

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

COMPANY NAME: Signal Peak Energy LLC

DATE: May 7, 2012

PERMIT#: C1993017

REVISION NO: MR149

LOCATION: Bull Mountain Mine, Musselshell Co, T6N, R26E, S13

Type and Purpose of Action:

The mine operator is proposing to construct:

(1) Soil-Sement Building.

The building is for providing a heated storage facility for water and a material called Soil-Sement Coal Car Topper. Soil-Sement is a Polymer Emulsion that will be blended with the water and is sprayed on the coal to bond to the fines and prevent blow dust. The building will also house the pumps used for this process. MSHA building codes will be used for construction of the building. The building will be dug into the ground 2.5ft so the retaining walls can be used for containment of Soil-Sement and water tanks. Soil-Sement can also be used as a dust suppressant, to control erosion and silt runoff. And it can be used to reduce windblown dust from ore and coal storage piles, stockpiles. Soil-Sement is environmentally safe, non-toxic, non-corrosive, non-flammable and does not pollute ground water.

(2) Freeze Conditioning Agent Containment.

SPE currently has a containment area made from jersey barriers and plastic sheeting. SPE would like to construct a permanent containment structure for the freeze conditioning agent that is used in the winter for coal transportation.

Potential Impacts and Mitigation Measures:

These buildings will be constructed at the location where coal is being loaded into rail cars. The area is within the active mine facilities. The additional disturbance to wildlife is due to construction and operation is expected to be negligible. The area currently has sediment controls in place. Both the facilities are expected to increase environmental protections due to spillage of dust and freeze controlling agents by providing improved secondary containment.

Alternative Actions:

None considered. The proposed actions are expected to improve environmental protections.

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