

**Statement for the Record  
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**U.S. House of Representatives  
Committee on Natural Resources  
Subcommittee on Energy and Mineral Resources**

**Legislative Hearing on H.R. 931 - Bull Mountains Mining Plan Modification**

**May 20, 2025**

Good afternoon, Chairman Stauber and distinguished members of the Committee. Thank you for the opportunity to testify on H.R. 931, the Bull Mountains Mining Plan Modification bill introduced by Representative Downing and Representative Zinke. As President and CEO of Signal Peak Energy, I appreciate the opportunity to testify in support of H.R. 931.

**Background**

Signal Peak Energy (SPE) owns and operates the Bull Mountains No. 1 Mine (“Mine”), the only underground coal mine in the State of Montana located approximately 15 miles southeast of Roundup, Montana in Musselshell and Yellowstone Counties, Montana. Coal mining began in the Bull Mountains in the early 1880s and has proceeded, relatively continuously, in various parts of the Bull Mountains since then.

The Mine uses long-wall mining and continuous mining techniques to safely and efficiently extract coal from the Mammoth coal seam. Continuous mining techniques are used to prepare access for long-wall mining. Long-wall mining shears coal from the face of rectangular panels approximately 1250 feet wide, advancing from one end to the other of the planned panel. Coal produced from the Mine is sold on the open international market. Since 2015, SPE has mined a checkerboard of private, state and federal coal and has produced over 70 million tons of high-BTU coal.

The Bull Mountains Mine plays a crucial role in the economy of southcentral Montana. It currently employs over 250 workers (down from a peak of 320 workers in 2024). In 2023, SPE paid over \$93 million in local and state taxes with \$34 million of this total going to kindergarten through grade 12 public education. In 2022, the last full year in which SPE was allowed to mine federal coal, it paid \$31.1 million in federal royalties of which \$15.6 million went to the State of Montana.

In addition to its economic contributions, Signal Peak Energy is also engrained into the fabric of the community. SPE has provided approximately \$400,000 each year to the Signal Peak Community Foundation to support local nonprofits, with contributions totaling over \$4.5 million over the last 15 years. These funds have been used to purchase fire trucks and emergency vehicles in Roundup; construct baseball fields; renovate the Old Central School to house the

Senior Center; and operate a food bank and a thrift store for Roundup's most vulnerable residents.

SPE has also established a million-dollar endowment that provides scholarships for graduates of Musselshell County high schools to pursue post-secondary education: a \$10,000 annual scholarship for a student pursuing an engineering degree, a \$5,000 scholarship for a student in trade school, and a \$1,000 scholarship for any secondary education. These scholarships are invaluable to educating the next generation who, the community hopes, will choose to stay and raise their families in Musselshell County. Most recently, in 2024 SPE provided a \$6 million grant to the Yellowstone Ice Foundation to construct a state-of-the-art ice arena in Billings.

### **Litigation**

In 2008, Signal Peak applied to lease approximately 2,679.9 acres of federal coal at Bull Mountains. In 2011, after the preparation of an Environmental Assessment (EA) under the National Environmental Policy Act, SPE entered into a coal lease with the United States. This environmental review and coal lease were challenged by environmental groups and upheld by the U.S. Court of Appeals for the Ninth Circuit in 2018.

In 2012, Signal Peak applied to mine coal in an area of the Mine referred to as AM-3. Like most of eastern Montana, the coal in AM-3 is a mix of federal, state, and private coal oriented in a checkerboard pattern that is impossible to safely and economically mine without access to all the coal. The Montana Department of Environmental Quality (DEQ) approved AM-3 in 2013. The Office of Surface Mining and Reclamation Enforcement (OSMRE) within the Department of the Interior (DOI) then prepared an Environmental Assessment on the mining of federal coal in AM-3. In 2015, the Assistant Secretary for Land and Minerals Management approved the mine plan modification allowing the mining of the federal coal in AM-3. Mining commenced shortly thereafter and continued through federal, private, and State coal under the checkerboard mineral ownership until the sudden vacatur order in February 2023, as noted below.

The approval of AM-3 was challenged by environmental groups and, in 2017, the Montana District Court remanded the 2015 EA back to OSMRE for additional environmental analysis of rail transportation and greenhouse gas emissions issues. Mining in AM-3 continued during this time.

In 2018, OSM issued a second Environmental Assessment regarding SPE's request to mine federal coal in AM-3. The Assistant Secretary of Land and Minerals Management again approved SPE's request to mine the leased federal coal in AM-3.

This second approval of AM-3 was again challenged by environmental groups. And, in 2020 (as in 2018), the Montana District Court remanded the 2018 EA back to OSMRE for additional environmental analysis on a single issue related to rail transportation of the coal. Mining in AM-3 continued during this time.

In 2020, OSMRE prepared a third Environmental Assessment completing additional analysis of rail transportation. Once again, the Assistant Secretary for Land and Minerals Management approved SPE's request to mine the leased federal coal in AM-3.

Meanwhile, the environmental groups appealed from the limited remand in their challenge to the 2018 Environmental Assessment to the U.S. Court of Appeals for the Ninth Circuit. In 2022, the Ninth Circuit overruled the Montana District Court and concluded that OSMRE had not adequately

considered the impacts of greenhouse gas emissions or explained why those impacts would not be significant, and required that Signal Peak prepare an Environmental Impact Statement (EIS).

At a remedy hearing on remand to the Montana District Court, OSMRE informed the court that it would prepare an EIS on the AM-3 mine plan. At the hearing, OSMRE represented that the EIS would be finished in 17 months (July 2024) and it would take three additional months to issue a final decision (October 2024).

In February 2023, the Montana District Court ordered OSMRE to prepare an EIS on AM-3. Significantly, unlike the Court's prior orders, the District Court vacated the AM-3 mining plan pending completion of the EIS. As a result, Signal Peak is prohibited from mining the leased federal coal, which is located in a checkerboard pattern throughout the AM-3 permit area, unless and until OSMRE completes the AM-3 EIS and the Assistant Secretary of Land and Minerals Management re-approves the AM-3 mining plan.

### **EIS Preparation**

Given the potentially devastating impacts that the unprecedented vacatur order would have on coal production at the Bull Mountains Mine and its workforce, SPE quickly moved to coordinate with OSMRE on the EIS process. SPE had been mining in the AM-3 Area since 2015, and this mining continued up to the vacatur order in February 2023. The initial schedule prepared by OSMRE anticipated issuance of a final EIS by July 2024.

Unfortunately, in the intervening two years nothing has proceeded according to OSMRE's schedule. An initial Notice of Intent to prepare an EIS was not published until August 2023. OSMRE then held two public comment periods on its decision to prepare an EIS in September 2023 and June 2024.

OSMRE gave excuse after excuse about why more time was needed to complete the EIS and insisted on additional studies on matters that were not found to be deficient by the court and were not deemed necessary by Montana DEQ. For example, a year after the EIS process had begun, OSMRE ordered an additional study on acid mine drainage from the Bull Mountains Mine Waste Disposal Area. With more than a decade of sampling down-gradient water at the Bull Mountains Mine, the Montana DEQ and SPE knew that the waste coal did not produce acid drainage. Despite first-hand experience with the coal waste drainage and the objection of the Montana DEQ, OSM still insisted that the coal waste drainage study be completed. Given the economic need to complete the Bull Mountains EIS, SPE acquiesced to OSM's request and agreed to pay a contractor to complete the study. The hydrology contractor's report was only completed in early 2025 and confirmed what SPE and Montana DEQ told OSM over a year prior – the coal waste from the Bull Mountains Mine does not produce acid drainage.

SPE has spent over \$3 million in the two and a half years since the EIS effort began to complete the EIS and get back to mining federal coal in the Bull Mountains.

### **SPE Efforts to Keep the Bull Mountains Mine Open**

In addition to pursuing timely completion of the EIS, SPE took immediate actions to keep the Bull Mountains Mine operational and its (at the time) over 300 employees working.

Initially, SPE modified its longwall operations in the AM-3 area so that it could mine private coal with the longwall in the current location until the longwall reached federal coal. The mining of this private coal was completed in Q2 2024. Second, SPE worked with Montana DEQ to secure approval to mine two areas of private coal that border AM-3. Mining of this coal, of lower quality and found in a narrower seam, is more than half complete and the coal will be exhausted by the end of 2025. These efforts are shown on the attached map.

These actions, which required significant modifications of SPE's Montana DEQ approved mine plan, cost over \$70 million in additional and unanticipated mine expenses over the last two years. However, despite SPE's efforts, at the end of 2025, in the absence of approval from OSMRE to mine the remaining federal coal in AM-3, SPE will be forced to suspend operations and lay off workers, dozens of whom are already idled because of the lack of development work available for the continuous mining team (the miners who prepare each new longwall panel for mining).

### **Need for H.R. 931**

H.R. 931 is a quick, narrow fix to avoid closure of the Mine in the coming months. Not all the federal coal in AM-3 is authorized for mining—only the portion necessary to allow mining in the immediate future. This legislation does not circumvent the National Environmental Policy Act or reduce environmental review. Rather, it recognizes the practical reality that this project has already undergone multiple layers of review over the past decade and that SPE has made substantial good-faith investments in compliance.

H.R. 931 authorizes the mining of 779 acres of specific federal coal in AM-3. The identified federal coal will allow SPE to resume mining in longwall panels 10 and 11 and development work for most of longwall panel 12. This mining will produce 13 million tons of federal coal. Significantly, H.R. 931 would provide access to 161 acres of state coal and 699 acres of private coal which have been effectively sterilized since February 2023; that is, given the checkerboard pattern of coal ownership and SPE's use of longwall mining techniques, SPE cannot mine this state and private coal without the ability to mine the adjacent federal coal. The mining authorized by H.R. 931 would need to be completed in compliance with the AM-3 mine plan and would be done consistent with all State and federal environmental requirements.

SPE cannot mine the remaining federal coal in AM-3 until OSMRE completes its EIS and the Assistant Secretary for Land and Minerals Management approves the AM-3 mine plan modification.

### **Conclusion**

H.R. 931 is a practical solution to the challenges confronting SPE and the impending closure of the Bull Mountains Mine. It would prevent economic harm and bolster our nation's energy production. I respectfully urge this Committee to support the bill and ensure that Montanans who depend on the Bull Mountains Mine can continue to work, raise families, and contribute to the strength of our nation.

Thank you for your time and this opportunity to testify today. I look forward to your questions.

Attachment

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