

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

COMPANY NAME: Signal Peak Energy, LLC

DATE: November 19, 2010

OPERATING PERMIT#: 93017

MR#: 10-17-25

LOCATION: Bull Mountain Mine No. 1, Minor Revision to Complete a Borehole for Rock Dust.

Type and Purpose of Action:

Signal Peak Energy has requested approval to construct a bore hole which will be used to transport rock dust into the mine workings. The hole will be constructed within a pad facility which currently has bore holes used for providing compressed air and other materials into the works. The proposed new hole will require a small 15' x 50 expansion of the existing pad. Over- the-road trucks will drive into the pad area and insert the dust directly into the bore hole.

Potential Impacts and Mitigation Measures:

The environmental impacts are fairly minor as the pad for the hole will be an extension of an existing pad. The necessary surface water and sediment controls are largely already in place. Access to the construction area involves no new roads and only minor additional disturbance. The bore holes and work pad will be used for the life of mine and reclaimed when no longer needed. The proposed area is already in an active mine facility and additional disturbance to wildlife is expected to be negligible. The area has received a phase III cultural resource survey with no sites being impacted.

Alternative Actions:

Alternative locations offer no environmental advantage over the location chosen.

Prepared by: David Adair

Title: Mining Engineer