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

COMPANY NAME: Signal Peak Energy DATE: 4/5/2010

OPERATING PERMIT# : 93017 MR#: 10-17-03

LOCATION: Bull Mountains Mine No. 1

Type and Purpose of Action: Installation of a 10,000 gallon diesel tank and equipment fueling site for equipment managing coal stockpiles. This would reduce exposure of heavy equipment to mine traffic, increase productivity and minimize disturbance of roads accessing the existing fueling area. It also provides the isolation of surface fuel usage from underground fuel usage.

Potential Impacts and Mitigation Measures: The storage and dispensing of diesel fuel has the potential for releases of petroleum product to the environment that could result in impacts to soil, wildlife and related values, as well as surface drainages (17.24.609). To protect against releases of all sizes under normal usage scenarios, Signal Peak has implemented a number of safeguards including surface control of small, incidental leaks and spills as well as catastrophic release. The site design includes:

- Reinforced concrete pad approx 40'x50'x1, with a slope and small concrete walls will control any diesel-contaminated surface drainage or leaks in fuel transfer areas, associated pipelines, valves, and joints.
- Pad slope will direct any water or contaminated fluid to a small sump within the pad perimeter to provide a collection area for rain, snow melt and any contaminated fluids.
- Pad will be designed ex (higher elevation or walls) so that gravity driven water flow will not enter the pad.
- A spill prevention and control plan will be implemented.
- Absorbent materials for controlling and cleaning up a spill will be kept on site.
- Diesel Tank will include:
    - metal apron with lip to contain nozzle drippings
    - double walled tank
    - overfilling preventative feature
    - a double break away valve to prevent fuel release due to drive offs
    - emergency shut off valve

Alternative Actions:

Not build the fueling site. Diesel fuel would remain in the current fueling location with all the negative impacts explained above under "Type and Purpose of Action". There would also be less site protection from spills and releases under the current fueling scenario.

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