

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

COMPANY NAME: Spring Creek Coal, LLC

DATE: December 9, 2011

PERMIT#: C1979012

REVISION NO: MR161

LOCATION: Spring Creek Mine, Decker, MT

Type and Purpose of Action:

Spring Creek Coal LLC (SCM) is seeking approval to drill a new production water well, TR2, to replace production well TR1 which was used between 1992 and 2001. SCM would transfer the TR1 water right to TR2 and pump from the same aquifers. The former TR1 production well produced approximately 40 gpm from Clinker, D1 coal, and D2 coal. TR2 would be completed in the same formations and is anticipated to produce at the same rate. The well water would be pumped to Pond 2A for use in mine operations. The construction of the well would also require new infrastructure including approximately 5,000 ft of waterline, 4,000 ft of roadway, 15,000 ft of power line, 150 sq ft of pump building, and a series of wireless communication stations.

Potential Impacts and Mitigation Measures:

The road and pipeline would utilize existing roadways and previously disturbed areas as much as possible, but there would also be new surface disturbance. The exact amount of new disturbance will not be known until the final road and power line locations are determined. Disturbance would also be minimized by using the pipeline corridor as a roadway and running the power line adjacent to the roadway for most of the new power line's length. The new disturbance from the required infrastructure is roughly estimated between 10 to 20 acres to accommodate the well pad and new road.

The majority of the pumped water is predicted to come from the upgradient Tongue River Reservoir via the highly permeable clinker. The Tongue River Reservoir recharges the nearby shallow aquifers and backfilled pits. Pumping at TR2 may result in some localized water level drawdown east of Decker Coal Mine's Pit 16. The extent of the impact of TR2 would depend on the rate and volume of pumping. The alluvium, spoils, D1 coal, and D2 coal are all aquifers that could experience some localized drawdown or reduced aquifer recovery. Most of the D1 and D2 coal seams immediately west of TR2 have been removed by the mining of Pit 16. Overall, the impact on aquifer recovery would be expected to be small and temporary.

Alternative Actions:

The only alternative action considered is denial of the request to drill TR2. If TR2 is not drilled, the proposed addition of infrastructure (powerlines, pipelines, and roadways) would not be required. SCM would not have access to additional water for mining uses.

Since SCM has an existing water right to the aquifers that can be transferred to the new well, the impact on the local aquifers is expected to be small, and new disturbance from infrastructure construction will be a few 10s of acres at the most, there is no reason to deny the drilling of the new well.

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