

CHECKLIST ENVIRONMENTAL ASSESSMENT

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

Proponent: Many Stars Mining, LLC – Tract I and Tract II

Type and Purpose of Action: MTDEQ prospecting permit to drill 43 sites and complete a twin borehole (core recovery) at 22 of these sites in Bighorn and Treasure Counties.

Coal is within the Ceded Strip and is held in trust for the Crow Tribe.

A pre-drilling site and access inspection of the 43 sites was conducted by the Bureau of Indian Affairs (BIA), Bureau of Land Management (BLM) and the Montana Department of Environmental Quality, Industrial Energy and Minerals Bureau, Coal and Uranium Program from November 16 through November 18, 2009.

Location: T1N, R36E, Sections 1-3, 10-12, 14, 22, 23 and 25; T1N, R37E, Sections 1, 2, 4 and 5, 7-9, 15-21, 28-30, 33 and 34; T1N R38E, Sections 5-10, 15, 17-21; T1S R37E, Section 5, T2N R36E, Sections 24-26, 33-36; T2N R37E, Sections 31-35.

County: Bighorn

The proposed prospecting activity will be conducted pursuant to Many Star's coal exploration plan (i.e., Many Stars Project, Proposed Coal Drilling Exploration Plan) prepared by the John T. Boyd Company in September 2009 (Report No. 3408). Many Stars Mining advertised the proposed activity in the Billings Gazette for 4 consecutive weeks (October 2, 9, 16 and 23, 2009) that included all the locations for exploration drilling and vicinity using the township-section system. A 30-day public comment period followed the last date of publication. A bond will be required under Prospecting Permit No. 331.

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 (total of 22 acres or approximately 0.5 acres per site); however, all sites will be reclaimed, including soiling and 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] Scattered domestic wells, stock wells and springs are in the general area. No impacts to these sources are predicted and no significant surface water resources (creeks, rivers) are close to the drill sites. Special measures (control of drill cuttings) or the relocation of drill sites are stipulated for holes close to ephemeral tributaries. Each borehole will be immediately reclaimed pursuant to Department standards after it is logged. Reclamation is required to prevent impacts to the aquifer system. No impacts to the groundwater system (confined or unconfined) 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 is 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,	[N] No threatened or endangered species or habitats are within the scope of the

<p>FRAGILE OR LIMITED ENVIRONMENTAL RESOURCES: Are any federally listed threatened or endangered species or identified habitat present? Any wetlands? Species of special concern?</p>	<p>project. No projected impacts to wetlands.</p>
<p>7. HISTORICAL AND ARCHAEOLOGICAL SITES: Are any historical, archaeological or paleontological resources present?</p>	<p>[N] A cultural resource survey was completed (Many Stars CTL Project, Crow Indian Reservation, Cultural Resource Survey Results, Bighorn County, Montana) by a representative of the Crow Tribal Historic Preservation Office in October 2009. Results of this survey recommended that a finding of no affect be concluded.</p>

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 27-40 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 significant increase in 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: Proposed Action and No Action

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: 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

EA Checklist Prepared By: James Consort
Name

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Title

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Section Supervisor
Title

Signature

12/08/2009
Date