

SUPPLEMENTAL ENVIRONMENTAL ASSESSMENT

On an application for an amendment

OPENCUT MINING PROGRAM

American Colloid Company

Permit 00164, Amendment Number 10

This Environmental Assessment (EA) is required under the Montana Environmental Policy Act (MEPA). An EA functions to identify, disclose, and analyze the impacts of a proposed action. This document may disclose impacts that have no legislatively required mitigation measures, or over which there is no regulatory authority.

The state law that regulates gravel mining operations in Montana is the Opencut Mining Act. This law and the rules adopted hereunder place operational guidance and limitations on a project during its lifetime, and provide for the reclamation of land affected by opencut mining operations.

Local governments and other state agencies may have authority over different resources and activities under their regulations. Approval or denial of this Opencut Application will be based on a determination of whether or not the proposed operation complies with the Opencut Mining Act and the rules adopted thereunder.

APPLICANT: American Colloid Company

SITE NAME: Belle 34

LOCATION: Sections 21 and 28, T9S, R59E

COUNTY: Carter

PERMIT NUMBER: 00164, Amendments 1-9

DATE: December 2009

Proposal: In Amendment 10 American Colloid Company (ACC) wishes to add 5.8 acres for building a portion of the haul road and 10 acres for mining bentonite. Of these 15.8 acres, 6.1 acres would be disturbed. The amendment area is about 8 miles west of Alzada, Montana. Access is from Carter County's Ridge Road.

Amendment #10 proposes to add 15.8 acres of private land to the existing 4,551.3-acre permit of which 379.2 acres are undisturbed BLM surface, and 4172.1 acres are private surface. The new total acres would be 4,567.1 acres with 4,187.9 being private.

American Colloid recalculates the reclamation bond annually based upon DEQ/BLM guidelines for bentonite mining, dated February 24, 2005. The total bond encumbered for this permit as of February 27, 2009, was \$1,427,090. This bond covered proposed mining for the year 2009, including the 15.8 acre amendment. American Colloid chose to increase the limit on the bond for Permit 00164 to \$2,000,000 in October 2009 to allow for future mining in undisturbed or new amendment areas. The final reclamation date for this permit is December 2018.

Potential Impacts and Mitigation: The 15.8-acre addition to the permit area would allow a shorter haul route to and from several scattered mining claims including the 10 acres in this amendment. The expansion area is rangeland.

Thompson Creek is over a half mile from the site and would not be impacted.
Groundwater is more than 100 feet deep and would not be impacted.

ACC is expected to follow its existing approved road building and mining methods in this amendment area.

ACC would be legally bound by its permit to reclaim the site. The original Environmental Assessment is applicable to this action.

The actions described in this supplemental EA would not cause significant impacts on the physical environment or human population.

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Reviewed by: Neil Harrington, Chief, Industrial and Energy Minerals Bureau

PRIVATE PROPERTY ASSESSMENT ACT (PPAA) CHECKLIST

DOES THE PROPOSED AGENCY ACTION HAVE TAKINGS IMPLICATIONS UNDER
THE PPAA?

YES	NO	
X		1. Does the action pertain to land or water management or environmental regulation affecting private real property or water rights?
	X	2. Does the action result in either a permanent or indefinite physical occupation of private property?
	X	3. Does the action deprive the owner of all economically viable uses of the property?
	X	4. Does the action deny a fundamental attribute of ownership?
	X	5. Does the action require a property owner to dedicate a portion of property or to grant an easement? (If answer is NO, skip questions 5a and 5b and continue with question 6.)
		5a. Is there a reasonable, specific connection between the government requirement and legitimate state interests?
		5b. Is the government requirement roughly proportional to the impact of the proposed use of the property?
	X	6. Does the action have a severe impact on the value of the property?
	X	7. Does the action damage the property by causing some physical disturbance with respect to the property in excess of that sustained by the public generally? (If the answer is NO, skip questions 7a-7c)
		7a. Is the impact of government action direct, peculiar, and significant?
		7b. Has the government action resulted in the property becoming practically inaccessible, waterlogged, or flooded?
		7c. Has the government action diminished property values by more than 30% and necessitated the physical taking of adjacent property or property across a public way from the property in question?

Taking or damaging implications exist if YES is checked in response to question 1 and also to any one or more of the following questions: 2, 3, 4, 6, 7a, 7b, 7c; or if NO is checked in response to questions 5a or 5b.

If taking or damaging implications exist, the agency must comply with § 5 of the Private Property Assessment Act, to include the preparation of a taking or damaging impact assessment. Normally, the preparation of an impact assessment will require consultation with agency legal staff.