September 20, 2010

Dear Reader:

Enclosed for your review and comment is a Draft Checklist Environmental Assessment (CEA) for an amendment to the Jesson Rock-N-Ranch operating permit (00176) near Livingston, MT. Jesson Rock-N-Ranch, located at 1066 Highway 10W, Livingston, MT 59047 filed an amendment on August 13, 2010 to their Operating Permit from the Montana Department of Environmental Quality (DEQ), Environmental Management Bureau in Helena. The amendment would add 20 acres to the existing 200 acre permit. Jesson Rock-N-Ranch uses a front end loader to pick up rock and boulders for landscaping and possible masonry purposes. The site would be on private land in the northwestern portion of Section 31, Township 2 South, Range 9 East. The site is located about 8 miles west of Livingston, MT.

Jesson Rock-N-Ranch would disturb the entire 220 acres during the 50-year mine life. Ground disturbance would normally be less than one foot in depth. Jesson Rock-N-Ranch would post a bond to ensure reclamation is completed.

The proposed operation has been reviewed for compliance under a Supplemental Programmatic Environmental Assessment (SPEA) for a General Quarry Operating Permit published by the DEQ in February 2004. DEQ has determined that this operation does not meet the requirements listed in the SPEA since there would be more than five acres disturbed and unreclaimed at any one time.

This Draft CEA evaluates the potential impacts from this proposed amendment. The DEQ must decide whether to approve the permit as proposed, deny the request for an operating permit, or approve the operating permit with modifications.

The Draft CEA addresses issues and concerns raised during public involvement and from agency scoping. The agency has decided to approve the permit as proposed. This is not a final decision. This conclusion may change based on comments received from the public on this Draft CEA, new information, or new analysis that may be needed in preparing the Final CEA.

Copies of the Draft CEA can be obtained by writing DEQ, Environmental Management Bureau, PO Box 200901, Helena, MT 59620, c/o Herb Rolfs, or calling (406) 444-3841; or sending email addressed to hrolfes@mt.gov. The Draft CEA will also be posted on the DEQ web page: www.deq.mt.gov. Public comments concerning the adequacy and accuracy of the Draft CEA will be accepted until October 8, 2010.

Since the Final EA may only contain public comments and responses, and a list of changes to the Draft CEA, please keep this Draft CEA for future reference.

Warren D. McCullough, Chief
Environmental Management Bureau

Date

Warren D. McCullough, Chief
Environmental Management Bureau

File: 00176.353
EMB/OP_Amendment&Revisions/JessonRock-N-Ranch/Amendment001/EACoverletter
COMPANY NAME: Jesson Rock-N-Ranch, LLC, 1066 Highway 10W, Livingston, MT 59047
PROJECT: Removing landscaping and masonry stone from the surface.
PERMIT OR LICENSE: Amendment 001 to Operating Permit 00176.
LOCATION: The proposed amendment site would be adjacent to the existing permit boundary located about 8 miles west of Livingston, MT on private property, in the northwestern portion of Section 31, Township 2 South, Range 9 East (see attachment).

COUNTY: Park County
PROPERTY OWNERSHIP: [ ] Federal [ ] State [X] Private

TYPE AND PURPOSE OF ACTION: Jesson Rock-N-Ranch (JRNR) has applied for an amendment to Operating Permit 00176 to add 20 acres for the removal of rock for landscaping and masonry use. Most rock removal would be performed through hand picking and the use of a front end loader equipped with forks to move rock to a flatbed trailer for transport. A track hoe with a thumb may be used to retrieve boulders from the slope in Section 31. Ground disturbance would involve two-track roads. The permit area is currently 200 acres, which includes about 1 acre for the loadout/truck turn-around area. The permit area would be increased to 220 acres. Total disturbance over the life of the mine would be approximately 220 acres over the proposed 50-year mine life. Rock removal would occur seasonally (approximately mid-April to October) with 15 to 20 truckloads removed per month for an approximate total of 350 tons per season. Highway hauling is done with a one-ton truck and a fifth-wheel flatbed trailer.

There would not be any need for soil salvage, as rock would be lifted from the surface. Areas previously covered by rock would be reseeded. Reclamation would be concurrent with mining.

Existing ranch roads would be used, where possible, eliminating the need to construct new ones. Two-track roads would be used elsewhere with some leveling required. Roads would remain for ranch access.

Water is not used in the mining process. The operator would take appropriate measures to ensure protection of surface water quality and quantity. There is a small stream that runs northwards through the proposed site. The source of water for the stream appears to be pumping from residential wells in the Wineglass subdivision.

Fuel tanks and solid waste would not be stored on site.

DEQ must prepare an environmental assessment (EA) because the site exceeds the 5-acre disturbed and unreclaimed at any one time disturbance limitations in a Supplemental Programmatic Environmental Assessment (SPEA) completed by DEQ for rock collecting sites and quarries in 2004. The site proposed by JRNR meets all requirements under the SPEA except the disturbance cannot be kept below five acres disturbed and unreclaimed at any one time.

N = Not present or No Impact would occur.
Y = Impacts may occur (explain under Potential Impacts).
N/A = Not Applicable

1
## IMPACTS ON THE PHYSICAL ENVIRONMENT

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<tr>
<th>RESOURCE</th>
<th>[Y/N] POTENTIAL IMPACT AND MITIGATION MEASURES</th>
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<tbody>
<tr>
<td><strong>1. GEOLOGY AND SOIL QUALITY, STABILITY AND MOISTURE:</strong> Are soils present which are fragile, erosive, susceptible to compaction, or unstable? Are there unusual or unstable geologic features? Are there special reclamation considerations?</td>
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- **[Y]** Outcrops in the Operating Permit area include the Pennsylvanian Quadrant Sandstone, the Mississippian Madison Group limestones, and mudstones with interbedded sandstones of the Cretaceous Kootenai Formation. The other formations that occur at the surface are mostly shales that tend not to form conspicuous outcrops: the Jurassic Ellis and Morrison Groups, the Cretaceous Cody and Telegraph Creek Formations, and the Pennsylvanian Amsden Formation.

Most of the surface rocks in Section 30 appear to be limestones of the Madison Group, and many of them appear to have been transported from higher elevations by mass wasting, e.g., by mudflows or landslides during Quaternary time. The boulder slope in Section 31 is a clean, red-orange sandstone with no prominent mudstone beds, which also appears to have been transported by earth movement. It may come from either the Quadrant Formation, which outcrops nearby, or the Cambrian Flathead Sandstone, which outcrops two to three miles higher (southward) on Wineglass Mountain.

The above information was taken from Richard B. Berg, David A. Lopez, and Jeffrey D. Lonn, *Geologic Map of the Livingston 30’ x 60’ Quadrangle, South-Central Montana*, Open-File Report MBMG 406, Montana Bureau of Mines and Geology, 2000. Observations from EMB inspections of the site are also included.

The soils in the proposed amendment area are: Boonville-Tiban, extremely bouldery – Rocko, extremely stony complex, on 15-60% slopes; Winspect, extremely bouldery – Meagher, extremely bouldery – Sawicki, extremely bouldery - Bachuster, stony complex, on 15-45% slopes.

Soil thickness varies from zero (surface outcrops) to deeper soils that may exceed 2 feet in depth. Soil will not be removed or stockpiled as the rock lies on the surface. In places where growing plants are disturbed or removed during rock removal, the soil will be scarified where necessary and reseeded with a pasture grass mixture.

Soil disturbance is an unavoidable impact of rock collecting activities. The small size of the disturbances would limit soil loss due to wind erosion. Some two-track roads would be graded to allow access to product found on steep slopes. Some water and wind erosion could occur along the road disturbances until reseeding takes hold.

When finished the two-track roads would be graded, rolled, and seeded with grass at the time of construction. The roads will remain for ranch
## IMPACTS ON THE PHYSICAL ENVIRONMENT

| 2. WATER QUALITY, QUANTITY AND DISTRIBUTION: Are important surface or ground water resources present? Is there potential for violation of ambient water quality standards, drinking water maximum contaminant levels, or degradation of water quality? | use after mining. 
During periods of extreme drought, reclamation seedings may fail with some resulting loss of soil. Failed seedings would be reseeded until vegetation is successfully established and the reclamation bond is released. |
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<td>[N] There is an ephemeral stream in the eastern portion of the existing permit area and a perennial stream near the western boundary. The proposed amendment area is dry except for a small stream. No disturbance would be allowed within 100 feet of the stream, as required in the General Quarry Permit Programmatic EA. Since the rock lies on the surface there would be no need for excavation. Some two-track access roads would need grading. There are no wells within the proposed amendment area. The nearest well to the existing permit boundary is 500 feet from the western permit boundary. The depth to ground water in the existing permit area has not been measured, since no wells have been drilled in that region. However, the existence of a perennial stream in a ravine near the western boundary of the permit area suggests that ground water is within 100 feet of the surface. The well closest well to the permit boundary encountered ground water below a confining clay layer at a depth of 150 feet. Ground water would not be affected. Petroleum use would be minimal and any impact to ground water from spills of petroleum products or herbicide use to control weeds would be limited by the amount of chemical and the distance to ground water. Sediment from eroding roads would not reach surface water.</td>
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<tr>
<td>3. AIR QUALITY: Will pollutants or particulate be produced? Is the project influenced by air quality regulations or zones (Class I airshed)?</td>
<td>[Y] Dust would be produced by these operations due to travel on two-track roads. The landowner will be responsible for controlling dust.</td>
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<td>4. VEGETATION COVER, QUANTITY AND QUALITY: Will vegetative communities be significantly impacted? Are any rare plants or cover types present?</td>
<td>[Y] The permit area is used as pasture and includes a mix of pasture grasses and wildflowers, including arrowleaf balsamroot, lupine, and Alberta penstemon. No species of concern are known to grow in the permit area. The permit area, including the proposed amendment area, lies on the north face of Wineglass Mountain. The land slopes down to the north, with a grade between 4% and 45%. Most of the land is grassland. There are trees along stream courses and a stand of pines and firs within...</td>
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### IMPACTS ON THE PHYSICAL ENVIRONMENT

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<tr>
<th>5. TERRESTRIAL, AVIAN AND AQUATIC LIFE AND HABITATS:</th>
<th>Is there substantial use of the area by important wildlife, birds or fish?</th>
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<tr>
<td>[Y] The area is commonly used by deer, elk, Hungarian partridge, coyotes and other wildlife and bird species.</td>
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<tr>
<th>6. UNIQUE, ENDANGERED, FRAGILE OR LIMITED ENVIRONMENTAL RESOURCES:</th>
<th>Are any federally listed threatened or endangered species or identified habitat present? Any wetlands? Species of special concern?</th>
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<tr>
<td>[Y] A search of the NRIS database found that there are threatened and endangered animal species or species of concern that have either been infrequently sighted in the general area or could be expected to be found in the permit boundary. The Canada lynx (listed as threatened), grizzly bear (listed as threatened) and wolverine (listed as sensitive) have been sighted in the general area. The level of impacts and seasonal use of the area for rock collecting would limit impacts to these species. No wetlands are present.</td>
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<th>7. HISTORICAL AND ARCHAEOLOGICAL SITES:</th>
<th>Are any historical, archaeological or paleontological resources present?</th>
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<tr>
<td>[Y] A records search by the State Historic Preservation Office indicated that no cultural areas of concern have been recorded in the general area. As noted in the application, the operator would provide protection for archaeological and historical sites if they are found in the permit area.</td>
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<th>8. AESTHETICS:</th>
<th>Is the project on a prominent topographic feature? Will it be visible from populated or scenic areas? Will there be excessive noise or light?</th>
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<tr>
<td>[Y] The proposed rock picking site is in a rural area near Livingston, MT. Activity would be visible from some county roads during operations, but the disturbance created would not be readily apparent in the absence of construction equipment. Once rock has been removed the area would be reseeded. The reclaimed rock collecting sites would not have the appearance of the original rocky, boulder strewn landscape. Existing two-track roads would be left for ranch access and should be visible on the landscape.</td>
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### IMPACTS ON THE PHYSICAL ENVIRONMENT

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<tr>
<th>The nearest residences to the 20-acre parcel proposed to be added to the permit are one-half mile away, where excessive noise and light would be mitigated by distance. Most rock removal is performed with a front-end loader, a pickup truck, and hand tools. A track hoe may be used to remove boulders from Section 31. No heavy mining equipment will be used, and there should be no noticeable noise at neighboring residences.</th>
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#### 9. DEMANDS ON ENVIRONMENTAL RESOURCES OF LAND, WATER, AIR OR ENERGY:
**Will the project use resources that are limited in the area?**

[N] This project would be isolated and require a minimum of energy resources. No water would be used during the rock removal process.

#### 10. IMPACTS ON OTHER ENVIRONMENTAL RESOURCES:
**Are there other activities nearby that will affect the project?**

[N] The surrounding land use is livestock grazing, timber production, and some dryland crop production. Surface disturbance has occurred in the past in the form of rock picking. The 20-acre parcel is within the Wineglass subdivision, and is part of the Jesson Ranch. No houses have been constructed in the subdivision to date. The nearest residence is about one-half mile away. No other projects are proposed in the area.

The operator states that the Wineglass Ranch retained partial (50%) rights to coal on the subdivision land, but did not retain any other mineral rights. There are no subdivision covenants that restrict mining.

### IMPACTS ON THE HUMAN POPULATION

#### 11. HUMAN HEALTH AND SAFETY:
**Will this project add to health and safety risks in the area?**

[N] The proposed amendment would not cause an increase in truck traffic above the current seasonal rate.

#### 12. INDUSTRIAL, COMMERCIAL AND AGRICULTURAL ACTIVITIES AND PRODUCTION:
**Will the project add to or alter these activities?**

[Y] This operation is a source of income for the rancher.

#### 13. QUANTITY AND DISTRIBUTION OF EMPLOYMENT:
**Will the project create, move or eliminate jobs? If so, estimated number.**

[N] Only one family member would be employed.

#### 14. LOCAL AND STATE TAX BASE AND TAX REVENUES:
**Will the project create or eliminate**

[Y] This project would create some tax revenue.
<table>
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<th>IMPACTS ON THE HUMAN POPULATION</th>
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<td>tax revenue?</td>
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| 15. DEMAND FOR GOVERNMENT SERVICES: Will substantial traffic be added to existing roads? Will other services (fire protection, police, schools, etc.) be needed? | [N] There is no anticipated need for increased government services that would result from this project. The local roads can handle the traffic that would result from the rock picking activities. |

| 16. LOCALLY ADOPTED ENVIRONMENTAL PLANS AND GOALS: Are there State, County, City, USFS, BLM, Tribal, etc. zoning or management plans in effect? | [Y] There are plans in effect in the area but none that affect private lands. |

| 17. ACCESS TO AND QUALITY OF RECREATIONAL AND WILDERNESS ACTIVITIES: Are wilderness or recreational areas nearby or accessed through this tract? Is there recreational potential within the tract? | [N] There are no wilderness areas or major recreational areas near the Jesson Ranch. The major recreational use is hunting and fishing. Livingston is a gateway off Interstate 90 to Yellowstone Park. |

| 18. DENSITY AND DISTRIBUTION OF POPULATION AND HOUSING: Will the project add to the population and require additional housing? | [N] |

| 19. SOCIAL STRUCTURES AND MORES: Is some disruption of native or traditional lifestyles or communities possible? | [N] The work force would be local with only one employed family member. The work would be seasonal (approximately mid-April to October) with 15 to 20 truckloads per month. |

| 20. CULTURAL UNIQUENESS AND DIVERSITY: Will the action cause a shift in some unique quality of the area? | [N] |

<p>| 21. PRIVATE PROPERTY IMPACTS: Are we regulating the use of private property under a regulatory statute adopted pursuant to the police power of the state? (Property management, grants of financial assistance, and the exercise of the power of eminent domain are not within this category.) If not, no | [Y] |</p>
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<td>further analysis is required.</td>
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<tr>
<td>22. PRIVATE PROPERTY IMPACTS: Does the proposed regulatory action restrict the use of the regulated person’s private property? If not, no further analysis is required.</td>
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<tr>
<td>23. PRIVATE PROPERTY IMPACTS: Does the agency have legal discretion to impose or not impose the proposed restriction or discretion as to how the restriction will be imposed? If not, no further analysis is required. If so, the agency must determine if there are alternatives that would reduce, minimize or eliminate the restriction on the use of private property, and analyze such alternatives.</td>
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<td>24. OTHER APPROPRIATE SOCIAL AND ECONOMIC CIRCUMSTANCES:</td>
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25. Alternatives Considered:
   No Action: Deny the request for an amendment to the operating permit. No issues were identified which would require denying the permit.

   Approval of Proposed Plan: Approve the permit as proposed. This would allow disturbance of the entire 20 acre amendment area.

   Approval of the Proposed Plan with Modification: No modifications to the plan are proposed.

26. Public Involvement: A legal notice was published in the Livingston Enterprise and Montana Pioneer Press and a press release issued notifying the public of the proposed operation. No comments were received. A legal notice and press release will be issued when this Draft EA is released.

27. Other Governmental Agencies with Jurisdiction: None

28. Magnitude and Significance of Potential Impacts: There would be no significant impacts associated with this proposal. As noted, there would be impacts to soils, geologic resources, native plant communities, and an increase in noxious weeds in the area.

29. Cumulative Impacts: Rock picking under a Small Miner Exclusion Statement is taking place on a farm adja-
cent to the Rock-N-Ranch. Rock-N-Ranch LLC operates a gravel pit with an Opencut Permit in a part of the property separate from the Hard Rock Operating Permit area, adjacent to Old US Highway 10. No other operations have been proposed in Park County.

30. Recommendation for Further Environmental Analysis:

[ ] EIS  [ ] More Detailed EA  [X] No Further Analysis

The DEQ has selected the Approval of the Plan as Proposed as the preliminary Preferred Alternative. This is not a final decision. This conclusion may change based on comments received from the public on this Draft EA, new information, or new analysis that may be needed in preparing the Final EA.

31. EA Checklist Prepared By:
Herb Rolfe, DEQ Operating Permits Section Supervisor
Patrick Plantenberg, DEQ Reclamation Specialist
Lisa Boettcher, DEQ Reclamation Specialist

32. This EA was reviewed by:
Warren McCullough, DEQ, Environmental Management Bureau, Chief

Approved By:

Warren D. McCullough, Chief, Environmental Management Bureau, DEQ

File: 00176.353
OP_Revisions\Amendments\JessenRockNRanch\DraftChecklistEAHRPPLB.doc
T2S R9E Section 30 & 31
Park County
8 miles west of Livingston

Montana Department of Environmental Quality

Permit boundary is approximate; to be field verified