

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

COMPANY NAME: Signal Peak Energy

DATE: March 15, 2011

OPERATING PERMIT#: SMP 93017

MR#: 11-17-04

LOCATION: Bull Mountains Mine, T6N, R26E, Section 14

Type and Purpose of Action:

With this minor revision the operator is proposing to modify Surface Mine Permit 93017 to allow for construction of an earthen pad across a native drainage (PM Draw). Presently, an overhead conveyor belt transports coal out of the underground mine and, as it crosses the drainage, spills a small amount of coal. The construction of the pad will allow the operator to clean up any coal spilled before it can contaminate the native water way.

The project will entail removing and stockpiling topsoil and subsoil from the 240'x130' pad footprint, installing culverts extensions to pass the drainage waters, and placing a suitable fill material to create a level pad beneath the conveyor. The average stripping depth is expected to be 5' while the replacement fill will be approximately 8'in depth.

The proposed fill material will be coarse sandstone material created as a byproduct of the mining operation.

Potential Impacts and Mitigation Measures:

Potential impacts are expected to be minor. The area is currently within the mine facility area so additional disruption due to construction noise and dust will be negligible. The work will entail a small amount of additional disturbed native area due to the pad footprint. The proposed sandstone fill is not expected to present a problem with leaching of harmful elements. It can be expected that some amount of coal fines will be interspersed within the sandstone. However, the coal fines should be fairly contained within the fill and are not expected to wash out. The permit commits to reclaiming the pad area after mining in accordance with existing commitments. The fill will be removed and replaced or appropriate analytical tests conducted to determine its suitability for regrading and covering with topsoil. Sediment Control Measures will be in place prior to construction. A significant concern is for a large runoff event to occur during the construction process with the resultant sediment runoff. Once construction commences, the work needs to be completed expeditiously to minimize that risk.

Alternative Actions:

A primary purpose of the project is to reduce the potential for contaminating the native drainage. Alternatives such as suspended platforms were considered but deemed to be less reliable and effective.

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