ENVIRONMENTAL ASSESSMENT

On an Application for an

OPENCUT MINING PERMIT

The Montana Department of Environmental Quality (DEQ) prepared this Environmental Assessment (EA) in accordance with requirements of the Montana Environmental Policy Act (MEPA). An EA functions to identify, disclose, and analyze the impacts of a proposed action. This document may disclose impacts that have no legislatively required mitigation measures, or over which there is no regulatory authority.

The state law that regulates gravel mining operations in Montana is the Opencut Mining Act. This law and the rules adopted thereunder place operational guidance and limitations on a project during its lifetime, and provide for the reclamation of land affected by opencut mining operations.

Local governments and other state agencies may have authority over different resources and activities under their regulations. Approval or denial of this Opencut Application will be based on a determination of whether or not the proposed operation complies with the Opencut Mining Act and the rules adopted thereunder. The DEQ approval of this application would not relieve the operator from the obligation to comply with any other applicable federal, state, or county statutes, regulations, or ordinances. The operator is responsible for obtaining any other permits, licenses, approvals, etc. that are required for any part of the proposed operation.

APPLICANT: Concord Field Services, LLC **COUNTY:** Dawson

SITE NAME: CC Bacon **DATE:** January 2014

LOCATION: Section 34, Township 15 North, Range 58 East

PROPOSAL: The applicant proposes to permit a new, long-term gravel pit to mine, screen, crush, stockpile and transport 750,000 cubic yards of gravel from a 90.0-acre site located 18 miles southeast of Glendive, Montana. The site is a typical scoria site with numerous scoria knobs and ephemeral drainages. The Dawson County Road Department Bacon site is located south of this site. The applicant would construct an access road from the south end of the site through the landowner's property to State Highway 106 (Old Highway 10). The access road would not be permitted per the request of the landowner.

A reclamation bond would be held by DEQ to ensure that final reclamation of the site to pasture/rangeland would be completed by December 2026. This application contains all items required by the Opencut Mining Act and its implementing rules. Proponent commits to properly conducting opencut operations and would be legally bound by the permit.

IMPACTS ON THE PHYSICAL ENVIRONMENT	
RESOURCE	**POTENTIAL IMPACTS AND MITIGATION MEASURES**
1. TOPOGRAPHY, GEOLOGY AND SOIL QUALITY, STABILITY AND MOISTURE:	The site consists of hilly country with scattered drainages and steeply sided scoria knobs. The geology of the site is red, pink, orange, black and yellow, resistant sandstone, siltstone and shale of the Fort Union Formation that was baked by a natural burning of underlying coal beds. The onsite soils consist of clay loams. The operator would replace 12 inches of soil and 0 inches of overburden. The site receives approximately 14 inches of precipitation a year. *Impacts:* An irreversible and irretrievable removal of gravel from the site would occur. A small impact to the quantity and quality of soils from salvaging, stockpiling, and resoiling activities also would occur, but this would not impair

IMPACTS ON THE PHYSICAL ENVIRONMENT	
RESOURCE	**POTENTIAL IMPACTS AND MITIGATION MEASURES**
	the capacity of the soils to support full reclamation. There are no unusual topographic, geologic, soil, or special reclamation considerations that would prevent reclamation success.
2. WATER QUALITY, QUANTITY AND DISTRIBUTION	There is a small pond located approximately 500 feet northwest of the site. The site drains towards this pond. Proper erosion control best management practices (BMPs) would be implemented to ensure protection of the ephemeral drainages and that sediment remains onsite. The Operator would purchase water from an appropriate offsite source for dust control and crushing uses. *Impacts:* The proposed activities would have a minimal effect on the quantity and quality of the surface and groundwater resources. *Cumulative:* Cumulative impacts for this site would be negligible.
3. AIR QUALITY	Air quality standards are based upon the Clean Air Act of Montana and pursuant rules and are administered by the DEQ Air Resources Management Bureau (ARMB). Its program is approved by the Environmental Protection Agency (EPA). These rules and standards are designed to be protective of human health and the environment. Air quality permits would be required on the processing equipment before installment. Machinery, such as generators, crushers and asphalt plants, are individually permitted for allowable emissions. Best Available Control Technology (BACT) is the usual standard applied. Fugitive dust is that which blows off the pit floor, stockpiles, gravel roads, farm fields, etc. It is considered to be a nuisance but not harmful to health. *Impacts:* Air quality standards as set by the federal government and enforced by the ARMB would allow minimal detrimental air impacts.
4. VEGETATION COVER, QUANTITY AND QUALITY	There are no known rare or sensitive plants or cover types present in the site area. Onsite vegetation consists of yellow sweetclover, slender wheatgrass, western wheatgrass, blue bunch wheatgrass and several other forbes; and provides approximately 70% cover. The vegetation would be removed as soil is stripped and the site would be replanted with plant species compatible with the proposed reclaimed use. *Impacts:* No long term detrimental impacts to the vegetation would occur.
5. TERRESTRIAL, AVIAN AND AQUATIC LIFE AND HABITATS:	Although the area is used primarily for pasture, it also supports populations of deer, antelope, rodents, song birds, coyotes, foxes, raptors, insects and various other animal species. Population numbers for these species are not known. *Impacts:* The proposed mine is expected to temporarily displace some individual species and it is likely that the site would be re-inhabited following reclamation to similar habitat.
6. UNIQUE, ENDANGERED, FRAGILE OR LIMITED ENVIRONMENTAL RESOURCES:	The Montana Natural Heritage Program (MNHP) lists the following one species of concern in the vicinity of the site: **Greater sage-grouse** (*Centrocercus urophasianus)* is the largest of Montana's grouse. In Montana, it ranges primarily in the southwestern and eastern portions of the state. This species does not migrate. Sagebrush is its preferred habitat. *Impacts:* None of the listed species have been found on this site. Even if suitable habitat did exist on this site, the disturbance area would be small and

IMPACTS ON THE PHYSICAL ENVIRONMENT	
RESOURCE	**POTENTIAL IMPACTS AND MITIGATION MEASURES**
	large areas of similar or identical habitat surrounds the site. The possible impact to these species would be minimal.
7. HISTORICAL AND ARCHAEOLOGICAL SITES	The Montana State Historic Preservation Office (SHPO) was notified of the application. SHPO's records indicate there have been no previously recorded historic or archaeological sites within the designated search locales. A pedestrian survey of the area by DEQ personnel did not reveal any artifacts or signs of occupation. No signs were evident at depth in the nearby permitted Dawson County pit. SHPO recommends that a cultural resource inventory be conducted at this site in order to determine whether or not sites exist and if they would be impacted. *Impacts:* If during operations resources were to be discovered, activities would be temporarily moved to another area or halted until SHPO was contacted and the importance of the resources was determined.
8. DEMANDS ON ENVIRONMENTAL RESOURCES OF LAND, WATER, AIR OR ENERGY	There are no unusual demands on land, water, air or energy anticipated as a result of this project. *Impacts:* Negligible impacts to land, water, air, or energy would occur.

IMPACTS ON THE HUMAN POPULATION	
RESOURCE	**POTENTIAL IMPACTS AND MITIGATION MEASURES**
9. LOCALLY ADOPTED ENVIRONMENTAL PLANS AND GOALS	County zoning clearance has been obtained.
10. DENSITY AND DISTRIBUTION OF POPULATION AND HOUSING	As seen on the aerial photo of the surrounding area, the only nearby residence is the landowner's. *Impact:* This commercial pit is being sited in this area because of the location of the resource, and to service the growing oil well drilling industry.
11. AESTHETICS	The site is located in a common pasture/rangeland area. There would be a temporary alteration of aesthetics while mining is under way. However, reclamation would return the area to a visually acceptable landscape. This project is considered to be long-term, i.e., planned to take 13 years to complete. The Operator would work Monday through Sunday 7 am to 7 pm.
12. QUANTITY/ DISTRIBUTION OF EMPLOYMENT	Existing employees would mainly be utilized for this operation. There is low potential that this project would create a significant number of new jobs. *Impacts:* New employment opportunities would be limited.
13. INDUSTRIAL, COMMERCIAL, AGRICULTURAL ACTIVITIES AND PRODUCTION	The acreage listed in the proposal would be taken out of pasture/rangeland use. Upon completion of mining, the land would be reclaimed to pasture/rangeland. *Impacts:* Pasture/rangeland production would be reduced as soil stripping and operations progress across the site. When the entire site is opened up for mining and mine-related actives, all pasture/rangeland activities would cease.
14. LOCAL, STATE TAX BASE AND TAX REVENUES, PERSONAL AND COMMUNITY INCOME	Local, state and federal governments would be responsible for appraising the property, setting tax rates, collecting taxes, etc., from the companies, employees, or landowners benefitting from this operation. Following reclamation, it is assumed the tax base would revert to pre-mine levels.

IMPACTS ON THE HUMAN POPULATION	
RESOURCE	**POTENTIAL IMPACTS AND MITIGATION MEASURES**
15. DEMAND FOR GOVERNMENT SERVICES	Limited oversight by DEQ Opencut Program personnel would be conducted in concert with other area activity when in the vicinity.
16. HUMAN HEALTH AND SAFETY	Any industrial activity will increase the opportunities for accidental injury. There are agencies that require specific safety measures are in place. If followed there is no reason to believe that significant safety issues would be present.
17. ACCESS TO AND QUALITY OF RECREATIONAL AND WILDERNESS ACTIVITIES	This activity would not inhibit the use of the identified resources.
18. NATIVE CULTURAL CONCERNS	*Impacts:* None identified.

19. Alternatives Considered:

A. Denial Alternative: The Department would deny an application that does not comply with the Act and Rules. No impacts to the natural or human environment would occur.

B. Approval Alternative: The Department would approve an application that complies with the Act and Rules. Impacts of this application are addressed in the body of the EA.

20. Public Involvement, Agencies, Groups or Individuals contacted: Montana State Historic Preservation Office, Montana Natural Heritage Program. County commissioners, local planning department, MDT, DNRC, DEQ ARMB and Water Protection Bureau, local citizens and interest groups.

21. Other Governmental Agencies which May Have Overlapping or Sole Jurisdiction include, but may not be limited to: Dawson County Commission or County Planning Department (zoning), Dawson County Weed Control Board, MSHA and OSHA (worker safety), DEQ ARMB (air quality) and Water Protection Bureau (groundwater and surface water discharge; stormwater), DNRC (water rights), and MDT (road access).

22. Regulatory Impact on Private Property: The analysis done in response to the Private Property Assessment Act indicates no impact. The Department does not plan to deny the application or impose conditions that would restrict the use of private property so as to constitute a taking.

23. Magnitude and Significance of Potential Impacts: This proposal is not likely to create impacts of significance due to mitigation, restrictions, and oversight mandated by the Opencut Mining Act and pursuant rules and the Montana Clean Air Act.

24. Recommendation for Further Environmental Analysis: [ ] EIS [X] No Further Analysis

EA Prepared By: J.J. Conner — Opencut Mining Program Environmental Specialist
Name — Title

EA Reviewed By: Chris Cronin — Opencut Mining Program Supervisor
Name — Title

PRIVATE PROPERTY ASSESSMENT ACT (PPAA) CHECKLIST

DOES THE PROPOSED AGENCY ACTION HAVE TAKINGS IMPLICATIONS UNDER THE PPAA?

YES	NO	
X		1. Does the action pertain to land or water management or environmental regulation affecting private real property or water rights?
	X	2. Does the action result in either a permanent or indefinite physical occupation of private property?
	X	3. Does the action deprive the owner of all economically viable uses of the property?
	X	4. Does the action deny a fundamental attribute of ownership?
	X	5. Does the action require a property owner to dedicate a portion of property or to grant an easement? (If answer is NO, skip questions 5a and 5b and continue with question 6.)
		5a. Is there a reasonable, specific connection between the government requirement and legitimate state interests?
		5b. Is the government requirement roughly proportional to the impact of the proposed use of the property?
	X	6. Does the action have a severe impact on the value of the property?
	X	7. Does the action damage the property by causing some physical disturbance with respect to the property in excess of that sustained by the public generally? (If the answer is NO, skip questions 7a-7c)
		7a. Is the impact of government action direct, peculiar, and significant?
		7b. Has the government action resulted in the property becoming practically inaccessible, waterlogged, or flooded?
		7c. Has the government action diminished property values by more than 30% and necessitated the physical taking of adjacent property or property across a public way from the property in question?

Taking or damaging implications exist if YES is checked in response to question 1 and also to any one or more of the following questions: 2, 3, 4, 6, 7a, 7b, 7c; or if NO is checked in response to questions 5a or 5b.

If taking or damaging implications exist, the agency must comply with § 5 of the Private Property Assessment Act, to include the preparation of a taking or damaging impact assessment. Normally, the preparation of an impact assessment will require consultation with agency legal staff.

CCBaconBCTQC
TEST HOLES
CONCORD BACON SITE
DAWSON CNTY RD DEPT SITE
ALTERNATIVE ACCESS ROAD
EARTH SWALE
EARTH BERM

All Mine Cuts Approaching Permit Boundary = 3:1 Slope

N

0 350 700 Feet

SITE MAP

Concord Field Services LLC
CCBacon
NW 1/4 of S34, T15N, R58E
90 Acre Permit Area

October 25, 2013
Dawson County
Aerial Photo Bing 2012

Prepared for Azurite Inc.
by Gordon Klco

RECIEVED BY OPENCUT 12/6/2013

PROPOSED HAUL ROAD
DAWSON CNTY RD. DEPT. SITE
CONCORD BACON SITE

N

0 1,000 2,000 Feet

APPROACH MAP

Concord Field Services LLC.
CCBacon Pit
NW 1/4 of S34, T15N, R58E
90 Acre Permit Area

October 25, 2013
Dawson County
Aerial Photo by Bing

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