



Montana Department of
ENVIRONMENTAL QUALITY

Steve Bullock, Governor
Tracy Stone-Manning, Director

P. O. Box 200901 • Helena, MT 59620-0901 • (406) 444-2544 • Website: www.deq.mt.gov

October 18, 2013

Mr. Dusty Weber
Signal Peak Energy LLC
Bull Mountain Coal Mine #1
100 Portal Drive
Roundup, MT 59072

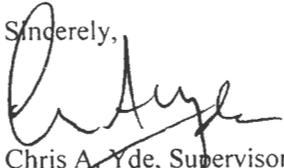
Permit ID: C1993017
Revision Type: Amendment
Permitting Action: Approval
Subject: Approval; Amendment 03

Dear Dusty:

The Department of Environmental Quality (DEQ) has completed preparation of its Written Findings, including the Cumulative Hydrologic Impact Assessment, for Amendment Application 03. Based on the information in Amendment Application 03 and our Written Findings, DEQ has approved Amendment 03, Bull Mountain Mine No.1. Enclosed for your records is a copy of the updated mining permit (C1993017), which will expire on May 9, 2018. Also enclosed please find a copy of DEQ's Written Findings.

Upon receipt of this approval, Signal Peak Energy, LLC (SPE) must submit the necessary documents to the Office of Surface Mine to amend the Federal Mine Plan. The federal coal located in Sections 4, 8, 10, 14, and 22 Township 6N, Range 27E cannot be mined until the Federal Mine Plan has been amended. Additionally, the state coal located in Section 16, Township 6N, Range 27E cannot be mined until the Montana Board of Land Commissioner's has approved the mine operation and reclamation plan as required by the state lease.

A copy of these materials and the updated permit materials will be forwarded to the OSM offices in Casper and Denver.

Sincerely,

Chris A. Yde, Supervisor
Coal and Uranium Program
Industrial and Energy Minerals Bureau
Ph: 406 444.4967
Fax: 406 444.4988
E-mail: cyde@mt.gov

Cc: Jeff Fleischman, OSM Casper Office
Gene Hay, OSM Denver Office
Ed Coleman, IEMB Bureau Chief (via email)

Enclosures

FC: 620.903 (AM03)

ARM 17.24.303(1)(o) requires "copies of the documents upon which the applicant bases his or her legal right to enter and begin mining operations in the permit area." SPE must provide documents from the State of Montana Board of Land Commissioner's approval of mine operation and reclamation plan for coal located in Section 16, Township 6N, Range 27E.

ARM 17.24.303(1)(o) requires "copies of the documents upon which the applicant bases his or her legal right to enter and begin mining operations in the permit area." SPE must provide the amended Federal Mine Plan allowing mining in all or portions of Sections 4, 8, 10, 14, and 22 Township 6N, Range 27E to complete mining in these areas.

THIS PERMIT IS ISSUED PURSUANT TO AND SUBJECT TO THE PROVISIONS OF TITLE 82, CHAPTER 4, PART 2, MCA, AND RULES ADOPTED PURSUANT TO TITLE 82, CHAPTER 4, PART 2, MCA.

THIS PERMIT IS APPROVED AND ISSUED BY:

Effective Date: October 18, 2013

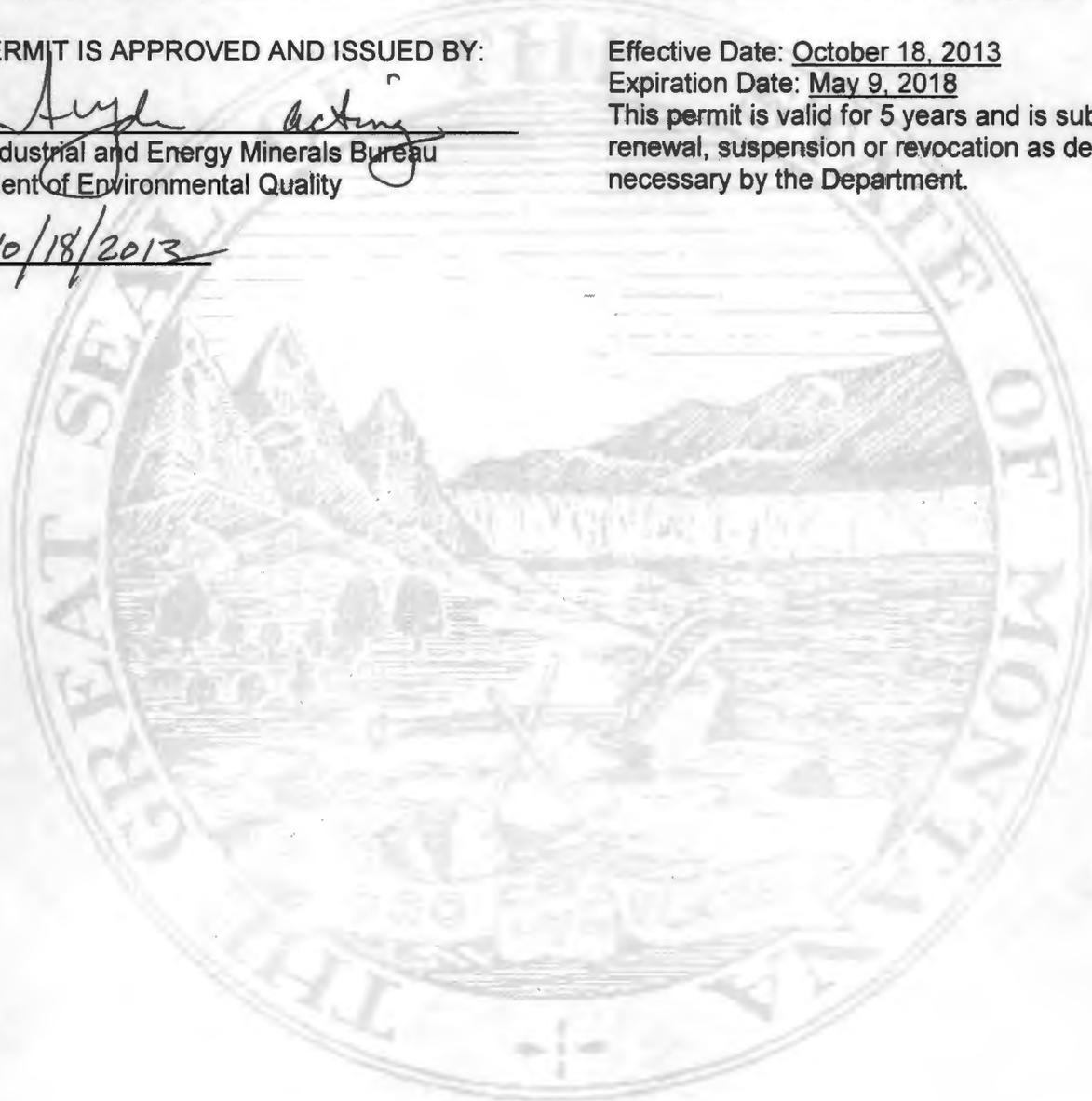
Expiration Date: May 9, 2018



Chief, Industrial and Energy Minerals Bureau
Department of Environmental Quality

This permit is valid for 5 years and is subject to renewal, suspension or revocation as deemed necessary by the Department.

Date: 10/18/2013



LEGAL DESCRIPTION FOR PERMIT NUMBER C1993017

| AREA | LEGAL DESCRIPTION | ACRES |
|---|---|--------------|
| <i>ORIGINAL PERMIT AREA (93017)</i> | | |
| Township 6 North, Range 26 East | | |
| Section 12 | S½S½NW¼; S½SW¼NE¼; S½ Lot 2, Lots 3 and 4; W½SE¼; SW¼ | 384 |
| Section 13 | All (Lots 1,2,3,4; W½E½; W½) | 598 |
| Section 14 | All | 640 |
| | Subtotal: | 1,622 |
| Township 6 North, Range 27 East | | |
| Section 7 | Lot 4; SE¼SW¼; SE¼; SE¼NE¼ | 276 |
| Section 16 | SW¼SW¼ | 40 |
| Section 17 | W½; W½NE¼; SE¼ | 561 |
| Section 18 | All (Lots 1,2,3,4; E½; E½W½) | 634 |
| Section 19 | Lots 1,2,3; E½W½; E½ | 604 |
| Section 20 | N½; W½SW¼; NE¼SW¼ | 444 |
| Section 21 | NW¼NW¼ | 40 |
| | Subtotal: | 2,599 |
| TOTAL ORIGINAL PERMIT AREA ACREAGE*: | | 4,220 |
| <i>PERMIT AMENDMENT #1 AREA (0178)</i> | | |
| Township 6 North, Range 27 East | | |
| Section 20 | SE¼; SE¼SW¼ | 202 |
| Section 28 | SW¼; SW¼NW¼ | 201 |
| Section 29 | All | 645 |
| Section 30 | E½NE¼ | 81 |
| Section 32 | N½ | 322 |
| Section 33 | All | 641 |
| Section 34 | W½SW¼ | 79 |
| TOTAL PERMIT AMENDMENT #1 AREA ACREAGE*: | | 2,172 |
| <i>PERMIT AMENDMENT #2 AREA (0187)</i> | | |
| Township 6 North, Range 27 East | | |
| Section 8 | SW¼SW¼; Portions of SE¼SW¼; N½SW¼; SW¼NW¼; SW¼SE¼ | 140 |
| Section 16 | Portion of NW¼SW¼ | 1 |
| | Deleted Portion of SW¼SW¼ | -21 |
| Section 17 | Portion of SE¼NE¼ | 7 |
| | Deleted Portions of W½NE¼; NE¼SE¼ | -29 |
| Section 21 | SW¼; Portions of SE¼; S½NW¼; NE¼NW¼; SW¼SW¼NE¼ | 298 |
| | Deleted Portion of NE¼NW¼NW¼ | -1 |
| Section 27 | SW¼SW¼; Portion of SW¼NW¼; NW¼SW¼; NE¼SW¼; SE¼SW¼ | 121 |
| Section 28 | N½NW¼; SE¼NW¼; NW¼NE¼; S½NE¼; SE¼ | 430 |
| Section 34 | NW¼; NE¼SW¼; Portions of SW¼NE¼; NW¼NE¼ | 246 |
| NET PERMIT AMENDMENT #2 AREA ACREAGE*: | | 1,193 |

| AREA | LEGAL DESCRIPTION | ACRES |
|------|-------------------|-------|
|------|-------------------|-------|

PERMIT AMENDMENT #3 AREA

| | | |
|--|---|--------------|
| | Township 6 North, Range 27 East | |
| Section 3 | SW $\frac{1}{4}$; SW $\frac{1}{4}$ SE $\frac{1}{4}$; W $\frac{1}{2}$ NW $\frac{1}{4}$ | 285 |
| Section 4 | S $\frac{1}{2}$ NE $\frac{1}{4}$; NE $\frac{1}{4}$ NE $\frac{1}{4}$; SE $\frac{1}{4}$ NW $\frac{1}{4}$; S $\frac{1}{2}$ | 474 |
| Section 5 | S $\frac{1}{2}$ SE $\frac{1}{4}$ | 79 |
| Section 8 | NE $\frac{1}{4}$; E $\frac{1}{2}$ NW $\frac{1}{4}$; Portion SW $\frac{1}{4}$ NW $\frac{1}{4}$; Portion S $\frac{1}{2}$; | 454 |
| Section 9 | ALL | 637 |
| Section 10 | | 601 |
| Section 11 | S $\frac{1}{2}$; NW $\frac{1}{4}$; W $\frac{1}{2}$ NE $\frac{1}{4}$; SE $\frac{1}{4}$ NE $\frac{1}{4}$ S $\frac{1}{2}$ SW $\frac{1}{4}$; NW $\frac{1}{4}$ SW $\frac{1}{4}$; SW $\frac{1}{4}$ NW $\frac{1}{4}$ | 160 |
| Section 14 | S $\frac{1}{2}$; NW $\frac{1}{4}$; SW $\frac{1}{4}$ NE $\frac{1}{4}$ | 520 |
| Section 15 | ALL | 641 |
| Section 16 | N $\frac{1}{2}$; SE $\frac{1}{4}$; E $\frac{1}{2}$ SW $\frac{1}{4}$; Portion W $\frac{1}{2}$ SW $\frac{1}{4}$ | 622 |
| Section 17 | Portion E $\frac{1}{2}$ | 101 |
| Section 21 | Portion N $\frac{1}{2}$; Portion SE $\frac{1}{4}$ | 306 |
| Section 22 | ALL | 640 |
| Section 23 | N $\frac{1}{2}$; SW $\frac{1}{4}$; NW $\frac{1}{4}$ SE $\frac{1}{4}$ | 520 |
| Section 26 | W $\frac{1}{2}$; W $\frac{1}{2}$ SE $\frac{1}{4}$; NE $\frac{1}{4}$ SE $\frac{1}{4}$; W $\frac{1}{2}$ NE $\frac{1}{4}$; SE $\frac{1}{4}$ NE $\frac{1}{4}$ | 559 |
| Section 27 | E $\frac{1}{2}$; Portion W $\frac{1}{2}$ | 518 |
| Section 28 | Portion NE $\frac{1}{4}$ NE $\frac{1}{4}$ | 12 |
| Section 34 | Portion W $\frac{1}{2}$ NE $\frac{1}{4}$ | 32 |
| TOTAL AMENDMENT NO. 3 AREA ACREAGE**: | | 7,161 |

INCIDENTAL BOUNDARY CHANGES

| | | |
|--|--|------------|
| MR 07-17-04 | Township 6 North, Range 27 East | |
| Section 30 | NW $\frac{1}{4}$ NE $\frac{1}{4}$ | 40 |
| MR 10-17-09 | Township 6 North, Range 26 East | |
| Section 25 | (Road Corridor) Township 6 North, Range 27 East | 19 |
| Section 30 | (Road Corridor) | 18 |
| MR 10-17-12 | Township 5 North, Range 27 East | |
| Section 4 | N $\frac{1}{2}$ NE $\frac{1}{4}$ (Select Tract) | 26 |
| MR 10-17-23 | Township 4 North, Range 25 East | |
| Section 13 | (Comanche Basin Loadout. This area was not contiguous to current mine and is not calculated in the acreage.) | -20 |
| MR 135 | Township 6 North, Range 26 East | |
| Section 25 | (Soil Stockpile) Township 6 North, Range 27 East | 8 |
| Section 30 | (Soil Stockpile) | 12 |
| Section 31 | E $\frac{1}{2}$ NE $\frac{1}{4}$ (Select Tract)(Road Corridor) | 5 |
| Section 32 | (Road Corridor)(Soil Stockpile) Township 5 North, Range 27 East | 19 |
| Section 4 | (Road Corridor)NW $\frac{1}{4}$ | 4 |
| TOTAL INCIDENTAL BOUNDARY CHANGE ACREAGE**: | | 150 |

TOTAL LOM PERMIT ACREAGE:** 14,896

* Acreages calculated using AutoCAD MAP. Any minor acreage totaling differences can be attributed to decimal/fractional acreages in actual Microsoft Excel Spreadsheet.

** LOM PERMIT ACREAGE = ORIGINAL + AMENDMENTS 1, 2 & 3 + INCIDENTAL BNDRY CHANGES

