

ENVIRONMENTAL ASSESSMENT

On an Application for an OPENCUT MINING PERMIT

This Environmental Assessment (EA) is required under the Montana Environmental Policy Act (MEPA). An EA functions to identify, disclose, and analyze the impacts of a proposed action. This document may disclose impacts that have no legislatively required mitigation measures, or over which there is no regulatory authority.

The state law that regulates gravel mining operations in Montana is the Opencut Mining Act. This law and the rules adopted hereunder place operational guidance and limitations on a project during its lifetime, and provides for the reclamation of land affected by opencut mining operations.

Local governments and other state agencies may have authority over different resources and activities under their regulations. Approval or denial of this Opencut Application will be based on a determination of whether or not the proposed operation complies with the Opencut Mining Act and the Rules adopted hereunder.

APPLICANT: Kinder Morgan Canada Inc.

SITE NAME: Express Pipeline Buffalo Station

LOCATION: Section 7, T12N, R16E

COUNTY: Fergus

DATE: September 2009

Type and Purpose of Action: The proponent proposes to mine 38,200 cubic yards of sand and gravel from a 12-acre site for work associated with an adjacent storage tank facility expansion. Once mining is complete the site would be reclaimed to active hayland. An acceptable Plan of Operation has been submitted to the Department of Environmental Quality (DEQ), and a reclamation bond of \$67,755 would be held to ensure that reclamation is completed to meet state standards by July, 2012.

This application contains all items required by the Opencut Act and Rules. The proponent commits to properly conducting opencut operations and would be legally bound by this permit.

IMPACTS ON THE PHYSICAL ENVIRONMENT

RESOURCE	POTENTIAL IMPACTS AND MITIGATION MEASURES
1. TOPOGRAPHY, GEOLOGY AND SOIL QUALITY, STABILITY AND MOISTURE:	<p>The opencut operation is proposed in alluvial deposits located in a wide valley between the Little Belt Mountains and Snowy Mountains.</p> <p><i>Impacts:</i> Irreversible and irretrievable removal of gravel from the site. There would be a small impact to the quantity and quality of soils from salvaging, stockpiling, and resoiling activities, but this would not impair the capacity of the soils to support full reclamation.</p> <p>There are no unusual topographic, geologic, soil, or special reclamation considerations that would lead to reclamation failure. The proposed operation is located in sands and gravels of an alluvial nature. The soils average 6.8-9.7 inches deep and the average overburden depth is 9.9 inches. The topsoil and overburden would be stripped and stockpiled separately. After regrading the topsoil and overburden would be evenly replaced. Microorganisms should invade the site.</p>
2. WATER QUALITY, QUANTITY AND	<p><i>Site specific descriptions:</i> The surface water features in and within 1,000 feet of the proposed permit area are ditches and berms associated with the existing Express Pipeline Buffalo Station facility and West</p>

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DISTRIBUTION	<p>Dry Creek Road to the west and southwest. Typical road ditches are found along West Dry Creek Road. In addition, Dry Creek is between 1000 and 2000 feet from the area on the north/northeast. An unnamed spring is located over 1000 feet to the southwest.</p> <p><i>Impacts:</i> The proposed activities would have a minimal effect on the quantity and quality of the surface and groundwater resources. The site would be mined to a depth of 8 feet which is at or above the depth to high seasonal water table of 8 feet as estimated from the well logs for 11 wells at the site. The design of the proposed operation is such that any runoff would drain inward on the site, thus avoiding any off-site sedimentation or erosion.</p>
3. AIR QUALITY	<p>Air quality standards are based upon the Clean Air Act of Montana and pursuant rules and are administered by the DEQ Air Resources Management Bureau (ARMB). Its program is approved by the Environmental Protection Agency (EPA). These rules and standards are designed to be protective of human health and the environment.</p> <p>Fugitive dust is that which blows off the pit floor, stockpiles, gravel roads, farm fields, etc. It is considered to be a nuisance but not harmful to health.</p> <p><i>Impacts:</i> Air quality standards as set by the federal government and enforced by the ARMB would allow minimal detrimental air impacts.</p>
4. VEGETATION COVER, QUANTITY AND QUALITY	<p><i>Impacts:</i> All vegetation would be lost during soil salvage operations but would be re-established following mining. The operation would be located in an existing hayfield. Alfalfa and grasses will be seeded on the site after re-grading and topsoiling have been completed. No rare plants or cover types were identified during a ground search. No long-term detrimental impacts to the vegetation would occur.</p>
5. TERRESTRIAL, AVIAN AND AQUATIC LIFE AND HABITATS:	<p>Although the area is used primarily for hayland, it also supports populations of deer, rodents, song birds, coyotes, foxes, raptors, insects and various other animal species. Population numbers for these species are not known, although populations are low due to lack of cover.</p> <p><i>Impacts:</i> The proposed mine is expected to temporarily displace some individual species and it is likely that the site would be re-inhabited following reclamation to similar habitat.</p>
6. UNIQUE, ENDANGERED, FRAGILE OR LIMITED ENVIRONMENTAL RESOURCES:	<p>The Montana Natural Heritage Program has found no records of species of concern in the vicinity of the site.</p> <p><i>Impacts:</i> No species of concern have been found on this site. Even if suitable habitat did exist on this site, the disturbance area would be small and large areas of similar or identical habitat surrounds the site. The possible impact to these species would be minimal due to lack of habitat that supports the above mentioned species.</p>
7. HISTORICAL AND ARCHAEOLOGICAL SITES	<p>The Montana State Historic Preservation Office was notified of the application and recommended a cultural resource inventory due to a previously recorded historic site, known as the Naylor Brothers Ranch Historic District, within the site vicinity. A pedestrian survey of the area by DEQ personnel did not reveal any artifacts or signs of</p>

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	<p>occupation. No signs were evident at depth in the test holes on-site. A field survey for cultural and paleontological resources and review of related published literature for the area was conducted in 2000 as part of the Montana Major Facility Siting Act certification procedures for the Express Pipeline Partnership's amendment to its Buffalo oil facility station. No cultural resources were identified.</p> <p><i>Impacts:</i> No significant impacts to cultural or archeological resources are anticipated.</p>
8. DEMANDS ON ENVIRONMENTAL RESOURCES OF LAND, WATER, AIR OR ENERGY	<i>Impacts:</i> Relatively small impacts to land, water, air, or energy would occur. Water would be used for dust control.

IMPACTS ON THE HUMAN POPULATION	
RESOURCE	POTENTIAL IMPACTS AND MITIGATION MEASURES
9. LOCALLY ADOPTED ENVIRONMENTAL PLANS AND GOALS	This area is not zoned or part of any long range growth plan. It is generally utilized for hayland.
10. DENSITY AND DISTRIBUTION OF POPULATION AND HOUSING	<p>As seen on the aerial photo of the surrounding area this is a rural, non-residential area.</p> <p><i>Impact:</i> This commercial pit is being sited in this area because of the location of the resource, and the need to supply material for the adjacent oil facility expansion. There are no identified residences within 1,000 feet of this proposed pit.</p>
11. AESTHETICS	The site is located away from residences and commercial businesses.
12. QUANTITY/ DISTRIBUTION OF EMPLOYMENT	<i>Impacts:</i> There would likely be temporary employment opportunities generated from this operation. However, it is likely many of the employees would be relocated within the company from other sites.
13. INDUSTRIAL, COMMERCIAL, AGRICULTURAL ACTIVITIES AND PRODUCTION	<i>Impacts:</i> Agricultural production would be reduced on the site for the life of the permit. There would be a temporary loss of hay production on 12 acres of land until the site is successfully reclaimed.
14. LOCAL, STATE TAX BASE AND TAX REVENUES, PERSONAL AND COMMUNITY INCOME	Local, state and federal governments would be responsible for appraising the property, setting tax rates, collecting taxes, etc., from the companies, employees, or landowners benefiting from this operation.
15. DEMAND FOR GOVERNMENT SERVICES	Limited oversight by DEQ officials that is generally conducted in concert with other area activity would occur.
16. HUMAN HEALTH AND SAFETY	Any industrial activity will increase the opportunities for accidental injury. There are agencies that require specific safety measures are in place. If followed there is no reason to believe that significant safety issues associated with the activities at the site would be present.
17. ACCESS TO AND QUALITY	This area does not inhibit the use of the identified resources. The site

