

**COAL AND URANIUM PROGRAM
MONTANA DEPARTMENT OF ENVIRONMENTAL QUALITY**

COMPANY NAME: Signal Peak Energy, LLC

DATE: November 19, 2010

OPERATING PERMIT#: 93017

MR#: 10-17-24

LOCATION: Bull Mountain Mine No. 1, MR to complete borehole numbers 23 & 24 for concrete access.

Type and Purpose of Action:

Signal Peak Energy has requested approval to construct two boreholes which will be used to transport concrete into the mine workings. The concrete will be used to secure conveyor belt support equipment within the mine. The holes will allow the mine to insert premixed concrete near where it is needed within the mine. Access to borehole locations will mostly rely on existing two track roads. However, several hundred yards of new road will have to be cut for access in an area with steeper side slopes.

Potential Impacts and Mitigation Measures:

The environmental impacts due to drilling operations should be relatively minor with some short term noise. The need for the boreholes is expected to be less than a year with reclamation of the holes and any constructed roads to take place immediately thereafter. Sections where road must be constructed will have the top soil windrowed before construction. Any constructed roads will be reclaimed with top soil and seeded with the permanent seed mix at the earliest available opportunity. The work pad and access path to borehole 23 will be overland across cultivated farm land. Damage to terrain and top soil along access routes will be minimized by avoiding heavy traffic during wet conditions. However, if severe rutting should occur wet top soils will be windrowed for later replacement.

Alternative Actions:

Concrete could be brought in from the mine entrance but the long transport necessary adds complication. Alternate locations of the holes offer no significant environmental advantage.

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