



Montana Department of  
**ENVIRONMENTAL QUALITY**

Brian Schweitzer, Governor

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September 14, 2012

Mr. Eric Detmer, P.E.  
Spring Creek Coal LLC  
P.O. Box 67  
Decker, MT 59025

Dear Mr. Detmer:

The Department of Environmental Quality (Department) has made its decision on the Montana Air Quality Permit application for Spring Creek Coal LLC. The application was given permit number 1120-11. The Department's decision may be appealed to the Board of Environmental Review (Board). A request for hearing must be filed by October 1, 2012. This permit shall become final on October 2, 2012, unless the Board orders a stay on the permit.

Procedures for Appeal: Any person jointly or severally adversely affected by the final action may request a hearing before the Board. Any appeal must be filed before the final date stated above. The request for a hearing shall contain an affidavit setting forth the grounds for the request. Any hearing will be held under the provisions of the Montana Administrative Procedures Act. Submit requests for a hearing in triplicate to: Chairman, Board of Environmental Review, P.O. Box 200901, Helena, Montana 59620.

Conditions: See attached.

For the Department,

Charles Homer  
Manager, Air Permitting, Compliance and Registration  
Air Resources Management Bureau  
(406) 444-5279

Deanne Fischer, P.E.  
Environmental Engineer  
Air Resources Management Bureau  
(406) 444-3403

CH:DF  
Enclosures

**DEPARTMENT OF ENVIRONMENTAL QUALITY**  
**Permitting and Compliance Division**  
**Air Resources Management Bureau**  
**P.O. Box 200901, Helena, Montana 59620**  
**(406) 444-3490**

**FINAL ENVIRONMENTAL ASSESSMENT (EA)**

*Issued To:* Spring Creek Coal, LLC

*Montana Air Quality Permit Number:* MAQP#1120-11

*Preliminary Determination Issued:* August 29, 2012

*Department Decision Issued:* October 1, 2012

*Permit Final:*

1. *Legal Description of Site:* Spring Creek operates a surface coal mine located about 11 miles north of Decker, Montana. The mine covers portions of Sections 13, 14, 15, 21, 23, 24, 25, 26, and 27 in Township 8 South, Range 39 East, Sections 18, 19, 20, 27, 28, 29, 30, 31, 32, and 34 in Township 8 south, Range 40 East; Sections 1 and 12 in Township 9 South, Range 39 East; and Sections 3, 6, 7, 10, 11, and 15 in Township 9 South, Range 40 East, all in Big Horn County, Montana.
2. *Description of Project:* Spring Creek submitted a permit application to modify MAQP#1120-10 to add a 400 ton per hour (TPH) scoria rock crushing/screening operation and to remove ambient air monitoring requirements (Attachment 1).
3. *Objectives of Project:* The issuance of MAQP #1120-11 would allow Spring Creek to expand the facility operations to include production and sales of scoria rock to increase business and revenue for the company. In addition, the current project would discontinue Spring Creek's ambient air monitoring requirements. Spring Creek would continue to operate as a surface coal mine.
4. *Alternatives Considered:* In addition to the proposed action, the Department also considered the "no-action" alternative. The "no-action" alternative would deny issuance of the air quality preconstruction permit to the proposed facility. However, the Department does not consider the "no-action" alternative to be appropriate because Spring Creek demonstrated compliance with all applicable rules and regulations as required for permit issuance. Therefore, the "no-action" alternative was eliminated from further consideration.
5. *A Listing of Mitigation, Stipulations, and Other Controls:* A list of enforceable conditions, including a BACT analysis, would be included in MAQP #1120-11.
6. *Regulatory Effects on Private Property:* The Department considered alternatives to the conditions imposed in this permit as part of the permit development. The Department determined that the permit conditions are reasonably necessary to ensure compliance with applicable requirements and demonstrate compliance with those requirements and do not unduly restrict private property rights.

7. The following table summarizes the potential physical and biological effects of the proposed project on the human environment. The “no-action” alternative was discussed previously.

		Major	Moderate	Minor	None	Unknown	Comments Included
A	Terrestrial and Aquatic Life and Habitats			X			Yes
B	Water Quality, Quantity, and Distribution			X			Yes
C	Geology and Soil Quality, Stability and Moisture			X			Yes
D	Vegetation Cover, Quantity, and Quality			X			Yes
E	Aesthetics			X			Yes
F	Air Quality			X			Yes
G	Unique Endangered, Fragile, or Limited Environmental Resources			X			Yes
H	Demands on Environmental Resource of Water, Air and Energy			X			Yes
I	Historical and Archaeological Sites			X			Yes
J	Cumulative and Secondary Impacts			X			Yes

SUMMARY OF COMMENTS ON POTENTIAL PHYSICAL AND BIOLOGICAL EFFECTS: The following comments have been prepared by the Department.

A. Terrestrial and Aquatic Life and Habitats

Impacts from the current permit action would be minor because, though there would be an increase in air emissions from the facility which could increase the deposition of pollutants within the terrestrial and aquatic life habitats, the activities associated with the proposed scoria crushing/screening operation would be conducted within the boundaries of the existing Spring Creek coal mine. The project site is already disturbed by coal mining operations and the applicant states that Spring Creek does extensive monitoring for wildlife as part of their State Mining Permit C1979012. Results of the monitoring are on file with the Montana Department of Environmental Quality (DEQ) Industrial and Energy Minerals Bureau. The Department has determined that the demands and impacts to terrestrial and aquatic life and habitats related to the current permit action would be minor.

B. Water Quality, Quantity and Distribution

This project would have a minor effect on the water quality, quantity, and distribution due to the use of water for fugitive dust suppression. Water would be required for fugitive dust suppression in the surface activities including the proposed scoria rock crushing/screening operations. Typical application of water spray for dust suppression results in the water being evaporated to the atmosphere shortly after its application. Therefore, the Department has determined that the impacts to the water quality, quantity, and distribution would be minor.

C. Geology and Soil Quality, Stability and Moisture

The current permit action would have a minor effect on the geology and soil quality, stability, and moisture. The activities associated with the proposed scoria rock crushing/screening operation would be conducted within the boundaries of the existing Spring Creek coal mine which has already been disturbed by coal mining operations. The applicant states that Spring Creek does extensive testing of soils and geology as part of their State Mining Permit C1979012 and results from the testing are on file with the DEQ Industrial and Energy Minerals Bureau. The Department has determined that the impacts to the geology and soil quality, stability, and moisture related to the current permit action would be minor.

D. Vegetation Cover, Quantity, and Quality

The project would have a minor affect on the local vegetation cover, quantity, and quality. The impacts from emissions or deposition of pollutants would be minor due to dispersion characteristics of the pollutants, the atmosphere, and the conditions that would be placed in MAQP #1120-11. The activities associated with the proposed scoria rock crushing/screening operation would be conducted within the boundaries of the existing Spring Creek coal mine which has already been disturbed by coal mining operations. The applicant states that Spring Creek does extensive testing of soils and geology as part of their State Mining Permit C1979012 and results from the testing are on file with the DEQ Industrial and Energy Minerals Bureau. The Department has determined that the impacts to the vegetation cover, quantity, and quality related to the current permit action would be minor.

E. Aesthetics

The proposed project would have a minor effect on the local aesthetics. There will be additional equipment added to the worksite; however the proposed scoria rock crushing/screening operation would be located within the boundaries of the surface coal mine, and no new disturbance would be anticipated. Noise levels would be consistent with the levels from the existing coal mine operations and would not be expected to increase. There would be potential visual emissions associated with the proposed crushing/screening operations. However, conditions would be placed in MAQP #1120-11 to limit visible emissions. The Department has determined that the impacts to the aesthetics related to the current permit action would be minor.

F. Air Quality

The area surrounding the proposed project is unclassifiable/attainment for the NAAQS for all criteria air pollutants. The Department believes that concentrations of the criteria pollutants in the area are at or near background levels and well below any NAAQS levels. An increase in emissions of air pollutants would occur as a result of the current permit action. However, the air quality impacts from the current permit action would be minor because MAQP #1120-11 would include conditions limiting the visible emissions (opacity) from the proposed scoria rock crushing/screening operations. Overall, the Department determined that air emissions from the current permit action would have minor impacts on air quality in the immediate and surrounding area.

G. Unique Endangered, Fragile, or Limited Environmental Resources

The current permit action would occur within the previously disturbed industrial site at the mine. As part of the MEPA analysis on initial mine development, assessments of potential impacts to unique endangered, fragile, or limited environmental resources were done by the Department, including contact with the Montana Natural Heritage Program – Natural Resource Information

System (NRIS) to identify species of special concern at the mine site. The Department determined that impacts to unique endangered, fragile, or limited environmental resources associated with the current permit action would be minor because of the lack of change to the mine boundary and the conditions placed in MAQP #1120-11.

H. Demands on Environmental Resource of Water, Air and Energy

The current permitting action would have a minor impact on the environmental resources of water, air, and energy. Limited amounts of water will be required for fugitive dust suppression. Pollutant emissions generated from the proposed scoria rock crushing/screening operation would have minimal impacts on air quality because of the conditions placed in MAQP #1120-11 and because it would be located within the boundaries of the existing Spring Creek coal mine. Overall, the Department determined that the demands on the environmental resource of water, air, and energy related to the current permit action would be minor.

I. Historical and Archaeological Sites

The current permit action would occur within the previously disturbed industrial site at the mine. According to past correspondence from the Montana State Historic Preservation Office, there is low likelihood of adverse disturbance to any known archaeological or historic site because of previous industrial disturbance within the area. Therefore, the Department determined that the likelihood that the current permit action would have an impact on historical or archaeological sites would be minor.

J. Cumulative and Secondary Impacts

The current permit action would cause minor cumulative and secondary impacts to the physical and biological aspects of the human environment. There would be a slight increase in air pollutant emissions and no increase in the mine plan area.

8. *The following table summarizes the potential economic and social effects of the proposed project on the human environment. The “no-action” alternative was discussed previously.*

		Major	Moderate	Minor	None	Unknown	Comments Included
A	Social Structures and Mores				X		Yes
B	Cultural Uniqueness and Diversity				X		Yes
C	Local and State Tax Base and Tax Revenue			X			Yes
D	Agricultural or Industrial Production			X			Yes
E	Human Health			X			Yes
F	Access to and Quality of Recreational and Wilderness Activities			X			Yes
G	Quantity and Distribution of Employment				X		Yes
H	Distribution of Population				X		Yes
I	Demands for Government Services			X			Yes
J	Industrial and Commercial Activity			X			Yes
K	Locally Adopted Environmental Plans and Goals				X		Yes
L	Cumulative and Secondary Impacts			X			Yes

SUMMARY OF COMMENTS ON POTENTIAL ECONOMIC AND SOCIAL EFFECTS: The following comments have been prepared by the Department.

- A. Social Structures and Mores
- B. Cultural Uniqueness and Diversity

The Department determined that the current permit action would not have an impact on the social structures and mores or the cultural uniqueness and diversity of this area of operation because the proposed project would occur within the previously disturbed industrial area. The surrounding area would remain unchanged as a result of the proposed project.

- C. Local and State Tax Base and Tax Revenue

The current permit action would have little or no impact on the local and state tax base and tax revenue. No full time, permanent employees would be added as a result of issuing MAQP #1120-11. The increase in the amount of equipment at the site would be minimal.

- D. Agricultural or Industrial Production

The current permit action would occur within the previously disturbed industrial area; therefore, the Department would not expect an impact to or displacement of agricultural production. The new equipment added as part of the current permit action are considered small by industrial standards and would, therefore, have only a minor impact on local industrial production.

- E. Human Health

There would be minor effects on human health due to the slight increase in emissions of air pollutants. However, MAQP #1120-11 incorporates conditions to ensure that the new equipment added as part of the current permit action would be operated in compliance with all applicable rules and standards. These rules and standards are designed to be protective of human health.

- F. Access to and Quality of Recreational and Wilderness Activities

The current permit action would occur within the previously disturbed industrial property and would not impact access to recreational and wilderness activities. Emissions from the operation would be minimized as a result of the conditions that would be placed in Permit #1120-11. Therefore, the associated impacts on the access to and quality of recreational and wilderness activities would be minor.

- G. Quantity and Distribution of Employment
- H. Distribution of Population

There are approximately 260 employees at the Spring Creek mine and no full time, permanent employees would be added as a result of issuing MAQP #1120-11. The quantity and distribution of employment and the distribution of population in the area would not be impacted as a result of the current permit action, and no related secondary employment would be expected.

- I. Demands for Government Services

Minor increases may be observed in the local traffic on existing roads in the area. Very limited additional government services would be required relative to these operations. Overall, demands for government services would be minor.

#### J. Industrial and Commercial Activity

The new equipment added as part of the current permit action represents only a minor increase in the industrial activity in any given area. No additional industrial or commercial activity is expected as a result of the proposed scoria rock crushing/screening operations.

#### K. Locally Adopted Environmental Plans and Goals

The Department is not aware of any locally adopted environmental plans or goals that would be affected by the proposed project. The state standards would protect the proposed site and the environment surrounding the site.

#### L. Cumulative and Secondary Impacts

Overall, cumulative and secondary impacts from this project would result in minor impacts to the economic and social environment in the immediate area. As previously stated, the proposed project would result in a slight increase in industrial process in the area. The Department believes that Spring Creek would be expected to operate in compliance with all applicable rules and regulations as outlined in MAQP #1120-11.

Recommendation: No Environmental Impact Statement (EIS) is required.

If an EIS is not required, explain why the EA is an appropriate level of analysis: The current permitting action is for the construction and operation of scoria rock crushing/screening operation. MAQP #1120-11 includes conditions and limitations to ensure the facility will operate in compliance with all applicable rules and regulations. In addition, there are no significant impacts associated with this proposal.

Other groups or agencies contacted or which may have overlapping jurisdiction: Montana Historical Society – State Historic Preservation Office, Natural Resource Information System – Montana Natural Heritage Program

Individuals or groups contributing to this EA: Department of Environmental Quality – Air Resources Management Bureau

EA prepared by: Deanne Fischer  
Date: August 15, 2012