

ENVIRONMENTAL ASSESSMENT

On an Application for an
OPENCUT MINING PERMIT

The Montana Department of Environmental Quality (DEQ) prepared this Environmental Assessment (EA) in accordance with requirements of 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 thereunder 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. The DEQ approval of this application would not relieve the operator from the obligation to comply with any other applicable federal, state, or county statutes, regulations, or ordinances. The operator is responsible for obtaining any other permits, licenses, approvals, etc. that are required for any part of the proposed operation.

APPLICANT: SK Construction, Inc.

COUNTY: Roosevelt

SITE NAME: Ray Johnson

DATE: May 2011

LOCATION: Section 21 T28 N, R55 E

PROPOSAL: The applicant proposes to permit a new, short-term gravel pit to mine and transport 50,000 cubic yards of sand and gravel (borrow) from a 10.2-acre site located 4 miles west of Culbertson on Highway 2. The site is located on the north side of the road. A reclamation bond would be held by DEQ to ensure that final reclamation of the site to cropland would be completed by November 2012. This application contains all items required by the Opencut Mining Act and its implementing rules. Proponent commits to properly conducting opencut operations and would be legally bound by the permit.

IMPACTS ON THE PHYSICAL ENVIRONMENT

| RESOURCE | POTENTIAL IMPACTS AND MITIGATION MEASURES |
|---|--|
| 1. TOPOGRAPHY, GEOLOGY AND SOIL QUALITY, STABILITY AND MOISTURE: | <p>The site is on a sloping bench east of Big Muddy Creek. Elevation change is about 25 feet from east to west and slightly to the north. Onsite soil consists of silt loam 12 inches deep and several feet of overburden that would be used for the mine product (i.e. borrow material). The operator will replace an average of 12 inches of soil and 24 inches of overburden. The site receives approximately 14 inches of precipitation a year.</p> <p><i>Impacts:</i> An irreversible and irretrievable removal of gravel from the site would occur. A small impact to the quantity and quality of soils from salvaging, stockpiling, and resoiling activities also would occur, but this would not impair the capacity of the soils to support full reclamation. There are no unusual topographic, geologic, soil, or special reclamation considerations that would prevent reclamation success.</p> |
| 2. WATER QUALITY, QUANTITY AND DISTRIBUTION | <p>Big Muddy Creek flows through a wide valley west of the site and the county road. A short, un-named coulee runs north of the site toward the west. Any water needed for dust control and the crusher would be obtained off-site. A water collection area and BMPs would be used to control runoff .</p> <p><i>Impacts:</i> The proposed activities would have a minimal effect on the quantity and quality of the surface and groundwater resources.</p> <p><i>Cumulative:</i> No cumulative impacts are expected.</p> |

| IMPACTS ON THE PHYSICAL ENVIRONMENT | |
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| RESOURCE | POTENTIAL IMPACTS AND MITIGATION MEASURES |
| 3. AIR QUALITY | <p>Air quality standards are based upon the Clean Air Act of Montana and pursuant rules and are administered by the DEQ Air Resources Management Bureau (ARMB). Its program is approved by the Environmental Protection Agency (EPA). These rules and standards are designed to be protective of human health and the environment.</p> <p>Fugitive dust is that which blows off the pit floor, stockpiles, gravel roads, farm fields, etc. It is considered to be a nuisance but not harmful to health.</p> <p><i>Impacts:</i> Air quality standards as set by the federal government and enforced by the ARMB would allow minimal detrimental air impacts.</p> |
| 4. VEGETATION COVER, QUANTITY AND QUALITY | <p>There are no known rare or sensitive plants or cover types present in the site area. Onsite vegetation consists of a small area of native rangeland, providing close to 100 percent cover. The rest of the site is in small grain cropland. The vegetation would be removed as soil is stripped and the site would be replanted with a small grain crop compatible with the proposed reclaimed use.</p> <p><i>Impacts:</i> No long term detrimental impacts to the vegetation would occur.</p> |
| 5. TERRESTRIAL, AVIAN AND AQUATIC LIFE AND HABITATS: | <p>Although the area is used primarily as a grain field, it also supports populations of deer, rodents, song birds, coyotes, foxes, raptors, insects and various other animal species. Population numbers for these species are not known.</p> <p><i>Impacts:</i> The proposed mine is expected to temporarily displace some individual species and it is likely that the site would be re-inhabited following reclamation to similar habitat.</p> |
| 6. UNIQUE, ENDANGERED, FRAGILE OR LIMITED ENVIRONMENTAL RESOURCES: | <p>The Montana Natural Heritage Program (MNHP) lists the following 16 species of concern in the vicinity of the site: the eastern Red Bat, Least Tern, Piping Plover, and 13 fish species. There is no habitat on this site for any of these species, although the bat and 2 bird species may hunt for insects over the site. Little appropriate habitat is available in the vicinity for the bats. The piping Plover and Least Tern are associated with the channel of Big Muddy Creek.</p> <p><i>Impacts:</i> None of the listed species have been found on this site. Even if suitable habitat did exist on this site, the disturbance area would be small and large areas of similar or identical habitat surrounds the site. The possible impact to these species would be minimal.</p> |
| 7. HISTORICAL AND ARCHAEOLOGICAL SITES | <p>The Montana State Historic Preservation Office (SHPO) was notified of the application. It reported that a survey had been conducted for the power line, and no eligible sites were discovered previously on this property. A pedestrian survey of the area by DEQ personnel did not reveal any artifacts or signs of occupation. No signs were evident at depth in the previously disturbed area.</p> <p><i>Impacts:</i> If during operations resources were to be discovered, activities would be temporarily moved to another area or halted until SHPO was contacted and the importance of the resources was determined.</p> |
| 8. DEMANDS ON ENVIRONMENTAL RESOURCES OF LAND, WATER, AIR OR ENERGY | <p>There are no unusual demands on land, water, air or energy anticipated as a result of this project.</p> <p><i>Impacts:</i> Negligible impacts to land, water, air, or energy would occur.</p> |

| IMPACTS ON THE HUMAN POPULATION | |
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| RESOURCE | POTENTIAL IMPACTS AND MITIGATION MEASURES |
| 9. LOCALLY ADOPTED ENVIRONMENTAL PLANS AND GOALS | County zoning clearance has been obtained. There is no zoning in this area. |
| 10. DENSITY AND DISTRIBUTION OF POPULATION AND HOUSING | As seen on the aerial photo of the surrounding area, there are no residents nearby. <i>Impact:</i> This commercial pit is being sited in this area because of the location of the resource, and to serve the Oil Patch with pad and road building materials. |
| 11. AESTHETICS | The site is located in a rural area along Highway 2. There would be a temporary alteration of aesthetics while mining is under way. However, reclamation would return the area to a visually acceptable landscape. This project is considered to be short term, i.e., planned to take only a few years to complete. There is no need for aesthetic mitigation at this site. |
| 12. QUANTITY/ DISTRIBUTION OF EMPLOYMENT | Existing employees would mainly be utilized for this operation. There is low potential that this project would create a significant number of new jobs. <i>Impacts:</i> New employment opportunities would be limited. SK Construction moves its full time employees around from site to site and demand requires. |
| 13. INDUSTRIAL, COMMERCIAL, AGRICULTURAL ACTIVITIES AND PRODUCTION | The acreage listed in the proposal would be taken out of cropland use. Upon completion of mining, the land would be reclaimed to cropland. <i>Impacts:</i> Grazing production would be reduced as soil stripping and operations progress across the site. When the entire site is opened up for mining and mine-related activities, all grazing activities would cease. |
| 14. LOCAL, STATE TAX BASE AND TAX REVENUES, PERSONAL AND COMMUNITY INCOME | Local, state and federal governments would be responsible for appraising the property, setting tax rates, collecting taxes, etc., from the companies, employees, or landowners benefitting from this operation. Following reclamation, it is assumed the tax base would revert to pre-mine levels. |
| 15. DEMAND FOR GOVERNMENT SERVICES | Limited oversight by DEQ Openpit Program personnel would be conducted in concert with other area activity when in the vicinity. |
| 16. HUMAN HEALTH AND SAFETY | Any industrial activity will increase the opportunities for accidental injury. There are agencies that require specific safety measures are in place. If followed there is no reason to believe that significant safety issues would be present. |
| 17. ACCESS TO AND QUALITY OF RECREATIONAL AND WILDERNESS ACTIVITIES | This activity would not inhibit the use of the identified resources. |
| 18. NATIVE CULTURAL CONCERNS | <i>Impacts:</i> None. |

19. Alternatives Considered:

- A.** Denial Alternative: The Department would deny an application that does not comply with the Act and Rules. No impacts to the natural or human environment would occur.
- B.** Approval Alternative: The Department would approve an application that complies with the Act and Rules. Impacts of this application are addressed in the body of the EA.

20. Public Involvement, Agencies, Groups or Individuals contacted: Montana State Historic Preservation Office, Montana Natural Heritage Program.

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.