

Western Energy Company's

Rosebud Coal Mine Area F

Environmental Impact Statement

Scoping Newsletter 1
October 2012



Dear Interested Citizen,

You are invited to participate in the Montana Department of Environmental Quality's (DEQ) environmental review process for Western Energy Company's (Western Energy) proposed Area F expansion of the Rosebud Coal Mine. Approval of the surface mine permit application for Area F would result in an expansion of the Rosebud Mine operation west of Colstrip, Montana. The proposed Area F permit area is owned or controlled by Western Energy and encompasses approximately 6,746 acres. It would add coal reserves to the existing Rosebud Mine and extend mine life by an estimated 19 years. DEQ deemed Western Energy's surface mine permit application complete on August 1, 2012 and is now preparing an environmental impact statement (EIS). The EIS is being prepared to meet the requirements of the Montana Environmental Policy Act (MEPA); it will help DEQ managers determine whether Western Energy's mine permit application for Area F should be approved or not.

Under MEPA, the first phase in preparing an EIS is to conduct "scoping." The purpose of scoping is to identify the environmental issues associated with the proposed project. An interdisciplinary team of technical experts is currently working to determine the scope of the analysis to be contained in the EIS. DEQ is asking for your assistance with this process. Please send your thoughts, ideas, and concerns regarding this proposed mine

expansion and the issues that should be analyzed in the EIS to DEQ by November 5, 2012.

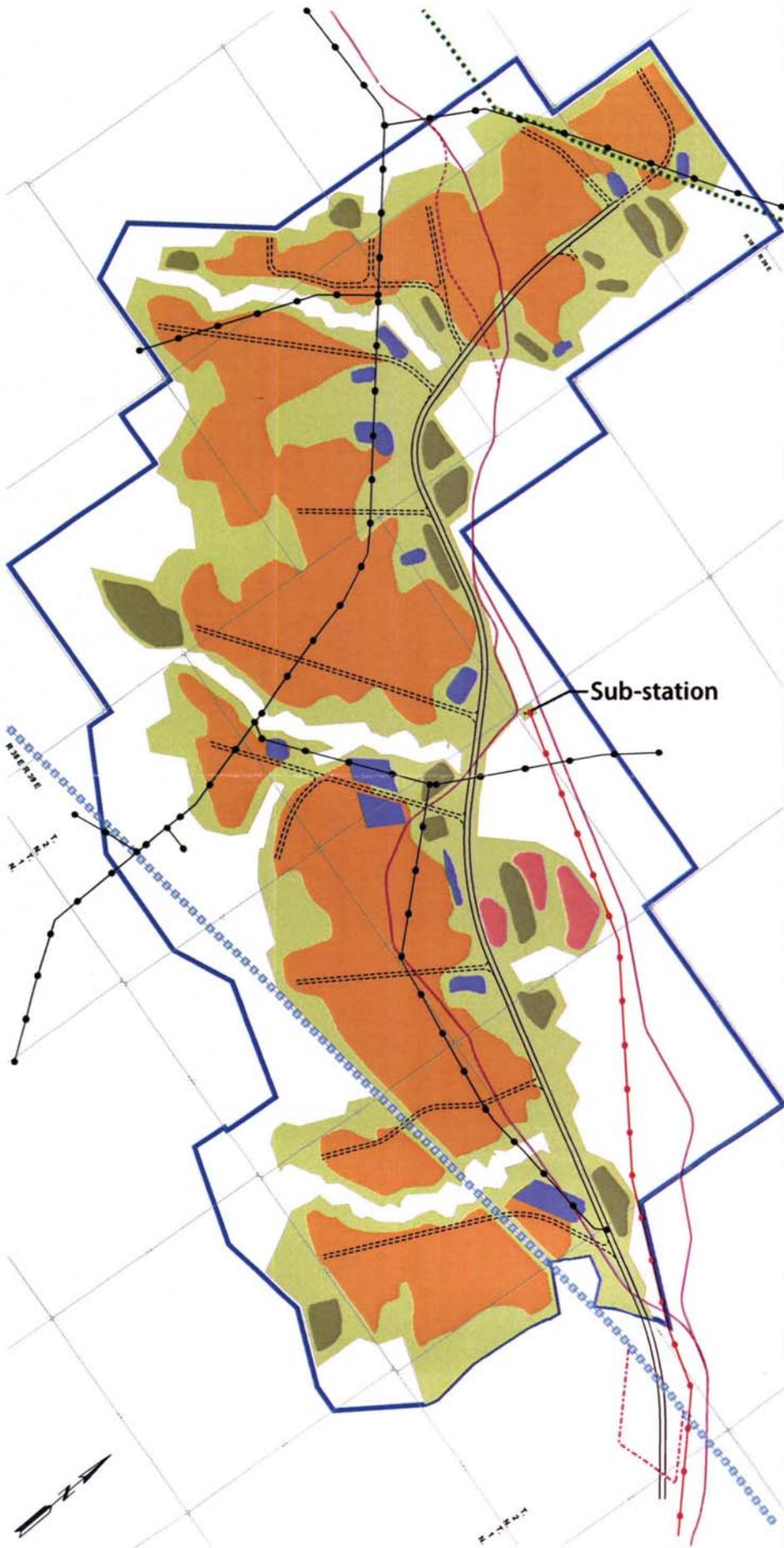
DEQ is hosting two open houses to provide you with information on the proposed project and an opportunity to submit written scoping comments directly to DEQ personnel. The open houses will take place on Tuesday, October 16th at the Isabel Bills Community Center (Multipurpose Room), 520 Poplar Drive, in Colstrip. The first open house will be from 2:30 p.m. until 4:30 p.m., and the second will be from 6:30 p.m. until 8:30 p.m. At the beginning of each open house, Western Energy representatives will present a brief overview of the proposed project. We encourage you to attend one of the open houses and to share your scoping comments with DEQ.

Sincerely,

A handwritten signature in black ink that reads "Greg Hallsten".

Greg Hallsten, Environmental Science Specialist
Montana Department of Environmental Quality

Western Energy Company's
**Rosebud Coal
 Mine Area F**



- Permit Boundary
- Life of Mine Disturbance Boundary
- Haul Road
- Haul Road Ramp
- County Road
- County Road Realignment
- Overhead Power Line (230 kv)
- Overhead Power Line (7.2 kv)
- Proposed Overhead Powerline (115 kv)
- Proposed Shoe Fly
- Buried Gas Line
- Pit
- Topsoil Stock Pile Location
- Overburden Stock Pile Location
- Approximate Scoria Pit Location
- Section Line

Project Location

The proposed mine area is located in Rosebud and Treasure counties, approximately 12 miles west of Colstrip and lies generally north of the Little Wolf Mountains. The proposed mine area is owned by State, federal and private entities.

Current land uses include grazing land, pastureland, cropland, and wildlife habitat. Tributaries of Horse Creek and West Fork Armells Creek, including Black Hank Creek, Donley Creek, Robbie Creek, and McClure Creek, all of which lie within the drainage of the Yellowstone River, drain the proposed mine area. The ridge system that divides the Horse Creek and West Fork Armells Creek drainages lies in the western portion of the proposed mine area.

Project Description

Western Energy utilizes an area strip mining method at the Rosebud Mine to extract coal. In advance of each mining pass, topsoil, subsoil, and tree soil would be removed from the area and stockpiled for use later during reclamation. Next, the overburden (sedimentary rock material covering the coal seams) would be drilled and blasted. After leveling the blasted material with a dozer to create a stable work surface, a dragline would then be used to strip the overburden from



the mine pass. Overburden would be cast into the mined-out pit created by the preceding pass.

After the dragline exposes the coal seam in each pass, the coal would be drilled and blasted. A loading shovel, front-end loaders, or backhoe would load blasted coal into coal haulers. The coal would be transported on an established haul road to Area C. From there, per Western Energy's contract with PPL Montana, most of the coal would be sent via the existing 4.2-mile conveyor to the Colstrip Power Station. Coal with higher sulfur content would be sent to Rosebud Power, a power generating plant 6 miles north of Colstrip.

If approved, mining would commence in 2015 with completion in 2034. Reclamation would be concurrent to and following mining and would facilitate the following post-mine land uses: grazing land, pastureland, cropland, and wildlife habitat.

Additional information regarding the proposed Rosebud Mine Area F expansion, including Western Energy's application, can be found on or requested through DEQ's Coal Program website.

<http://deq.mt.gov/ea/coal.mcp>

Project Timeline



Open House Schedule

DEQ has scheduled two scoping open houses. Each will start with a brief presentation of the proposed project by Western Energy representatives:

Tuesday, October 16th
2:30pm-4:30pm
6:30pm-8:30pm

Isabel Bills Community Center
Multipurpose Room,
520 Poplar Drive
Colstrip, MT

Additional Information

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<http://deq.mt.gov/ea/coal.mcp>

How to Provide Scoping Comments

DEQ needs your input to identify issues or concerns that should be analyzed in the EIS for the proposed Area F expansion of the Rosebud Mine. You can provide comments in two ways:

1. Attend one of the scoping open houses on October 16th and provide written comments to DEQ staff there
2. Send written comments to:

Montana Department of Environmental Quality
Attn: Mr. Greg Hallsten, Director's Office
PO Box 200901
Helena, MT 59620-0901
Facsimile: 406-444-4386
E-mail: deqcoalcomments@mt.gov

Please include your address, phone number, e-mail address, or other personal identifying information in your comment. You should be aware that your entire comment—including your personal identifying information—may be made publicly available at any time.

Please submit all comments by November 5, 2012.

For questions regarding the EIS process, please contact Greg Hallsten at 406-444-3276 or by e-mail at ghallsten@mt.gov.



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Environmental Quality Council
PO Box 201704
Helena, MT 59620





We Invite Your Comments

Western Energy Rosebud Mine Area F Expansion Environmental Impact Statement

Name <small>(Please Print)</small>	Date
Company /Organization	
Street Address	
City, State, Zip Code	
E-mail	

Comments: _____

Please continue on reverse side

