

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

COMPANY NAME: Signal Peak Energy LLC

DATE: November 8, 2012

PERMIT#: C1993017

REVISION NO: MR159

LOCATION: Bull Mountain Mine, T6N, R27E, S18, Musselshell Co,

Type and Purpose of Action:

The mine operator is requesting a permit revision to add two boreholes. The boreholes will be used to insert a camera into the underground room where the long-wall equipment was removed. The progression of subsidence can then be studied and the information gained will improve future operations.

Potential Impacts and Mitigation Measures:

The drill sites are located within the active mining area. Access to the drill sites is available on an existing two track road. The terrain is relatively flat and will require a minimum of leveling and disturbance. Acceptable drilling and drill-hole reclamation practices are part of the current permit commitments. The bore-holes are expected to not require casing and will be reclaimed per permit commitments. A site inspection showed no particular concerns for the specified drill locations.

Alternative Actions:

The drilling could lead to better mining practices that improve mine efficiency, worker safety and reduce subsidence and the resulting environmental impacts than not drilling.

Prepared by: David Adair

Title: Mining Engineer

FC: 620.959 (MR159)