

**ENVIRONMENTAL ASSESSMENT FOR MINOR REVISION
COAL AND URANIUM PROGRAM
MONTANA DEPARTMENT OF ENVIRONMENTAL QUALITY**

COMPANY NAME: Westmoreland Resources Inc.

DATE: 4/23/2009

OPERATING PERMIT#: 85005

MR#: 09-05-01

LOCATION: Absaloka Mine

Type and Purpose of Action:

The proposed minor revision would result in a reduction in the reclamation bond. As approved with Major Revision Application 00181, the bond amount was \$24,179,260. As proposed with this minor revision, the bond would be reduced to \$21,847,831. The reduction is based on the reduction in diesel fuel costs since the bond was calculated for Application 00183. OSM concurred with the proposed reduction on April 23, 2009.

Potential Impacts and Mitigation Measures:

The reduced bond could be insufficient should fuel costs increase more than \$0.50 over the cost used for the calculation - \$1.50 (the pump price at the time minus \$0.53 highway taxes). To insure that the \$0.50 increase in fuel costs was adequately covered by the bond, the proposed contingency component was increased from 4.0 percent to 6.5 percent.

Alternative Actions:

The revision of the bond approved with application 00181 (\$24,179,260) could be denied, ensuring that sufficient reclamation bond would be in place; however, the proposed action also accomplishes this.