

CHECKLIST ENVIRONMENTAL ASSESSMENT

Project Name: 2009 Coal Exploration Program Proposed Implementation Date: October, 2009

Proponent: Absaloka Mine – Tract III

Type and Purpose of Action: MTDEQ prospecting permit to drill and core 42 sites (2 holes each) in Bighorn County.

Coal is within the Crow Indian Tract III Coal Lease. No site disturbance allowed until site pre-drill inspection is completed.

A pre-drilling site and access inspection of the 42 sites was conducted by MTDEQ September 23 – 24, 2009.

Location: T1N, R37E, Sections 11, 12, 13, 14, 15, 22, 23 and 24; T1N, R38E, Sections 17, 18, 19 and 20 County: Bighorn

The proposed prospecting activity would be conducted under the prospecting conditions in approved SMP 85005. Additionally, Absaloka advertised the proposed activity in a paper of local circulation for 4 consecutive weeks, with a 30-day comment period following the last date of publication. A separate bond will be required from the existing bond for SMP 85005.

N = Not present or No Impact will occur.

Y = Impacts may occur (explain under Potential Impacts).

IMPACTS ON THE PHYSICAL ENVIRONMENT	
RESOURCE	[Y/N] POTENTIAL IMPACTS AND MITIGATION MEASURES
1. GEOLOGY AND SOIL QUALITY, STABILITY AND MOISTURE: Are fragile, compactible or unstable soils present? Are there unusual geologic features? Are there special reclamation considerations?	[N] This work will not affect the physical characteristics of the soil. Unusual geologic features were not observed. Minor surface disturbance will occur at each drill site; however, the sites will be reclaimed, including seeding with the approved seed mix.
2. WATER QUALITY, QUANTITY AND DISTRIBUTION: Are important surface or groundwater resources present? Is there potential for violation of water quality standards, drinking water maximum contaminant levels, or degradation of water quality?	[N] There are scattered private household and stock wells in the general area. No impacts to these sources are predicted. No significant surface water resources are in close proximity to the drill sites, and special measures (cuttings control) or relocation are stipulated for holes close to ephemeral tributaries. Immediate reclamation of each borehole to Department standards will prevent any impact to groundwater quality or quantity. No impacts to groundwater, confined or unconfined, from drilling fluids are expected as each borehole is advanced, geophysically logged or cored.
3. AIR QUALITY: Will pollutants or particulate be produced? Is the project influenced by air quality regulations or zones (Class I airshed)?	[N] Air quality will not be affected by drilling operations.
4. VEGETATION COVER, QUANTITY AND QUALITY: Will vegetative communities be permanently altered? Are any rare plants or cover types present?	[N] Access primarily by existing trails and roads with occasional incidental cross-country travel. No permanent alteration is expected. No rare plants or cover types noted in close proximity to the drill sites. Each proposed site is easily accessible and minimal impact to vegetation and cover is expected.
5. TERRESTRIAL, AVIAN AND AQUATIC LIFE AND HABITATS: Is there substantial use of the area by important wildlife, birds or fish?	[N] The area is used by the normal range of wildlife for this setting. Some raptors were observed, but no nesting sites identified near the proposed activities. No active prairie dog towns in the vicinity of drilling sites. Wildlife, including deer and antelope are common in the area; this work will not affect their range or activity.
6. UNIQUE, ENDANGERED, FRAGILE OR LIMITED ENVIRONMENTAL RESOURCES: Are any federally listed threatened or endangered species or identified habitat present? Any wetlands? Species of special concern?	[N] No threatened or endangered species or habitats are within the scope of the project. No projected impacts to wetlands.
7. HISTORICAL AND	[N] A Class III Cultural Resource Inventory was completed by GCM Services in

ARCHAEOLOGICAL SITES: Are any historical, archaeological or paleontological resources present?

July 2009. Results of this survey indicated that a single proposed drill site (No. 35) need to be relocated to avoid potential disturbance of an archaeological site.

8. AESTHETICS: Is the project on a prominent topographic feature? Will it be visible from populated or scenic areas? Will there be excessive noise or light?	[N] The sites are not visible from public roads. Any noise will be confined to the respective drill site.
9. DEMANDS ON ENVIRONMENTAL RESOURCES OF LAND, WATER, AIR OR ENERGY: Will the project use resources that are limited in the area? Are there other activities nearby that will affect the project?	[N] No other activity is expected near a given drill site. Each site is remote and isolated.
10. IMPACTS ON OTHER ENVIRONMENTAL RESOURCES: Are there other studies, plans or projects on this tract?	[N]
IMPACTS ON THE HUMAN POPULATION	
RESOURCE	[Y/N] POTENTIAL IMPACTS AND MITIGATION MEASURES
11. HUMAN HEALTH AND SAFETY: Will this project add to health and safety risks in the area?	[N]
12. INDUSTRIAL, COMMERCIAL AND AGRICULTURAL ACTIVITIES AND PRODUCTION: Will the project add to or alter these activities?	[N] The affected lands are primarily used for cattle grazing which have been addressed via access agreements with surface owners.
13. QUANTITY AND DISTRIBUTION OF EMPLOYMENT: Will the project create, move or eliminate jobs? If so estimated number	[Y] This project will temporarily increase employment in the area while drilling and drill-hole logging occurs. Approximately 10 people will be required to complete the work over a period of several months.
14. LOCAL AND STATE TAX BASE AND TAX REVENUES: Will the project create or eliminate tax revenue?	[N]
15. DEMAND FOR GOVERNMENT SERVICES: Will substantial traffic be added to existing roads? Will other services (fire protection, police, schools, etc) be needed?	[N] All existing roads that lead to each proposed drill site are not paved and are remote. No traffic is expected.
16. LOCALLY ADOPTED ENVIRONMENTAL PLANS AND GOALS: Are there State, County, City, USFS, BLM, Tribal, etc. zoning or management plans in effect?	[N]
17. ACCESS TO AND QUALITY OF RECREATIONAL AND	[N] This area and vicinity is not a wilderness or recreational area.

WILDERNESS ACTIVITIES: Are wilderness or recreational areas nearby or accessed through this tract? Is there recreational potential within the tract?	
18. DENSITY AND DISTRIBUTION OF POPULATION AND HOUSING: Will the project add to the population and require additional housing?	[N] All proposed exploration drill sites are remote and not located near housing or population centers.
19. SOCIAL STRUCTURES AND MORES: Is some disruption of native or traditional lifestyles or communities possible?	[N]
20. CULTURAL UNIQUENESS AND DIVERSITY: Will the action cause a shift in some unique quality of the area?	[N]
21. OTHER APPROPRIATE SOCIAL AND ECONOMIC CIRCUMSTANCES:	

22. Alternatives Considered: Relocation of drill site No. 35 to avoid potential impacts to identified resources. Additionally, the no action (not permitting the proposed activity) was considered.

23. Regulatory Impact on Private Property: None identified from the proposed action.

24. Public Involvement, Agencies, Groups or Individuals contacted: U.S. Department of the Interior (Bureau of Land Management), Bureau of Indian Affairs (BIA) and private surface owner's permission via required access agreements between operator and private owners.

25. Other Governmental Agencies with Jurisdiction, List of Permits Needed: Montana DNRC Special Use License (mineral, surface access); U. S. Department of the Interior, Bureau of Land Management exploration license.

26. Magnitude and Significance of Potential Impacts: Potential impacts should be minimal or non-existent.

Recommendation for Further Environmental Analysis:

EIS More Detailed EA No Further Analysis

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Title

Signature

9/26/2009
Date