

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

COMPANY NAME: Signal Peak Energy

DATE: 8/13/2009

OPERATING PERMIT#: 93017

MR#: 09-17-08

LOCATION: Bull Mountain Mine No.1, Mussellshell County

Type and Purpose of Action:

This minor revision seeks to modify a previously permitted sediment pond design (Sediment Pond WDA #1). The previously approved design provided a larger dam embankment with a larger water storage capacity and a drop inlet (culvert) spillway. The intent of the larger embankment design was to catch and contain the inflow from a 25-year and 24-hour rainfall (design flood). The revised design provides for a smaller water storage volume but a greater spillway capacity so as to route the flood through the spillway. In both cases provision has been made to provide sufficient storage and detention time to capture sediment runoff. The smaller impoundment meets the design requirements at lesser cost.

Potential Impacts and Mitigation Measures:

The proposed action is to approve a smaller sediment pond than was previously approved. The smaller design theoretically would entail less earth work and a corresponding smaller area of disturbance, for practical purposes; however, the difference is negligible. Construction of either design will involve earth work and disturbance which can be mitigated to some extent with the application of best management practices.

Another issue of possible concern is the potential discharge of seriously impaired water beyond the mine permit boundary. At this time, the chemical quality of the water to be stored is not well known. The pond is designed for the purpose of capturing sediment from a waste coal disposal area, not to isolate or treat otherwise impaired water. It has been noted that the smaller impoundment design will discharge water more frequently than the larger design.

The intended course of action at this time is to advise the MPDES program of the potential for discharge at this site and a possible need to evaluate MPDES permit conditions. It is also intended to require the mine to conduct an analysis of the water quality in the pond to determine if a concern in-fact exists.

Alternative Actions:

No alternative actions are considered at this time.