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

COMPANY NAME: Signal Peak Energy, LLC. DATE: July 9, 2009

OPERATING PERMIT# : 93017 MR#: 09-17-15

LOCATION: Bull Mountain Mine, WDA Pond 2 redesign, Section 11, T6N, R26E

Type and Purpose of Action:

The proponent requested approval to alter the design of a sediment pond including lowering the storage volume and changing the spillway from a drop inlet pipe to an earthen, open-channel spillway. The pond will capture sediment from a sub-soil stockpile which has been constructed. The impoundment will store approximately 12 ac-ft at the spillway crest with an embankment approximately 8 feet in height and 600 feet in length.

Potential Impacts and Mitigation Measures:

The redesign amounts to a smaller scale project than the original design so the net effect of this proposed action should be to lessen any impacts the original project would have had. As an earthwork project, construction of the impoundment will necessarily involve disturbance of land surface. Mitigation measures include salvaging topsoil before construction and reclaiming the site once it is not longer needed.

Potential impacts from the project during construction will include increased potential for localized erosion and sediment runoff. Best management practices would be used to control contamination of surface waters. Dust control measures will be in place.

A class III cultural resource survey of this portion of the mine site has been completed. The impacts are not considered significant and the potential for environmental harm is small.

Alternative Actions:

The purpose of this dam is to capture sediment and minimize topsoil loss. Not building the project will definitely increase the potential for down-channel impacts. The original design, having more storage capacity, would have had a lower probable risk of failure or discharge in lower frequency events but potentially more deleterious impacts if failure did occur. The net result of this approving this change should be impact neutral.