

SUB-CHAPTER 3

17.24.301 - DEFINITIONS

The current operator of Bull Mountains Mine No. 1 is Signal Peak Energy, LLC, and will be hereinafter referred to in this document as “the Operator”. The Operator is one and the same as “the Contractor”.

The Montana Department of Environmental Quality will be hereinafter referred to in this document as either “the Department” or “DEQ”.

The Operator hereby recognizes and will comply with the definitions listed under this rule.

17.24.302 - FORMAT AND SUPPLEMENTAL INFORMATION

- (1) All information set forth in this application is current, presented clearly and concisely, and supported by appropriate references to technical and other written material available to the Department.
- (2) All tests, analyses or surveys carried out pursuant to these rules must be performed or certified by a qualified person using scientifically valid techniques approved by the Department.
- (3) All chemical and physical laboratory analyses are conducted by laboratories using departmentally approved and standardized procedures. The Operator will collect, duplicate, or split samples at a frequency requested by the Department.
- (4) All technical data submitted with the original application for Permit No. 93017 were by the following people or organizations:

Aerial Photography

Bell Mapping Company
500 Kalamath Street
Denver, CO 80204
Tom Dockerty

Air Quality

EnecoTech
Trinity Place, Suite 700
1801 Broadway
Denver, CO 80202
Jim Kuenning
Kendall J. Kreger

Archaeology

Greystone Development Consultants, Inc.
5990 Greenwood Plaza Blvd., Suite 104
Englewood, CO 80111
Mike Metcalf
Ron Rood

Baseline & Reclamation Plan

Greystone Development Consultants, Inc.
5990 Greenwood Plaza Blvd., Suite 104
Englewood, CO 80111
Jerry Koblitz

Coal Analyses

Commercial Testing & Engineering
609 Charles St.
Billings, MT 59101

Geotechnical/Foundational Testing

Braun Engineering Testing of Montana, Inc.
6200 South Frontage Road
Billings, MT 59101

Mine Engineering

Meridian Minerals Company
1504 4th Street West
Roundup, MT 59072
Robert Morehead

Meridian Minerals Company
5613 DTC Parkway
Englewood, CO 80111
Robert E. Ochsner

Lee Techni-coal Mining and Geological Consulting
2800 Gregory Drive South
Billings, MT 59102
Dennis L. Garnett

Overburden Analyses and Water Quality Analyses

Energy Laboratory
1107 S. Broadway
Billings, MT 59101
John Standish

Overburden & Geology

Lee Techni-coal Mining and Geological Consulting
2800 Gregory Drive South
Billings, MT 59102
Dennis L. Garnett
Tom Tucker

Meridian Minerals Company
5613 DTC Parkway
Englewood, CO 80111
Bob Regan

Permit Director

Meridian Minerals Company
5613 DTC Parkway
Englewood, CO 80111
Les Darling

Lee Techni-coal Mining and Geological Consulting
2800 Gregory Drive South
Billings, MT 59102
Dennis L. Garnett

Refuse Disposal

Greystone Development Consultants, Inc.
5990 Greenwood Plaza Blvd., Suite 104
Englewood, CO 80111
Mike Kolin

Rock Mechanics & Subsidence

Agapito & Associates
715 Horizon Drive, Suite 340
Grand Junction, CO 81506
Hamid N. Maleki

Soil Analyses

Energy Laboratory
1107 S. Broadway
Billings, MT 59101
John Standish

Surface and Groundwater

EnecoTech
Trinity Place, Suite 700
1801 Broadway
Denver, CO 80202
Dorothy E. Baldwin
Karen L. Spray
Alex Caruana

Western Technologies, Inc.
303 East 17th Ave., Suite 910
Denver, CO 80203
Gary Curtis

Surface Water Control Plan

Lee Techni-coal Mining and Geological Consulting
2800 Gregory Drive South
Billings, MT 59102
Dennis L. Garnett
Mike Kolin

Vegetation

Westech Environmental Services, Inc.
P.O. Box 6045
Helena, MT 59601
Ken Scow and Dean Culwell

Greystone Development Consultants, Inc.
5990 Greenwood Plaza Blvd., Suite 104
Englewood, CO 80111
Dave Kreger

Wildlife

Greystone Development Consultants, Inc.
5990 Greenwood Plaza Blvd., Suite 104
Englewood, CO 80111
Dave Cameron

Westech Environmental Services, Inc.
P.O. Box 6045
Helena, MT 59601
Pat Farmer

Invertebrate Identification
Robert Wisseman
3490 NW Deer Run Road
Corvallis, OR 97330

Periphyton Identification
Montana State University
John Prisqu
9428 Owl Way
Bozeman, MT 59715

Soils

Greystone Development Consultants, Inc.
5990 Greenwood Plaza Blvd., Suite 104
Englewood, CO 80111
Randy Schroeder
Dave Kreger

Dates of collection and analysis, and a description of the methodology used to collect and analyze the data are included in the appropriate section or with the specific exhibits of this permit application.

As a result of this update of the mine permit application; all technical data submitted herewith, or to be collected and analyzed in the future by or on behalf of the Operator, will be collected and analyzed by the following people or organizations:

Aerial Photography

Fugro Horizons, Inc.
3600 Jet Drive
Rapid City, SD 57703
Ken Wrede

Air Quality

Westech, Inc.
P.O. Box 6945
3005 Airport Road
Helena, MT 59604

Inter-Mountain Labs, Inc.
Air Service Group
555 Absaraka
Sheridan, WY 82801
Kevin Chartier

Archeology

GCM Services, Inc.
P.O. Box 3047

Butte, MT 59702
David Ferguson

Ethnoscience, Inc.
P.O. box 30577
Billings, MT 59107-0577
Lynelle Peterson
Lue Litwinionek

Baseline & Reclamation Plan

Mission Engineering
730 E. Main – Suite 106
Billings, MT 59105
Dan Hadley, P.E.

Catena Consulting, Inc.
P.O. Box 50538
Billings, MT 59105
Judd Stark

Mine Engineering

Signal Peak Energy, LLC
100 Portal Drive
Roundup, MT 59072
Robert E. Ochsner, Chief Engineer

Mission Engineering
730 E. Main – Suite 106
Billings, MT 59105
Dan Hadley, P.E.

Water Quality Analyses

Energy Laboratories, Inc.
1107 South Broadway
Billings, MT 59101
John Standish

Geology

Signal Peak Energy, LLC
100 Portal Drive
Roundup, MT 59072
Dusty R. Weber

Resource Management, Inc.
216 Burlington Ave.
Billings, MT 59101
Harold Silkwood

Permit Manager

Signal Peak Energy, LLC
100 Portal Drive

Roundup, MT 59072
Dusty R. Weber

Waste Disposal Area

Signal Peak Energy, LLC
100 Portal Drive
Roundup, MT 59072
Dusty R. Weber

DOWL-HKM
P.O. Box 31318
Billings, MT 59107
Ralph Gurney

Mission Engineering
730 E. Main – Suite 106
Billings, MT 59105
Dan Hadley, P.E.

Rock Mechanics & Subsidence

Agapito & Associates
715 Horizon Drive, Suite 340
Grand Junction, CO 81506
Hamid N. Maleki

Mission Engineering
730 E. Main – Suite 106
Billings, MT 59105
Dan Hadley, P.E.

Soils & Soils Analyses

Catena Consulting, Inc.
P.O. Box 50538
Billings, MT 59105
Judd Stark

Westech, Inc.
P.O. Box 6945
3005 Airport Road
Helena, MT 59604

Surface & Groundwater Hydrology

Hydrometrics, Inc.
5602 Hesper Road
Billings, MT 59106

Arcadis U.S., Inc.
630 Plaza Drive, Suite 200
Highlands Ranch, CO 80129
Jerry Koblitz

Surface Water Control Plan

Signal Peak Energy, LLC
100 Portal Drive
Roundup, MT 59072
Dusty R. Weber

DOWL-HKM
P.O. Box 31318
Billings, MT 59107
Ralph Gurney

Mission Engineering
730 E. Main – Suite 106
Billings, MT 59105
Dan Hadley, P.E.

Vegetation

Catena Consulting, Inc.
P.O. Box 50538
Billings, MT 59105
Judd Stark

Westech, Inc.
P.O. Box 6945
3005 Airport Road
Helena, MT 59604

Wildlife

Catena Consulting, Inc.
P.O. Box 50538
Billings, MT 59105
Judd Stark

Westech, Inc.
P.O. Box 6945
3005 Airport Road
Helena, MT 59604

Dates of collection and analyses, together with appropriate descriptions of methodologies used to collect and analyze data, will be identified by the above listed disciplinary experts as part of any reports submitted by the Operator.

(5) The Operator's application form for this mining permit is presented as Exhibit 302-1, under "Exhibits".

(6) Two (2) copies of all applications, maps, reports, and other informational data pertaining to the original permit application were submitted to the Department. Two (2) copies of the permit application are on file with the Office of Surface Mining and Reclamation Enforcement (OSMRE).

(7) Detailed maps included in the original application submission are at a scale of 1"= 100' and 1"= 400'. Maps showing general conditions are at a scale of 1"= 1,000' and 1"= 2,000'. A list of the maps and

corresponding map numbers is included in the Table of Contents, and at the beginning of the "Maps" Section 17.24.305.

(8) In addition to the groups collecting and analyzing technical data for the original application (listed in paragraph 4.), the following persons from other government agencies were consulted in obtaining resource information:

Montana Department of Environmental Quality:

Tom Golnar, Surface Water Hydrologist
Jim Consort, Groundwater Hydrologist
Shannon Heath, Wildlife Biologist
Samantha Gundlach, Vegetation Specialist
Julian Calabrese, Soil Scientist
Peter Mahrt, Mining Engineer
Montana Department of Environmental Quality
P.O. Box 200901
Helena, MT 59620-0901

Dave Adair, Reclamation Division
Montana Department of State Lands
Southern Land Office
1371 Rimtop Drive
Billings, MT 59105-1978

Department of Health and Environmental Sciences:

Patrick Driscoll, Environmental Engineer
Department of Health and Environmental Sciences
Cogswell Building
Helena, MT 59620

Montana Bureau of Mines and Geology:

Wayne VanVoast
John Wheaton
Montana Bureau of Mines and Geology
Butte, MT

Soil Conservation Service:

Mr. Howard Main
Soil Conservation Service
109 Railroad Ave. E.
Roundup, MT 59072

Montana Department of Fish, Wildlife, and Parks:

Mr. Jay Newell
Montana Department of Fish, Wildlife, and Parks
1425 2nd Street West
Roundup, MT 59072

Mr. Charlie Eustace
Montana Department of Fish, Wildlife, and Parks
2300 Lake Elmo Drive
Billings, MT 59105

Mr. Dennis Flath
Montana Department of Fish, Wildlife, and Parks
1400 South 19th
Bozeman, MT 59715

Montana Natural Heritage Program:

Ms. Margaret Zook
Montana Natural Heritage Program
1515 East Sixth Avenue
Helena, MT 59620

Montana Natural Resource Information System:

Mr. Jon C. Sesso
Montana Natural Resource Information System
1515 East Sixth Avenue
Helena, MT 59620

Montana State Climatologist:

Dr. Joseph M. Caprio
Plant and Soils Science Dept.
Montana State University
Bozeman, MT 59717

(9) Whenever used in the application, referenced materials have been provided to the Department or are readily available to the department. When provided, relevant portions of referenced published materials are presented briefly and concisely in the application by photocopying or abstracting and with explicit citations.

17.24.303 - LEGAL, FINANCIAL, COMPLIANCE, AND RELATED INFORMATION

(a) Signal Peak Energy, LLC permanent address is:

Signal Peak Energy, LLC
100 Portal Drive
Roundup, MT 59072
(406) 323-4500
Fax: (406) 323-4556

All inquiries to this application should be addressed to:

John DeMichiei
Signal Peak Energy, LLC
100 Portal Drive
Roundup, MT 59072
(406) 323-4500
Fax: (406) 323-4556

The resident agent for Signal Peak Energy, LLC is:

John DeMichiei
Signal Peak Energy, LLC
100 Portal Drive
Roundup, MT 59072
(406) 323-4500
Fax: (406) 323-4556

The person who will be responsible for payment of the abandoned mine reclamation fee pursuant to §30 USC 1232 is:

Darrell Rolland
Signal Peak Energy, LLC
100 Portal Drive
Roundup, MT 59072
(406) 323-4500
Fax: (406) 323-4556

(b) A legal description of the areas to be affected are listed in Table 303-1 and shown on the Permit Location Map (303-1). Access to the area is made by the Fattig Creek County Road, off of the Old Divide Highway, 15 miles south of Roundup, Musselshell and Yellowstone Counties, Montana.

(c) The names and addresses of the legal and equitable owners of record of the surface of land to be affected by the permit, within one-half mile of the permit boundary, are listed in Table 303-2 and also shown on the Surface and Mineral Ownership Map (303-1).

(d) The name and address of the present owner of record of all subsurface minerals in the land to be affected is listed in Table 303-3 and also shown on the Surface and Mineral Ownership Map (303-1).

(e) Signal Peak Energy, LLC will conduct its own mining activities.

- (f) Signal Peak Energy, LLC is a Delaware Corporation licensed to do business in the State of Montana.
- (g) (i through iii) The stock ownership of Signal Peak Energy, LLC shares is listed in Table 303-4.
- (iv) None of the owners, officers, or directors of Signal Peak Energy LLC. have previously owned or controlled a coal mining and reclamation operation in the United States within the five years preceding the date of this application.
- (v) Signal Peak Energy, LLC has no other pending coal mining permits in any other state.
- (h) (i through v) The applicant or the applicant's operator did not own or control any surface coal mining operations within the five-year period preceding the date of the submission of the application; the applicant or the applicant's operator did not own or control any surface coal mining operations on the date of the submission of the application.
- (i) (i through ii) Signal Peak Energy, LLC currently owns and controls Permit No. SMP 93017. Table 303-4 lists all of the ownership and control relationships for Signal Peak Energy, LLC.
- (j) The name of the proposed mine is the Bull Mountain Mine No. 1. The Mine Safety and Health Administration identification number is 24-01950.
- (k) Signal Peak Energy, LLC has a coal lease from the Bureau of Land Management on parts of Sections 4, 8, 10, 14, and 22, Township 6 North, Range 27 East. SPE has a coal lease from the Montana Department of State Lands on Section 16, Township 6 North, Range 27 East.

Frederick Billings Estate

Signal Peak Energy, LLC anticipates obtaining a coal lease from the multiple fee coal owners in Section 26, Township 6 North, Range 27 East prior to mining development entries for Longwall Panel 9. In 2012 formal discussions with coal owners began, but due to the multiple parties involved, SPE expects the process may take several additional years to reach a conclusion. At such time as a coal lease can be acquired SPE will submit a mineplan revision to include the fee coal. If the agreement cannot be reached the coal will be left unmined by the Permittee. Signal Peak Energy, LLC has no other interest in lands, options, pending bids for land contiguous to the area covered by the permit.

- (l) No person associated with Signal Peak Energy, LLC holds nor has held any uranium operating permits.
- (m) It is hereby stated that neither Signal Peak Energy, LLC nor any person associated with Signal Peak Energy, LLC has violated any of the provisions of Sec. 82-4-251 MCA or had a strip mining license or bond revoked. Reference Exhibit 303-1, Certification of 17.24.303-(l).
- (n) Violation history within the last three (years) is listed in Table 303-5.
- (o) The company derives its legal right to enter and begin mining from coal leases, and surface access agreements. Copies of these documents are included in this application as Appendix 303-1. In some cases, portions of the documents have been redacted to protect financial details that are not relevant to this rule. Refer to Mineral Ownership Table 303-3 for details.
- (p) (i through ii) Bull Mountains Mine No. 1 is an underground mine, not a strip mine, and thus no written consent of the surface owner to allow use of the strip mining methods is necessary. Surface

access agreements for subsidence reclamation and supplemental surface facilities to the underground mine are included in Appendix 303-1.

(q) The proposed permit area is not within an area designated unsuitable for coal mining operations or under study for designation in an administrative proceeding. Applicant is not claiming exemptions based on substantial legal and financial commitments.

(r) The Operator may mine within 300 feet of the Field Office (located in section 18, Township 6 North, Range 27 East). The Field Office is owned by Bull Mountain Land, LLC, but is leased by Bull Mountain Coal Properties, Inc. Reference Exhibit 303-2.

(s) The anticipated mining and reclamation schedule is listed on the Mining and Reclamation Summary, Table 303-6.

(t) A certificate of liability insurance as required by 82-4-222(5) is included in this application, Exhibit 303-3.

(u) (i through iv) The following permits are required to conduct the proposed underground mining operation:

Underground Mining Permit: Montana Department of Environmental Quality
Industrial & Energy Minerals Bureau
Box 200901
Helena, MT 59620-0901
Permit No. 93017
Issue Date: October 15, 1993

Montana Pollutant Discharge Elimination System Permit: Montana Department of Environmental Quality
Water Protection Bureau
Box 200901
Helena, MT 59620-0901
Permit No. MT-0028983
Issue Date: February 1, 2004

Air Quality Permit: Montana Department of Environmental Quality
Air Resource Management Bureau
Box 200901
Helena, MT 59620-0901
Permit No. 03179-06
Issue Date: May 13, 2008

Certificate of Water Right: Montana Department of Natural Resources
& Conservation
Water Resources Division
P.O. Box 201601
Helena, MT 59620-1601
Permit No. 80787- 40A
Issue Date: April 20, 1992

Permit to Appropriate Water:

Montana Department of Natural Resources
& Conservation
Water Resources Division
P.O. Box 201601
Helena, MT 59620-1601
Permit No. 80785- 40A
Permit No. 80784- 40A
Permit No. 80783- 40A
Issue Date: April 13, 1992

Madison Well #1 - Provisional
Permit No. 22892-40A
Issue Date: June 22, 2006

Madison Well #2 – Pending

Madison Well #3 – Pending

MSHA Waste Disposal Area:

District Manager
Mine Safety & Health Administration
P.O. Box 25367
Denver, CO 80225-0367
Refuse Disposal File
Permit No. 1211-MT-09-01950-03
Issue Date: December 7, 2006

(v) A copy of the mining permit application is filed for public inspection at the Department of Environmental Quality, Southern Land Office, 1371 Rintop Drive, Billings, Montana 59105-1978.

(w) The resident agent who will accept service of process on behalf of Signal Peak Energy, LLC is:

John DeMichiei
Signal Peak Energy, LLC
100 Portal Drive
Roundup, MT 59072
(406) 323-4500
Fax: (406) 323-4556

(x) A copy of the newspaper notice of the permit application is included as Exhibit 303-4.

(y) Within the mine plan area as presented on Map 303-1 in the original permit document, both surface and underground mining has previously occurred. P.M. Coal Company has operated both a surface and underground mine in Section 13, Township 6 North, Range 26 East under Permit No. 79008A1. Meridian previously conducted a test pit surface mining operation, also located in Section 13 under Permit No. 89017. The “Permit Locations and Areas Mined by Date” Map (303-1) depicts the locations and areas mined by date.

(z) The “Permit Locations and Areas Mined by Date” Map (303-1) depicts the locations and areas mined by date.

Additional Information required by the Department:

As required by statutes, Signal Peak Energy, LLC has included the following:

- Exhibit 303-5 Delaware “Certificate of Formation” of Signal Peak Energy, LLC
- Exhibit 303-6 Montana “Certificate of Authority” to Signal Peak Energy, LLC
- Exhibit 303-7 Signal Peak Energy, LLC Secretary’s Certificate
- Exhibit 303-8 Signal Peak Energy, LLC Coal and Uranium Reclamation Bond