July 12, 2016

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.

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
Lauren Mitchell, OSM Denver Office
Trevor Taylor, Montana DNRC
Ed Coleman, COMB Bureau Chief (via email)

Enclosures

FC: 620.903 (AM3)

SURFACE/UNDERGROUND MINING PERMIT

STATE OF MONTANA
Department of Environmental Quality
PO Box 200901
Helena, Montana 59620-0901
Phone (406) 444-4970

UNDERGROUND MINING PERMIT NO. C1993017
Pursuant to Title 82, Chapter 4, Part 2, MCA

Pursuant to Application for Coal Mine Permit Amendment No. 03 received by the Department on October 5, 2012, Coal Mine Permit No. C1993017 issued to Signal Peak Energy on May 9, 1993 is hereby amended as follows:

Legal Description of Amendment Area:	Change in Permitted Acres:	Amount of Change in Bond:
See Attached Table	7,161	$762,357

THIS PERMIT, WHEN EXECUTED BY THE CHIEF, INDUSTRIAL AND ENERGY MINERALS BUREAU, DEPARTMENT OF ENVIRONMENTAL QUALITY, SHALL AUTHORIZE THE OPERATOR TO COMMENCE COAL MINING ACTIVITIES AS SPECIFIED HEREIN AND AS SHOWN ON MAPS, PLANS, SPECIFICATIONS AND APPLICATIONS SUBMITTED BY THE OPERATOR.

Name and Address of Operator:
Signal Peak Energy LLC
100 Portal Drive
Roundup MT 59072

Legal Description of Mine:
See attached Table

Mineral to be Mined: Coal

County: Musselshell and Yellowstone

Total Bond Level: $11,700,000

Total Permitted Acreage: 14,896 acres, more or less

Acreage Breakdown	Permit Acreage Mineral	Permit Acreage Surface
Federal:	2,675	941
Tribal:	0	0
State:	642	642
Private:	11,579	13,313
County:	0	0
Total:	14,896	14,896

THIS PERMIT AUTHORIZES THE PERMITTEE TO CONDUCT MINING ACTIVITIES AS SPECIFIED IN:

1. The mining and reclamation permit numbered C1993017 covering this mine or mine complex approved by the Commissioner, Department of State Lands, or Director, Department of Environmental Quality on October 15, 1993, and any approved amendments, revisions, and renewals.
2. The application for amendment Surface/Underground Coal Mine Permit numbered C1993017, received by the Department of Environmental Quality on October 5, 2012 and revised through May 5, 2016.

Stipulations: ARM 17.24.304(1)(b) requires "listing, location and description of all archaeological, historical, ethnological and cultural resources and values of the proposed mine plan and adjacent area." Amendment 03 is for extension of underground activities of an existing mine, and the only significant surface disturbance anticipated is the possibility of some surface failure in areas of steep slopes where few archeological/historical resources are expected. No additional archeological or historical sites have been discovered, and no impacts to known archeological or historical sites should occur. Protection of any incidentally discovered sites is stipulated in the approved surface mining permit.

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:

Chief, Industrial and Energy Minerals Bureau
Department of Environmental Quality

Date: 7/12/16

Effective Date: July 12, 2016
Expiration Date: May 9, 2018
This permit is valid for 5 years and is subject to renewal, suspension or revocation as deemed necessary by the Department.

LEGAL DESCRIPTION FOR PERMIT NUMBER C1993017

AREA	LEGAL DESCRIPTION	ACRES
ORIGINAL PERMIT AREA (93017)		
	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**
PERMIT AMENDMENT #1 AREA (0178)		
	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**
PERMIT AMENDMENT #2 AREA (0187)		
	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	SW¼; SW¼SE¼; W½NW¼	285
Section 4	S½NE¼; NE¼NE¼; SE¼NW¼; S½	474
Section 5	S½SE¼	79
Section 8	NE¼; E½NW¼; Portion SW¼NW¼; Portion S½;	454
Section 9	ALL	637
Section 10	S½; NW¼;W½NE¼; SE¼NE¼	601
Section 11	S½SW¼; NW¼SW¼; SW¼NW¼	160
Section 14	S½; NW¼; SW¼NE¼	520
Section 15	ALL	641
Section 16	N½; SE¼; E½SW¼; Portion W½SW¼	622
Section 17	Portion E½	101
Section 21	Portion N½; Portion SE¼	306
Section 22	ALL	640
Section 23	N½; SW¼; NW¼SE¼	520
Section 26	W½; W½SE¼; NE¼SE¼; W½NE¼; SE¼NE¼	559
Section 27	E½; Portion W½	518
Section 28	Portion NE¼NE¼	12
Section 34	Portion W½NE¼	32
	TOTAL AMENDMENT NO. 3 AREA ACREAGE*:	**7,161**

INCIDENTAL BOUNDARY CHANGES

MR 07-17-04	Township 6 North, Range 27 East	
Section 30	NW¼NE¼	40
MR 10-17-09	Township 6 North, Range 26 East	
Section 25	(Road Corridor)	19
	Township 6 North, Range 27 East	
Section 30	(Road Corridor)	18
MR 10-17-12	Township 5 North, Range 27 East	
Section 4	N½NE¼ (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)	8
	Township 6 North, Range 27 East	
Section 30	(Soil Stockpile)	12
Section 31	E½NE¼ (Select Tract)(Road Corridor)	5
Section 32	(Road Corridor)(Soil Stockpile)	19
	Township 5 North, Range 27 East	
Section 4	(Road Corridor)NW¼	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