

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

COMPANY NAME: Signal Peak Energy, LLC

DATE: September 17, 2010

OPERATING PERMIT#: 93017

MR#: 10-17-14

LOCATION: Bull Mountain Mine: T6N, R26E, Section13

Type and Purpose of Action:

The Mine is proposing to construct a lined earthen pond for the purpose of storing water pumped from deep wells. The water will be used for underground mining and processing of coal. The proposed pond is approximately one half acre foot in area with a maximum depth of 21 feet and a maximum normal storage of 11.3 ac-ft. The pond will be partially excavated with a maximum embankment height of approximately 10 feet. The pond will be located on an elevated hillside such that embankment is needed along one side only.

Potential Impacts and Mitigation Measures:

Disturbance of soil resources would occur, but would be less than 5 acres. Some noise and dust can be expected during construction. Soils will be salvaged then replaced and revegetated upon reclamation. The potential impacts are expected to be minor.

The pond is situated such that precipitation runoff inflow or outflow is negligible. The pond will be lined so alteration of groundwater quality or quantity should not occur. The pond is to be located within a permitted mine operation and within the active facility area so additional disturbance to vegetative or wildlife is not expected. Cultural resources surveys have been conducted with no areas of significance being noted in the area to be disturbed.

Alternative Actions:

Additional water storage is needed for mine operations. Other pond sites and or storage methods are possible, but none appear to offer any environmental advantages over the one being considered.

Prepared by: David Adair

Title: Mining Engineer