

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

COMPANY NAME: Signal Peak Energy

DATE: September 7, 2010

OPERATING PERMIT#: 93017

MR#: 10-17-16

LOCATION: Bull Mountains Mine, T6N, R26E, Sections 12 and 13

Type and Purpose of Action:

The operator is proposing to modify the mine permit to include sources of fly ash other than the single source currently approved. Fly ash will continue to be added at a rate of up to 4% to waste from the coal processing plant. The purpose of adding the fly ash to coal processing waste (CPW) is to accelerate drying and compaction when it is placed in the waste disposal area (WDA). A Beneficial Use Determination for each source of ash used at the mine has been issued by the Solid Waste Program (SWP) of the Montana Department of Environmental Quality.

Storage and handling of the fly ash will minimize exposure of this material to the environment. The material will be trucked to the mine site and stored in closed containers, minimizing exposure to the atmosphere. The fly ash will be piped from the trucks into a 150 ton silo adjacent to the coal preparation plant. The silo is located over the enclosed WDA conveyor which will deliver the coal and waste mix to the WDA.

Potential Impacts and Mitigation Measures:

TCLP analysis of the ash is required by the SWP on a quarterly basis. If the analytical results exceed the maximum concentration limits specified in 40 CFR §261.24, Table 1, the material must be managed as a hazardous waste.

The Coal and Uranium Program also will require quarterly analysis of total metals from on-site ash using an analytical method with lower detection levels. If the results of the total metals analysis is greater than 20-times the maximum concentration limit for the constituents specified in 40 CFR §261.24 Table 1, a TCLP analysis must be performed on the fly ash for the exceeding constituent(s). If the results of the constituent-specific analysis indicate an exceedance of Table 1 limits, the material must be managed as a hazardous waste.

Monitoring of major ions and trace metals in groundwater from alluvial wells (BMP16 and BMP33) downgradient of the WDA, as well as a downgradient overburden well (BMP52), will be required through final bond release. Changes in water quality will be evaluated and mitigation required if Montana groundwater quality standards are exceeded, material damage occurs, or the operator fails to minimize impacts to the hydrologic balance resulting from use of the ash.

Alternative Actions: Use of additives other than fly ash were tested and considered but none were as effective for the extent of drying needed to facilitate compaction of the CPW in the WDA.

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