



Brian Schweitzer, Governor

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

October 4, 2012

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 02

Dear Dusty:

DEQ has completed preparation of its Written Findings, including the Cumulative Hydrologic Impact Assessment, for Amendment Application 02. Based on the information in Amendment Application 02 and our Written Findings, DEQ has approved Amendment 02, Bull Mountain Mine No.1. Enclosed for your records is a copy of the updated mining permit (C1993017), which will expire on May 9, 2013. Also enclosed please find a copy of DEQ's Written Findings.

A copy of the updated 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)

Enclosure

FC: 620.903 (AM2)

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. 02 received by the Department on August 3, 2011, 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:
T6N, R27E, Sections 8, 16, 17, 21 T6N, R27E, Sections 27, 28 and 34	1193	None

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:	Legal Description of Mine:
Signal Peak Energy LLC 100 Portal Drive Roundup MT 59072	See attachment Table 303-1 (AMEND 2_20120802)

Mineral to be Mined: Coal **County:** Musselshell and Yellowstone

Total Bond Level: \$11,700,000.00 **Total Permitted Acreage:** 7,735 acres, more or less

Acreage Breakdown	Permit Acreage Mineral	Permit Acreage Surface
Federal:	146	366
Tribal:	0	0
State:	20	20
Private:	7569	7349
County:	0	0
Total:	7735	7735

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 August 3, 2011 and revised through May 15, 2012.

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 02 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.

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

Effective Date: October 4, 2012

Expiration Date: May 9, 2013

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

Date: 10/4/2012



**TABLE 303-1
BULL MOUNTAINS MINE NO. 1
LEGAL DESCRIPTION**

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	384.3
Section 13	All (Lots 1,2,3,4; W½E½; W½)	598.0
Section 14	All	639.5
	Subtotal:	1,621.7
Township 6 North, Range 27 East		
Section 7	Lot 4; SE¼SW¼; SE¼; SE¼NE¼	276.1
Section 16	SW¼SW¼	40.1
Section 17	W½; W½NE¼; SE¼	560.6
Section 18	All (Lots 1,2,3,4; E½; E½W½)	633.7
Section 19	Lots 1,2,3; E½W½; E½	604.1
Section 20	N½; W½SW¼; NE¼SW¼	443.6
Section 21	NW¼NW¼	40.3
	Subtotal:	2,598.5
	TOTAL ORIGINAL PERMIT AREA ACREAGE*:	4,220.2
PERMIT AMENDMENT AREA (0178)		
Township 6 North, Range 27 East		
Section 20	SE¼; SE¼SW¼	202.2
Section 28	SW¼; SW¼NW¼	200.6
Section 29	All	645.1
Section 30	E½NE¼	81.1
Section 32	N½	322.4
Section 33	All	641.1
Section 34	W½SW¼	79.3
	TOTAL PERMIT AMENDMENT 0178 AREA ACREAGE*:	2,171.7
PERMIT AMENDMENT #2 AREA (0187)		
Township 6 North, Range 27 East		
Section 8	SW¼SW¼; Portions of SE¼SW¼; N½SW¼; SW¼NW¼; SW¼SE¼	139.5
Section 16	Portion of NW¼SW¼	0.7
	Deleted Portion of SW¼SW¼	-20.9
Section 17	Portion of SE¼NE¼	7.4
	Deleted Portions of W½NE¼; NE¼SE¼	-28.7
Section 21	SW¼; Portions of SE¼; S½NW¼; NE¼NW¼; SW¼SW¼NE¼	298.2
	Deleted Portion of NE¼NW¼NW¼	-1.2
Section 27	SW¼SW¼; Portion of SW¼NW¼; NW¼SW¼; NE¼SW¼; SE¼SW¼	120.8
Section 28	N½NW¼; SE¼NW¼; NW¼NE¼; S½NE¼; SE¼	430.3
Section 34	NW¼; NE¼SW¼; Portions of SW¼NE¼; NW¼NE¼	246.4
	NET PERMIT AMENDMENT #2 (0187) AREA ACREAGE*:	1,192.5
INCIDENTAL BOUNDARY CHANGES		
Township 6 North, Range 27 East		
MR 07-17-04 Section 30	NW¼NE¼	40.0
Township 6 North, Range 26 East		
MR 10-17-09 Section 25	(Road Corridor)	19.3
Township 6 North, Range 27 East		
Section 30	(Road Corridor)	17.6
Township 5 North, Range 27 East		
MR 10-17-12 Section 4	N½NE¼ (Select Tract)(Road)	26.3
Township 6 North, Range 26 East		
MR 135 Section 25	(Soil Stockpile)	8.2
Township 6 North, Range 27 East		
Section 30	(Soil Stockpile)	11.7
Section 31	E½NE¼ (Select Tract)(Road Corridor)	4.6
Section 32	(Road Corridor)(Soil Stockpile)	19.0
Township 5 North, Range 27 East		
Section 4	(Road Corridor)NW¼	3.7
	TOTAL INCIDENTAL BOUNDARY CHANGE ACREAGE*:	150.4
	TOTAL PERMIT AREA ACREAGE*:	7,734.8

*Amendment #2 northeastern boundary is defined by an Azimuth 146° 13'54" between points 2250920.01E; 745720.32N and 2265437.65E; 724008.29N. MTSPCS NAD 83 (86adj) INT FT. Section lines downloaded from cadastral data at <http://www.nris.state.mt.us/gis>. Acreages calculated using AutoCAD MAP. Any minor acreage totaling differences can be attributed to decimal/fractional acreages in actual Microsoft Excel Spreadsheet.