



March 12, 2020

Dear Interested Party:

The Montana Department of Environmental Quality (DEQ) has completed the Final Environmental Impact Statement (EIS) for the proposed TR1 major revision (TR1 Project) to Surface Mining Permit C1979012 submitted by Spring Creek Coal LLC (SCC) for the Spring Creek Mine (SCM), which is located approximately eight miles northeast of Decker, MT. Approval of the TR1 Project would allow SCC to mine approximately 72 million additional tons of coal and disturb an additional 977 acres within the existing permit boundary. The TR1 Project would extend the life of the mine by approximately four years, from 2027 to 2031. The proposed mine disturbance would use existing infrastructure at the SCM.

The Montana Environmental Policy Act (MEPA), Section 75-1-201, *et seq.*, Montana Code Annotated (MCA), requires the preparation of an EIS for state actions that may significantly affect the quality of the human environment. The EIS includes a detailed statement on the environmental impact of the proposed action and a no action alternative. DEQ issued a Draft EIS on August 27, 2019 and made the draft available for public review and comment for 30 days. The Final EIS addresses issues and concerns raised during the public comment period and at a public meeting. All new information and analysis supplied during the comment period and developed in response to comments received were used to prepare the Final EIS.

DEQ deemed SCC's application complete on December 6, 2013. The SCM was operated by SCC, a wholly owned subsidiary of Cloud Peak Energy Resources, LLC (CPE). During the EIS development, CPE filed for bankruptcy and was acquired by the Navajo Transitional Energy Company, LLC (NTEC) in October. A minor revision was approved in October for NTEC to be the contract miner at the SCM. The permit transfer from SCC to NTEC, which was submitted in November, is pending. The Final EIS has been updated to reflect the most up to date information.

DEQ has identified the Proposed Action as the agency's preferred alternative in the Final EIS with added wildlife and cultural stipulations. The TR1 Project would increase the disturbance area by 977 acres for the life of the mine, however, the approved surface mining permit boundary would remain the same at 9,220 acres. The TR1 Project would change the currently-approved postmine topography to better resemble the premine topography and provide additional flat-benched areas for sage grouse habitat.

Through the environmental analysis, DEQ determined that opportunities for effective, on-site sage grouse habitat mitigations were limited. Therefore, a measure to complete compensatory mitigation off-site was pursued. A landscape-scale functional acreage approach was used to

quantify and compare baseline (No Action) to the Proposed Action and estimate the compensatory amount for off-site sage grouse habitat mitigation.

DEQ developed the sage grouse mitigation measure to mitigate impacts in consultation with the BLM, FWP, and Office of Surface Mine Reclamation and Enforcement (OSMRE). If DEQ decides to approve the permit revision, SCM would be required to pay \$107,727 in compensatory mitigation to the Montana Sage Grouse Stewardship Fund as a condition of the permit approval.

The Final EIS is not a decision document but will help DEQ make an informed decision with respect to the approval of the TR1 project. DEQ will decide whether to approve the revision in accordance with the requirements of MSUMRA (82-4-201 *et seq.*, MCA) and its implementing rules (Administrative Rules of Montana [ARM] 17.24.301-1309). DEQ will issue a Written Findings to document its decision on the project a minimum of 15 days after publishing the Final EIS.

DEQ appreciates the public's participation in the Spring Creek Mine TR1 EIS. The Final EIS is available on DEQ's website at <http://deq.mt.gov/Public/eis>. Digital copies of the Final EIS may be requested by contacting Jen Lane at (406) 444-4956. A copy of the Record of Decision will be sent to everyone who receives the Final EIS.

Sincerely,



Shaun McGrath  
Director  
Department of Environmental Quality