gram} = 1.85 \text{ lb/hr}$   
 $1.85 \text{ lb/hr} * 8760 \text{ hr/yr} * 0.0005 \text{ ton/lb} = 8.10 \text{ ton/yr}$

#### SO<sub>2</sub> Emission

Emission factor:  $5.88\text{E-}04 \text{ lb/MMBtu}$  (AP-42, Chapter 3, Table 3.2-2, 7/00)  
Fuel Consumption: 11.84 MMBtu/hr (Maximum Design)  
Calculations:  $11.84 \text{ MMBtu/hr} * 5.88\text{E-}04 \text{ lb/MMBtu} = 0.007 \text{ lb/hr}$   
 $0.007 \text{ lb/hr} * 8760 \text{ hr/yr} * 0.0005 \text{ ton/lb} = 0.03 \text{ ton/yr}$

### **1680-hp Waukesha 7044GSI Compressor Engine**

Horsepower: 1680 hp  
Hours of operation: 8760 hr/yr

PM<sub>10</sub> Emissions

Emission Factor: 9.50E-03 lb/MMBtu (AP-42, Chapter 3, Table 3.2-3, 7/00)  
Fuel Consumption: 13.23 MMBtu/hr (Maximum Design)  
Calculations: 13.23 MMBtu/hr \* 9.50E-03 lb/MMBtu = 0.13 lb/hr  
0.13 lb/hr \* 8760 hr/yr \* 0.0005 ton/lb = 0.57 ton/yr

NO<sub>x</sub> Emissions

Emission factor: 1.00 gram/bhp-hour (BACT Determination)  
Calculations: 1.00 gram/bhp-hour \* 1680 hp \* 0.002205 lb/gram = 3.70 lb/hr  
3.70 lb/hr \* 8760 hr/yr \* 0.0005 ton/lb = 16.21 ton/yr

VOC Emissions

Emission factor: 1.00 gram/bhp-hour (BACT Determination)  
Calculations: 1.00 gram/bhp-hour \* 1680 hp \* 0.002205 lb/gram = 3.70 lb/hr  
3.70 lb/hr \* 8760 hr/yr \* 0.0005 ton/lb = 16.21 ton/yr

CO Emissions

Emission factor: 2.00 gram/bhp-hour (BACT Determination)  
Calculations: 2.00 gram/bhp-hour \* 1680 hp \* 0.002205 lb/gram = 7.41 lb/hr  
7.41 lb/hr \* 8760 hr/yr \* 0.0005 ton/lb = 32.46 ton/yr

SO<sub>2</sub> Emission

Emission factor: 5.88E-04 lb/MMBtu (AP-42, Chapter 3, Table 3.2-3, 7/00)  
Fuel Consumption: 13.23 MMBtu/hr (Maximum Design)  
Calculations: 13.23 MMBtu/hr \* 5.88E-04 lb/MMBtu = 0.008 lb/hr  
0.008 lb/hr \* 8760 hr/yr \* 0.0005 ton/lb = 0.04 ton/yr

**1775-hp Caterpillar 3606B Compressor Engine**

Horsepower: 1775 hp  
Hours of operation: 8760 hr/yr

PM<sub>10</sub> Emissions

Emission Factor: 9.91E-03 lb/MMBtu (AP-42, Chapter 3, Table 3.2-2, 7/00)  
Fuel Consumption: 11.75 MMBtu/hr (Maximum Design)  
Calculations: 11.75 MMBtu/hr \* 9.91E-03 lb/MMBtu = 0.12 lb/hr  
0.12 lb/hr \* 8760 hr/yr \* 0.0005 ton/lb = 0.53 ton/yr

NO<sub>x</sub> Emissions

Emission factor: 0.70 gram/bhp-hour (BACT Determination)  
Calculations: 0.70 gram/bhp-hour \* 1775 hp \* 0.002205 lb/gram = 2.74 lb/hr  
2.74 lb/hr \* 8760 hr/yr \* 0.0005 ton/lb = 12.00 ton/yr

VOC Emissions

Emission factor: 1.00 gram/bhp-hour (BACT Determination)  
Calculations: 1.00 gram/bhp-hour \* 1775 hp \* 0.002205 lb/gram = 3.91 lb/hr  
3.91 lb/hr \* 8760 hr/yr \* 0.0005 ton/lb = 17.13 ton/yr



CO Emissions

Emission factor: 0.50 gram/bhp-hour (BACT Determination)  
Calculations: 0.50 gram/bhp-hour \* 1775 hp \* 0.002205 lb/gram = 1.96 lb/hr  
1.96 lb/hr \* 8760 hr/yr \* 0.0005 ton/lb = 8.59 ton/yr

SO<sub>2</sub> Emission

Emission factor: 5.88E-04 lb/MMBtu (AP-42, Chapter 3, Table 3.2-2, 7/00)  
Fuel Consumption: 11.75 MMBtu/hr (Maximum Design)  
Calculations: 11.75 MMBtu/hr \* 5.88E-04 lb/MMBtu = 0.007 lb/hr  
0.007 lb/hr \* 8760 hr/yr \* 0.0005 ton/lb = 0.03 ton/yr

**Up to 1.0 MMBtu/hr Dehydration Units (2 Dehydration Units)**

Heat Output: 1.0 MMBtu/hr (Maximum Design)  
Hours of Operation: 8760 hr/yr  
Fuel Heating Value: 0.001 MMScf/MMBtu  
Fuel Consumption: 1 MMBtu/hr \* 0.001 MMScf/MMBtu \* 8760 hr/yr = 8.76 MMScf/yr

PM<sub>10</sub> Emissions

Emission Factor: 7.6 lb/MMScf (AP-42, Chapter 1, Table 1.4-2, 7/98)  
Calculations: 7.6 lb/MMScf \* 8.76 MMScf/yr \* 0.0005 ton/lb = 0.03 ton/yr

NO<sub>x</sub> Emissions

Emission factor: 100 lb/MMScf (AP-42, Chapter 1, Table 1.4-1, 7/98)  
Calculations: 100 lb/MMScf \* 8.76 MMScf/yr \* 0.0005 ton/lb = 0.44 ton/yr

VOC Emissions

Emission factor: 5.5 lb/MMScf (AP-42, Chapter 1, Table 1.4-2, 7/98)  
Calculations: 5.5 lb/MMScf \* 8.76 MMScf/yr \* 0.0005 ton/lb = 0.02 ton/yr

CO Emissions

Emission factor: 84 lb/MMScf (AP-42, Chapter 1, Table 1.4-1, 7/98)  
Calculations: 84 lb/MMScf \* 8.76 MMScf/yr \* 0.0005 ton/lb = 0.37 ton/yr

SO<sub>2</sub> Emission

Emission factor: 0.6 lb/MMScf (AP-42, Chapter 1, Table 1.4-2, 7/98)  
Calculations: 0.6 lb/MMScf \* 8.76 MMScf/yr \* 0.0005 ton/lb = 0.003 ton/yr

**(53) Miscellaneous Tanks (water, oil, triethylene glycol)**

**VOC Emissions**

Tanks Emissions

Calculations: (5) 50 gal Engine Jacket Water Tanks (EG/Water) < 1 ton/yr (Company Estimate)

- (5) 500 gal Ethylene Glycol Tanks (EG/Water makeup) < 1 ton/yr (Company Estimate)
- (5) 120 gal Compressor Crankcase Oil Tanks < 1 ton/yr (Company Estimate)
- (5) 230 gal Engine Crankcase Oil Tanks < 1 ton/yr (Company Estimate)
- (5) 350 gal Compressor Lubricator Oil Tanks < 1 ton/yr (Company Estimate)
- (5) 500 gal Waste Oil Tanks < 1 ton/yr (Company Estimate)
- (2) 1000 gal Triethylene Glycol Tanks < 1 ton/yr (Company Estimate)

(1) 400 barrel (bbl) Produced Water Tank	< 1 ton/yr	(Company Estimate)
(1) 400 bbl Water/Oil Mix Holding Tank	< 1 ton/yr	(Company Estimate)
(1) 400 bbl Filtered (Processed) Water Tank	< 1 ton/yr	(Company Estimate)
Tank Total	< 10 ton/yr	

### Tank Heaters (3)

Heat Output:	0.5 MMBtu/hr	(Maximum Design)
Hours of Operation:	8760 hr/yr	
Fuel Heating Value:	0.001 MMScf/MMBtu	
Number of Heaters:	3	
Fuel Consumption:	$0.5 \text{ MMBtu/hr} * 0.001 \text{ MMScf/MMBtu} * 8760 \text{ hr/yr} = 4.38 \text{ MMScf/yr}$	

#### PM<sub>10</sub> Emissions

Emission Factor:	7.6 lb/MMScf	(AP-42, Chapter 1, Table 1.4-2, 7/98)
Calculations:	$7.6 \text{ lb/MMScf} * 4.38 \text{ MMScf/yr} * 0.0005 \text{ ton/lb} = 0.02 \text{ ton/yr}$	
	$0.02 \text{ ton/yr} * 3 \text{ heaters} = 0.06 \text{ ton/yr}$	

#### NO<sub>x</sub> Emissions

Emission factor:	100 lb/MMScf	(AP-42, Chapter 1, Table 1.4-1, 7/98)
Calculations:	$100 \text{ lb/MMScf} * 4.38 \text{ MMScf/yr} * 0.0005 \text{ ton/lb} = 0.22 \text{ ton/yr}$	
	$0.22 \text{ ton/yr} * 3 \text{ heaters} = 0.66 \text{ ton/yr}$	

#### VOC Emissions

Emission factor:	5.5 lb/MMScf	(AP-42, Chapter 1, Table 1.4-2, 7/98)
Calculations:	$5.5 \text{ lb/MMScf} * 4.38 \text{ MMScf/yr} * 0.0005 \text{ ton/lb} = 0.01 \text{ ton/yr}$	
	$0.01 \text{ ton/yr} * 3 \text{ heaters} = 0.03 \text{ ton/yr}$	

#### CO Emissions

Emission factor:	84 lb/MMScf	(AP-42, Chapter 1, Table 1.4-1, 7/98)
Calculations:	$84 \text{ lb/MMScf} * 4.38 \text{ MMScf/yr} * 0.0005 \text{ ton/lb} = 0.18 \text{ ton/yr}$	
	$0.18 \text{ ton/yr} * 3 \text{ heaters} = 0.54 \text{ ton/yr}$	

#### SO<sub>2</sub> Emission

Emission factor:	0.6 lb/MMScf	(AP-42, Chapter 1, Table 1.4-2, 7/98)
Calculations:	$0.6 \text{ lb/MMScf} * 4.38 \text{ MMScf/yr} * 0.0005 \text{ ton/lb} = 0.001 \text{ ton/yr}$	
	$0.001 \text{ ton/yr} * 3 \text{ heaters} = 0.003 \text{ ton/yr}$	

## V. Existing Air Quality

The facility is located approximately nine miles northeast of Decker, Montana, in the NW<sup>1</sup>/<sub>4</sub> of Section 14, Township 9 South, Range 41 East, in Big Horn County, Montana. The air quality of this area is classified as unclassifiable for the National Ambient Air Quality Standards (NAAQS) for criteria pollutants.

## VI. Ambient Air Impact Analysis

The current action is an administrative action, with no increase in allowable emissions occurring as a part of this action. No impacts to ambient air quality because of this permitting action would be expected.

## 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	
XX		1. Does the action pertain to land or water management or environmental regulation affecting private real property or water rights?
	XX	2. Does the action result in either a permanent or indefinite physical occupation of private property?
	XX	3. Does the action deny a fundamental attribute of ownership? (ex.: right to exclude others, disposal of property)
	XX	4. Does the action deprive the owner of all economically viable uses of the property?
	XX	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?
	XX	6. Does the action have a severe impact on the value of the property? (consider economic impact, investment-backed expectations, character of government action)
	XX	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?
	XX	7a. Is the impact of government action direct, peculiar, and significant?
	XX	7b. Has government action resulted in the property becoming practically inaccessible, waterlogged or flooded?
	XX	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?
	XX	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

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: Rhonda Payne  
Date: 5/7/2018