ENVIRONMENTAL ASSESSMENT

Project Name:	DRAFT LUL – Storage of Offsite Materials within AM Welles DSL Pit
Proposed Implementation Date:	1Q 2026
Proponent:	AM Welles, Inc
Location:	Township 5S, Range 1W Section 16
County:	Roosevelt

I. TYPE AND PURPOSE OF ACTION

AM Welles, Inc. henceforth referred to as the proponent, has applied for a land use license to store, sell and recycle asphalt, concrete and decorative rock within the boundaries of a gravel pit known as the DSL pit. These uses have occurred historically within the boundaries of the DSL pit but must now be authorized through a separate Land Use License as the result of an order by the Madison County District Court Judge Luke Berger. The pit is operated by AM Welles and is permitted through the Montana Department of Environmental Quality (DEQ) and Montana Department of Natural Resources and Conservation (DNRC) under opencut permit 674 and take and remove permit G-1273-94 respectively. This pit was recently expanded through an amendment or renewal to each of these permits. The DNRC finalized their EA and authorized expansion of the permitted area in May of 2023. Valley Garden Land and Cattle (VGLC), a neighboring landowner to the project area, promptly filed a legal challenge to the DNRC's decision to authorize the expansion of the site. That litigation concluded with Honorable Judge Luke Berger's order issued on July 09, 2025. Within the order, Hon. Judge Berger ordered the DNRC:

1. Secure the proper Land Use License for the asphalt and concrete recycling activities and storage of offsite materials.
2. Charge A.M. Welles fair market value, which was established in their contract with Riverside, for its asphalt and concrete recycling and storage of offsite materials.

This order was in response to VGLC's claim that the DNRC violated its trust responsibility by not charging AM Welles for the storage of offsite materials within it's permitted gravel pit, and further determined that fair market value of the Land Use License should be commensurate with the amount the DNRC charged Riverside (through AM Welles), for the purposes of temporarily operating an asphalt plant within the boundaries of the pit. The Riverside agreement referenced, was for approximately two months, from April 3, 2024 until June 8, 2024, and was authorized in the amount of $4,000 total.

Four separate environmental analyses have been completed by either the Montana DEQ or the Montana DNRC in relation to activities on this site since 2022. This analysis will be the fifth in approximately three years for activities at this site. The analysis for the current DEQ permit, along with the analyses for the DNRC's activities are linked below, these analyses are incorporated herein by reference. These documents provide valuable information that may be referenced in this document.

Montana DEQ Opencut Mining Standard Permit EA:
https://fnds.mt.gov/DEQ/document?params=U2FsdGVkX18%2BlEGIXYshD1ySH2QCB1gyzRnIbMc9FVWVjfny%2Fvn0Hb4Iz3svheRc5JbT%2FouVrYUYazrlv77yfNdqRkEk08RYTmsCYO4GzwXVnKQBCjbHmFNj2RlxJkLUclMXZQV7wyCi7gsgdjPIYQ%3D%3D&callback=?

Montana DNRC Aggregate Take and Remove Expansion EA –
https://acrobat.adobe.com/id/urn:aaid:sc:VA6C2:51a4efa9-49bf-48ee-8146-7f9aaf3a4d87

Montana DNRC Temporary Asphalt Plant EA:
https://acrobat.adobe.com/id/urn:aaid:sc:VA6C2:7087103c-874d-430c-90be-5fa785429008

II. PROJECT DEVELOPMENT

1. PUBLIC INVOLVEMENT, AGENCIES, GROUPS OR INDIVIDUALS CONTACTED:

Provide a brief chronology of the scoping and ongoing involvement for this project.

The proponent applied for a Land Use License (LUL) on July 31, 2025. The DNRC's Bozeman Unit was informed of the application. VGLC and their legal representation were also notified that an application for LUL had been received.

On September 5, 2025, The DNRC posted "Scoping Notice – Land Use License application for storage on it's website. A copy of this scoping notice is attached to this document in Appendix A.

Additionally, a legal notice was published twice in the Madisonian newspaper in Ennis Montana on September 11th and September 18th, 2025. The ad is also included in this document in Appendix A.

A 30-day initial scoping period was opened on September 18th at 8 AM and closed on October 17th at 5 pm. The DNRC received 6 unique comments during this period. These comments informed the project development team of specific resource concerns important to the public. If a specific resource concern was identified through public comment, the applicable resource section will state the concern at the beginning of the resource section. If any mitigations are identified through the analysis for the action alternative, they will be listed at the end of the resource section.

This document is a draft analysis and will be published as a draft with an additional opportunity for public comment related to the adequacy of the analysis.

2. OTHER GOVERNMENTAL AGENCIES WITH JURISDICTION, LIST OF PERMITS NEEDED:

There are no other permits needed specifically to store, sell and recycle asphalt, concrete, and decorative rock on State Trust Lands. However, the proponent is applying to conduct these activities within the boundaries of gravel pit. The gravel pit is authorized under a DEQ opencut mining permit and a DNRC aggregate take and remove permit.

3. ALTERNATIVES CONSIDERED:

No Action Alternative: The Land Use License would be denied, and the proponent would not be allowed to store, sell, and recycle asphalt, concrete, and decorative rock within the pit area. If the no action alternative is selected, any asphalt, concrete, and decorative rock that is currently being sold, recycled, or stored within the boundaries of the permitted area must be immediately removed from the pit area.

Action Alternative: The Land Use License would be approved, and the proponent would be allowed to continue storing, selling, and recycling asphalt, concrete, and decorative rock within the pit area. The area historically utilized for these activities is approximately 2.43 acres within the pit. The license would authorize the use of up to 2.5 acres of pit area for the storage of offsite materials.

SUMMARY OF POTENTIAL IMPACTS TO THE PHYSICAL AND HUMAN ENVIRONMENT

The impacts analysis identifies and evaluates direct, secondary, and cumulative impacts.

• Direct impacts: impacts that occur at the same time and place as the action that causes the impact

• Secondary impacts: further impacts to the human environment that may be stimulated, or induced by, or otherwise result from a direct impact of the action.

• Cumulative impacts: collective impacts on the human environment of the proposed action when considered in conjunction with other past and present actions related to the proposed action by location or generic type. Related future actions must also be considered when these actions are under concurrent consideration by any state agency through preimpact statement studies, separate impact study evaluation, or permit processing procedures.

Where impacts are expected to occur, the impacts analysis estimates the duration and

severity of the impact. The duration of an impact is quantified as follows:
• **Short-term**: impacts that would not last longer than the proposed operation of the site, including reclamation of the site.
• **Long-term**: impacts that would remain or occur following reclamation of the proposed site.

The severity of an impact is measured using the following:
• **No impact**: There would be no change from current conditions.
• **Negligible**: An adverse or beneficial effect would occur but would be at the lowest levels of detection.
• **Minor**: The effect would be noticeable but would be relatively small and would not affect the function or integrity of the resource.
• **Moderate**: The effect would be easily identifiable and would change the function or integrity of the resource.
• **Major**: The effect would alter the resource

III. IMPACTS ON THE PHYSICAL ENVIRONMENT

- *RESOURCES potentially impacted are listed on the form, followed by common issues that would be considered.*
- *Explain POTENTIAL IMPACTS AND MITIGATIONS following each resource heading.*
- *Enter "NONE" If no impacts are identified or the resource is not present.*

4. GEOLOGY AND SOIL QUALITY, STABILITY AND MOISTURE:
Consider the presence of fragile, compactable or unstable soils. Identify unusual geologic features. Specify any special reclamation considerations. Identify any cumulative impacts to soils.

Resource Concerns from Public Comment

The proposed action may change the pH of the soils that will be used to reclaim the pit, thereby making it more difficult to properly reclaim the site.

Current conditions

The current conditions at the site related to Geology, Soil Quality, Stability and Moisture are accurately described within the Montana DEQ's analysis on pgs. 15 and 16.

Alternatives

No Action Alternative

- Impacts: The no action alternative is not expected to have any direct, secondary, or cumulative impacts to geology and soil quality, stability, and moisture.

Action Alternative

- Direct Impacts: All soil and overburden have been removed from the pit floor upon which the asphalt, concrete and decorative rock are stored. This soil and overburden is stored in piles surrounding the pit area and is being saved for reclamation. Upon reclamation of the pit, the topsoil and overburden will be replaced onto the disturbed areas. Grass seed will then be spread onto the replaced soil. Vegetation will increase the soil stability over time as it continues to grow. The storage, recycling, and sale of asphalt, concrete, and decorative rock will have no direct impacts on geology, soil quality, stability, or moisture. The storage and recycling of offsite materials is occurring on the pit floor where there is no soil, this would continue under the action alternative. Because the soil is in piles surrounding the pit and the offsite materials are within the pit and not on the soil, the pH of the soil would not be impacted by the selection of the action alternative.
- Secondary Impacts: No secondary impacts to geology and soil quality, stability, and moisture are expected from the selection of the action alternative.
- Cumulative Impacts: The selection of the action alternative would not be expected to appreciably change cumulative impacts to geology or soil in the area.
- Duration: No impacts are expected therefore duration of impacts is not applicable.

Mitigations

If the action alternative is selected the following mitigation would be implemented into the Land Use License as a special provision:

- Activities authorized under the Land Use License may only occur in areas that have been stripped of topsoil and overburden.

5. WATER QUALITY, QUANTITY AND DISTRIBUTION:
Identify important surface or groundwater resources. Consider the potential for violation of ambient water quality standards, drinking water maximum contaminant levels, or degradation of water quality. Identify cumulative effects to water resources.

Resource Concerns from Public Comment

- Contaminants from asphalt, concrete, and decorative rock will leach into the groundwater table and contaminate the drinking water and surface water, impacting human health and wildlife.
- The proposed activities require the usage of water.

Current Conditions

The proposed project area is contained within the DSL gravel pit which is situated on a bench above the Madison River Valley. The Montana DEQ hired an independent professional hydrogeologist, PHD and licensed professional engineer (Dr. Nicklin) to evaluate the groundwater and surface water underlying and adjacent to the site for their July 2024 environmental analysis. The results of that study and the associated analysis may be reviewed by accessing the DEQ EA. The current conditions of both groundwater and surface water onsite are accurately described within the DEQ EA on pgs. 17-21.

Alternatives

No Action Alternative

- Impacts: The no action alternative may slightly reduce the amount of water used by the proponent at the site. The no action alternative would not be expected to have any impacts on the quality of water at the site.

Action Alternative

- Direct Impacts: The action alternative is not expected to have any direct impacts on groundwater or surface water quality at the site. As mentioned within Dr. Nicklin's report and previous EA's conducted at this site, an aquifer sits approximately 20 feet below the current pit floor upon which the materials are being stored. Stormwater that is introduced at the site infiltrates the porous pit floor and then is absorbed by prevalent clay layers that underly the pit floor. It is likely that stormwater that falls upon the site never reaches the perched aquifer approximately 20 feet below the pit floor. Dr. Nicklin also notes that "asphalt stored on the site was not a significant source of a potential impact to groundwater because it is a fairly immobile substance.

  Also, as mentioned within previous analyses, the DSL site does not discharge stormwater into surrounding surface water bodies. Stormwater is contained onsite by the topography of berms on the site.
  As mentioned in the DEQ EA. "*In May 2023, out of an abundance of caution, A.M. Welles obtained a Multi-Sector 17 General Permit for Storm Water Discharges Associated with Industrial Activity at DSL Pit, MTR000799, which allows it to discharge water into Moore Creek. However, because this is a dry pit with 20-foot high incised walls and 8-10 foot berms, no water is discharged."* So, in the extremely unlikely event that stormwater was discharged from the pit, AM Welles is permitted to do so.

AM Welles operates an exempt well at the site and is authorized to utilize the water in their mining and processing operations per their water right. The Water Rights Division of the Montana DNRC is responsible for the permitting and regulation of water quantity and distribution throughout the state of Montana. AM Welles has an exempt water right for the well utilized in their operations. The water right specifies the amount of water that is permitted for use on an annual bases. A provision of the land use license is that the licensee must comply with all applicable state and federal laws and rules. Water would continue to be utilized for mining operations regardless of the selected alternative of this analysis, as permitted by the Montana DNRC's Water Rights Division.

Finally, asphalt and concrete are two building materials that are present on nearly every roadway and are in each town in Montana. These materials and any potential contaminants are well contained within the DSL pit as described above. This is contrary to many of the surrounding areas where stormwater may run directly over these same materials, and into adjacent surface water such as the Madison River, Moore Creek or other bodies of water. Bridge pillars and Dams are made from concrete and are physically within these bodies of water. Bridge decks are paved with asphalt and shed water directly into the adjacent waterbody. If any contaminants are present in these materials as described within public comment, they'd be much more likely to be introduced into surface water or ground water from sources such as those described, than from minor amounts of recycled materials that are stored within the DSL pit.

- Secondary Impacts: No secondary impacts to water quality, quantity and distribution are expected from the selection of the action alternative.
- Cumulative Impacts: The selection of the action alternative would not be expected to have significant changes to cumulative impacts of water quality, quantity, and distribution in the area.
- Duration: No impacts are expected, therefore duration is not applicable.

Mitigations

The potential selection of action alternative would include the following stipulations in the land use license:

- All equipment utilized in recycling and storage activities must be regularly maintained and inspected to ensure it is not leaking fluids, spreading noxious weeds, creating an undue fire hazard or threatening the life or property of others.

6. AIR QUALITY:
What pollutants or particulate would be produced? Identify air quality regulations or zones (e.g. Class I air shed) the project would influence. Identify cumulative effects to air quality.

Resource Concerns from Public Comment

Moving, crushing, and recycling asphalt and concrete can create airborne particulates that are harmful to human health and wildlife.

Current Conditions

The current air quality conditions at the site are accurately described in Montana DEQ's analysis on pgs. 22 and 23.

Alternatives

No Action Alternative

- Impacts: The no action alternative would eliminate a point source of dust emissions and greenhouse gas emissions. The gravel pit would continue to operate under the no action alternative. The point source emissions that would be eliminated are expected to be negligible would not appreciably change the air quality in the pit or the surrounding area.

Action Alternative

- Direct Impacts: The movement, recycling, and crushing of concrete, asphalt, and decorative rock has the potential to generate point-source dust emissions and greenhouse gas emissions from mining equipment engines. These dust particles may or may not contain particulate matter that is harmful to human health and wildlife. However, the threshold in which this particulate matter would become harmful to human health or wildlife is not expected to be exceeded. The Montana DEQ and the US EPA regulate air quality. The proponent would be required to obtain and maintain all necessary permits and follow all federal and state regulations related to air quality standards, including the Montana Clean Air Act. These environmental regulations are specifically designed to protect human health and wildlife. The impacts to air quality resulting from the action alternative are expected to be negligible and occur mostly within the boundaries of the DSL pit. Impacts would be mitigated through the use of water sprayers.
- Secondary Impacts: Fugitive dust and emissions may travel offsite to the surrounding area. Any particulate or pollutant would dissipate over distance and would not be expected to be at a threshold of concern for human or wildlife health. Secondary impacts are expected to be short-term and negligible.
- Cumulative Impacts: Most of the particulate matter and GHG emissions created by the DSL pit are from the mining, crushing, and screening of gravel. These activities have been evaluated previously and are outside the scope of this analysis. Comparatively, the dust and emissions generated from the proposed action would create far less particulate matter and would have less impact on air quality than the gravel mining itself. It is important to note that these activities are additive and any particulate matter or greenhouse gas emissions created by the proposed action would be in addition to what is created by other gravel mining practices. Beyond the DSL pit, the Madison Valley's primary emission sources are from vehicular travel, heating of homes, and agricultural activities. The selection of the action alternative would not be expected to appreciably impact the air quality in the Madison Valley, and the cumulative impacts from the selection of the action alternative will be negligible.
- Duration: Impacts from dust-generating activities are expected to be short-term. Impacts from equipment GHG's are expected to be long-term, but negligible.

7. VEGETATION COVER, QUANTITY AND QUALITY:
What changes would the action cause to vegetative communities? Consider rare plants or cover types that would be affected. Identify cumulative effects to vegetation.

Current Conditions

The project area currently has no vegetation as it is within the active mine area of the DSL pit. All vegetation and topsoil have been removed from the site in accordance with the Montana DEQ opencut mining permit.

Alternatives

No Action Alternative

- Impacts: The no action alternative is not expected to have direct, secondary, or cumulative impacts to vegetation cover, quantity, or quality.

Action Alternative

- Direct Impacts: The proposed action would not be expected to have any impact on vegetation cover quantity and quality. The area in which the proposed action would occur has already been stripped of topsoil and vegetation which has been stockpiled in the areas designated in the DEQ permit.
- Secondary Impacts: No secondary impacts to vegetation cover, quantity and quality are expected to occur from the selection of the action alternative.
- Cumulative Impacts: The selection of the action alternative would not be expected to change cumulative impacts to vegetation.
- Duration: No impacts are expected to vegetation cover, quantity and quality from the selection of the action alternative. Therefore, duration of impacts is not applicable.

8. TERRESTRIAL, AVIAN AND AQUATIC LIFE AND HABITATS:
Consider substantial habitat values and use of the area by wildlife, birds or fish. Identify cumulative effects to fish and wildlife.

Resource Concerns from Public Comment

The proposed activities will harm fish and wildlife in the area.

Current Conditions

The project area is contained within an active opencut mining area. The area is not regularly utilized by wildlife and does not provide suitable habitat for the species nearby. The greater Madison Valley does provide habitat for these species. A more comprehensive species list can be found in the DEQ EA on page 24.

Alternatives

No Action Alternative

- The no action alternative may slightly reduce the amount of noise generated from the pit area. However, the operations of the gravel pit would still be expected to create noise. Overall, the impacts of the no action alternative to terrestrial, and avian life would be expected to be minor. Aquatic life is not expected to be impacted by the selection of the no action alternative.

Action Alternative

- Direct Impacts: The impacts to terrestrial, avian and aquatic life resulting from the selection of the action alternative are expected to be minor. The greatest impact to birds and wildlife would be the noise that is created from recycling activities. This noise is comparable to that

which is created by other mining operations such as gravel mining and crushing. This noise disturbance has occurred for decades at the DSL site, and many animals still choose to utilize the areas adjacent to the pit. It is expected that wildlife have either been conditioned to the noise and it no longer impacts them in a significant manner, or the threshold of impacts is simply not significant enough to impact the wildlife in the area. The amount and volume of noise is expected to remain similar to current levels under the selection of the action alternative. Negligible visual disturbances to birds may occur when they are in flight over the project area. However, the area to be utilized for the proposed action would still be disturbed by the DSL pit if the no action alternative is selected. As explained earlier in this document, the action alternative is not expected to impact ground water or surface water quality. Therefore, there are no impacts to aquatic life that are expected to occur resulting from the selection of the action alternative.

- Secondary Impacts: The impacts described within the direct impacts section of this resource section may also be considered secondary impacts, since they occur outside of the project area. No additional secondary impacts are expected to occur beyond those identified in the direct impacts section of this resource section.
- Cumulative Impacts: The selection of the action alternative would be in addition to gravel mining activities. This would not be expected to increase the noise levels currently experienced at the site and nearby. The amount of time in which noise is created may be slightly greater under the action alternative than the no action alternative. Overall, the impacts to terrestrial, avian, and aquatic life from the selection of the action alternative is not expected to appreciably change.
- Duration: Impacts would be expected to be short-term and last until reclamation of the pit occurs.

9. UNIQUE, ENDANGERED, FRAGILE OR LIMITED ENVIRONMENTAL RESOURCES:
Consider any federally listed threatened or endangered species or habitat identified in the project area. Determine effects to wetlands. Consider Sensitive Species or Species of special concern. Identify cumulative effects to these species and their habitat.

Resource Concerns from Public Comment

The proposed action will harm threatened or endangered species in the area.

Current Conditions

The current conditions for the project area's unique, endangered, fragile or limited resources are included in the Montana DEQ's EA on pages 27 and 28.

Alternatives

No Action Alternative

- The no action alternative may slightly reduce the amount of noise generated from the pit area. However, the operations of the gravel pit would still be expected to create noise. Overall, the impacts of the no action alternative to unique, endangered, fragile or limited environmental resources would be expected to be minor.

Action Alternative

- Direct Impacts: The impacts to unique, endangered, fragile or limited environmental resources are expected to be minor and would be identical to the impacts expected to occur to terrestrial, avian and aquatic life as described within the previous section. Individuals of the species of concern listed in the MT DEQ's EA may experience minor impacts if they are in the area. However, the impacts of the action alternative would not be expected to impact the overall health or sustainability of any of these species.
- Secondary Impacts: The impacts described within the Direct Impacts section of this resource section may be considered secondary impacts, since they occur outside of the project area. No additional secondary impacts are expected to occur beyond those identified in the Direct Impacts section of this resource section.
- Cumulative Impacts: The selection of the action alternative would be in addition to gravel mining activities. This would not be expected to increase the noise levels currently experienced at the site and nearby. Overall, the impacts to unique, endangered, fragile or limited environmental resources from the selection of the action alternative is not expected to appreciably change.
- Duration: Impacts are expected to be short term and last until reclamation of the pit occurs.

10. HISTORICAL AND ARCHAEOLOGICAL SITES:
Identify and determine effects to historical, archaeological or paleontological resources.

Current Conditions

The project area has been stripped of topsoil and mined for gravel. There are no archeological resources within the project area.

Alternatives

No Action Alternative

- Impacts: The no action alternative is not expected to have direct, secondary or cumulative impacts to historical and archeological sites.

Action Alternative

- Direct Impacts: There will be no impact to historical or archeological sites from the selection of the action alternative. The area in which the offsite materials are being recycled, stored and sold has been stripped of all soil and mined for gravel.
- Secondary Impacts: No secondary impacts to historical and archaeological sites are expected.
- Cumulative impacts: The selection of the action alternative would not be expected to change cumulative impacts to historical and archaeological sites in the area.
- Duration: No impacts are anticipated; therefore, duration is not applicable.

11. AESTHETICS:
Determine if the project is located on a prominent topographic feature, or may be visible from populated or scenic areas. What level of noise, light or visual change would be produced? Identify cumulative effects to aesthetics.

Resource Concerns from Public Comment

The proposed action would alter the aesthetics in the Madison Valley and introduce both a visual and audible disturbance that would impact the otherwise peaceful valley.

Current Conditions

The proposed action would occur within the DSL pit which is approximately 3 miles north of Ennis, MT. The pit is adjacent to Montana Highway 287 and is located on a bench that is situated above the Madison River Valley. The pit area has topsoil berms that almost completely surround it, making it difficult to see into the pit from outside of the permitted area. These berms also act as a barrier for sound waves propagating from the pit area. The Montana DEQ's EA describes what noise is, how it is measured, and lists the decibel levels for common environments on pages 30 and 31 of their EA.

Alternatives

No Action Alternative

- Impacts: The no action alternative may slightly decrease the amount of time noise is generated from the pit. Most of the noise produced from the pit is produced by gravel mining and processing activities which would continue regardless of the selected alternative. If the no action alternative is selected, the noise level in terms of decibel amounts would not be expected to change. However, the amount of time in which noise is created may decrease slightly if the no action alternative is selected. The decreases in noise levels associated with the selection of the no-action alternative would be expected to be negligible.

Action Alternative

- Direct Impacts: The selection of the action alternative would be expected to keep aesthetic impacts at their current state. Concrete and asphalt recycling does generate noise similar to what gravel crushing operations create. This noise has been occurring at the site for years and would continue to occur if the action alternative is selected. The noise created by the action alternative would not be expected to raise the decibel levels at the site but may increase the total amount of time in which noise is generated from the site compared to the no action alternative. As described within the Montana DEQ EA, the closest residents to the pit area would be expected to hear the operations within the pit at a level of up to 50 decibels, this would be expected to be less when they are indoors. 50 decibels is the equivalent to the noise in a common office environment. No changes in the impacts to aesthetics are expected to occur from the selection of the action alternative.
- Secondary Impacts: As mentioned in the direct impacts portion of the resource analysis, there will be impacts to offsite areas. This could be considered a secondary impact rather than a direct impact.
- Cumulative Impacts: The project area already experiences significant aesthetic impacts aside from those expected from the selection of the action alternative. Gravel mining and the adjacent traffic along highway 287 create noise. The selection of the action alternative would create noise in addition to these pre-existing disturbances.
- Duration: Impacts would be expected to be short-term.

Mitigations

The potential selection of action alternative would include the following stipulation in the land use license:

- Concrete and Asphalt crushing and recycling shall be limited to daylight hours only.

12. DEMANDS ON ENVIRONMENTAL RESOURCES OF LAND, WATER, AIR OR ENERGY:
Determine the amount of limited resources the project would require. Identify other activities nearby that the project would affect. Identify cumulative effects to environmental resources.

Current Conditions

The current conditions of land, water and air are described previously in this document. Energy is abundant in the project area in the form of electricity and fuel.

Alternatives

No Action Alternative

- The no action alternative would not be expected to have any impacts to the demands on environmental resources of land, water, air, or energy.

Action Alternative

- Direct Impacts: The impacts to land, water, and air have been previously identified in this document. Energy in the form of electricity or fuel is abundant in the area and can be easily obtained from local sources. Diesel fuel is used to power machinery that is necessary for the activities of the action alternative. The proponent's use of diesel fuel does not impact its availability locally for other industrial or personal use. Impacts to energy from the selection of the action alternative are expected to be negligible.
- Secondary Impacts: No secondary impacts to environmental resources of land, water, air, or energy are expected.
- Cumulative Impacts: The selection of the action alternative is not expected to appreciably change the impacts on land, water, air or energy
- Duration: The impacts to limited environmental resources would be expected to last until the pit is reclaimed.

13. OTHER ENVIRONMENTAL DOCUMENTS PERTINENT TO THE AREA:
List other studies, plans or projects on this tract. Determine cumulative impacts likely to occur as a result of current private, state or federal actions in the analysis area, and from future proposed state actions in the analysis area that are under MEPA review (scoped) or permitting review by any state agency.

Current Conditions

The proposed project area is contained fully within what is known as the DSL gravel pit. The pit is operated by the proponent of this application. A competing Land Use License application was filed by Valley Garden Land and Cattle (VGLC) and requests the ability to store hay within the pit area. VGLC is the lessee of the adjacent grazing lease on the same trust lands tract. The LUL application from VGLC has been denied because the proposed use in their application conflicts with the gravel mining operations that are currently permitted.

Alternatives

No Action Alternative

- The no action alternative is not expected to have direct, secondary or cumulative impacts to other studies, plans or projects on the tract.

Action Alternative:

- Direct Impacts: The selection of the action alternative would not have any impact on the other studies plans or project on this tract.
- Secondary Impacts: No secondary impacts are expected.
- Cumulative Impacts: The selection of the action alternative would not be expected to change cumulative impacts to other studies plans or projects on the tract.
- Duration: No impacts are expected, therefore duration is not applicable.

IV. IMPACTS ON THE HUMAN POPULATION

- *RESOURCES potentially impacted are listed on the form, followed by common issues that would be considered.*
- *Explain POTENTIAL IMPACTS AND MITIGATIONS following each resource heading.*
- *Enter "NONE" If no impacts are identified or the resource is not present.*

14. HUMAN HEALTH AND SAFETY:
Identify any health and safety risks posed by the project.

Resource Concerns from Public Comment

The proposed action will create particulate matter that contains radioactive and carcinogenic materials that will be harmful to public health.

Current Conditions

The site is currently operated as an opencut mine. Heavy machinery and other equipment on the site pose occupational risks for the employees of the proponent. Mine Safety and Health Administration (MSHA) oversees the operations of opencut sites in Montana and provides training to the proponent's employees.

Alternatives

No Action Alternative

- The no action alternative is not expected to have direct, secondary, or cumulative impacts to human health and safety.

Action Alternative

- Direct Impacts: The proposed action will create minor amounts of particulate matter as previously described within the air quality section of this document. This particulate matter may or may not contain the elements described within public comment. As stated within the air quality portion of this document, the proponent must comply with all state and federal regulations regarding air quality. Air quality regulations are developed specifically to protect human health and the surrounding environment. Therefore, by abiding by state and federal air

quality regulations, the selection of the action alternative is not expected to have any impact to public health. The occupational health and safety risks associated with the activities of the action alternative are well known by the proponent and their employees. Employees of the proponent are required to take annual training through the Mine Safety and Health Administration which informs them of the risks of their jobs and ways to mitigate those risks. They are also provided with personal protective equipment to ensure risks are mitigated. The selection of the action alternative is not expected to have any impact on public health.

- Secondary Impacts: The impacts to public health described in the direct impacts of this section could also be considered secondary impacts as they would not occur within the project area.
- Cumulative Impacts: The selection of the action alternative would not be expected to change cumulative impacts to human health and safety.
- Duration: Occupational health impacts are expected to last until the reclamation of the gravel pit.

15. INDUSTRIAL, COMMERCIAL AND AGRICULTURE ACTIVITIES AND PRODUCTION:
Identify how the project would add to or alter these activities.

Current Conditions

Gravel mining and the associated activities that occur at the DSL pit are considered both industrial and commercial in nature. Most of the land surrounding the pit area is utilized for agricultural purposes. Other uses in the valley include small commercial businesses in the town of Ennis as well as tourism industries such as lodging and guiding.

Alternatives

No Action Alternative

- Impacts: The no action alternative would eliminate commercial and industrial use that the proponent has been utilizing within the pit for years. The selection of the no action alternative would force consumers of recycled asphalt, concrete, and decorative rock to find alternative sources. It is unknown whether these materials could be sourced nearby in the valley or if consumers would have to transport it from outside the area.

Action Alternative

- Direct Impacts: By selecting the action alternative, the proponent would be allowed to continue the activities as described. Consumers of this material would have a local and reliable source of material to utilize for their needs. Reliable and affordable building materials are essential to industrial, commercial and agricultural activities and production. The selection of the action alternative would be expected to continue to have a net positive impact on these activities.
- Secondary Impacts: No secondary impacts to industrial, commercial, and agricultural activities are expected.
- Cumulative Impacts: The selection of the action alternative would not be expected to change cumulative impacts on industrial, commercial and agricultural activities.
- Duration: Any impacts would be expected to last the duration of the pit until final reclamation.

16. QUANTITY AND DISTRIBUTION OF EMPLOYMENT:
Estimate the number of jobs the project would create, move or eliminate. Identify cumulative effects to the employment market.

Current Conditions

The closest town to the project area is Ennis, Montana. Most of Ennis' employment is in government, agricultural, or tourism-based industries. The DSL pit supports all of these industries with their product.

Alternatives

No Action Alternative

- Impacts: The no action alternative is not expected to have direct, secondary or cumulative impacts the quantity and distribution of employment.

Action Alternative

- Direct Impacts: The selection of the action alternative is not expected to have any impact on the quantity and distribution of employment.
- Secondary Impacts: No secondary impacts to quantity and distribution of employment are expected.
- Cumulative Impacts: The selection of the action alternative is not expected to change the cumulative impact of quantity and distribution of employment
- Duration: No impacts are expected; therefore, duration is not applicable.

17. LOCAL AND STATE TAX BASE AND TAX REVENUES:
Estimate tax revenue the project would create or eliminate. Identify cumulative effects to taxes and revenue.

Current Conditions

Trust land is exempt from property tax. Operators and lessees conducting business on Trust Lands must pay business taxes.

Alternatives

No Action Alternative

- Impacts: The no action alternative would be expected to lower the amount of business taxes that AM Welles would pay for the proposed action. The impacts to the local and state tax base would be negligible.

Action Alternative

- Direct Impacts: The proponent would be expected to continue paying approximately the same local and state business taxes if the action alternative is selected.
- Secondary Impacts: No secondary impacts are expected to local and state tax base or revenues.
- Cumulative Impacts: The cumulative impacts to local and state tax base and revenues are

not expected to change from the selection of the action alternative.
- Duration: No impacts are expected, therefore duration is not applicable.

18. DEMAND FOR GOVERNMENT SERVICES:
Estimate increases in traffic and changes to traffic patterns. What changes would be needed to fire protection, police, schools, etc.? Identify cumulative effects of this and other projects on government services.

Resource Concerns from Public Comment

The proposed action is a fundamental change in use of the permit area and requires re-evaluation by the Montana Department of Transportation.

Current Conditions

The pit currently has two approaches on to Highway 287 which are permitted with Montana Department of Transportation. The northern most approach accommodates traffic entering the pit, while the southern approach is utilized by traffic exiting the pit. Any emergency services would come from Ennis.

Alternatives

No Action Alternative

- Impacts: The no action alternative may decrease the amount of traffic that enters and exits the pit onto Highway 287. The decrease would be expected to be negligible as the proposed action is not a primary use of the DSL pit. Most of the traffic entering and exiting the pit is associated with gravel mining and not the proposed activities.

Action Alternative

- Direct Impacts: The selection of the action alternative would not be expected to change the impacts to traffic patterns. The proposed action has occurred at the site for years and if it were to continue by selecting the action alternative, the traffic patterns would not be expected to change. Any emergency services would be provided by Ennis. No changes to need for emergency services would be expected.
- Secondary Impacts: No secondary impacts to demand for government service would be expected.
- Cumulative Impacts: The selection of the action alternative would not be expected to change cumulative impacts to the demand for government services.
- Duration: No impacts are expected, therefore duration is not applicable.

19. LOCALLY ADOPTED ENVIRONMENTAL PLANS AND GOALS:
List State, County, City, USFS, BLM, Tribal, and other zoning or management plans, and identify how they would affect this project.

Current Conditions

There are no known environmental plans or goals for this tract or in the project vicinity.

Alternatives

No Action Alternative

- Impacts: The no action alternative is not expected to have direct, secondary, or cumulative impacts on locally adopted plans or goals.

Action Alternative

- Direct Impacts: No direct impacts are expected; there are no known zoning or management plans that are applicable for this tract.
- Secondary Impacts: No secondary impacts are expected to any locally adopted environmental plans.
- Cumulative Impacts: The selection of the action alternative would not be expected to change cumulative impacts to any adopted environmental plans.
- Duration: There are no expected impacts, therefore duration is not applicable.

20. ACCESS TO AND QUALITY OF RECREATIONAL AND WILDERNESS ACTIVITIES:
Identify any wilderness or recreational areas nearby or access routes through this tract. Determine the effects of the project on recreational potential within the tract. Identify cumulative effects to recreational and wilderness activities.

Current Conditions

This tract is publicly accessible but only has minor recreational use. The tract is not designated as wilderness, nor does it provide access to wilderness areas.

Alternatives

No Action Alternative

- Impacts: The no action alternative would not be expected to have any direct, secondary, or cumulative impacts to access and quality of recreational and wilderness activities.

Action Alternative

- Direct Impacts: The selection of the action alternative would not be expected to have any impacts on access to and quality of recreational and wilderness activities.
- Secondary Impacts: No secondary impacts to quality of recreational and wilderness activities are expected.
- Cumulative Impacts: The selection of the action alternative would not be expected to change cumulative impacts to the quality of recreational and wilderness activities.
- Duration: No impacts are expected, therefore duration is not applicable.

21. DENSITY AND DISTRIBUTION OF POPULATION AND HOUSING:
Estimate population changes and additional housing the project would require. Identify cumulative effects to population and housing.

Current conditions

The closest population center to the project is Ennis, MT.

Alternatives

No Action Alternative

- Impacts: The no action alternative is not expected to have any direct, secondary or cumulative impacts to the density and distribution of population and housing.

Action Alternative

- Direct Impacts: No direct impacts to the density and distribution of population and housing are expected.
- Secondary Impacts: No secondary impacts are expected to density and distribution of population and housing.
- Cumulative Impacts: The selection of the action alternative is not expected to change cumulative impacts to density and distribution of population and housing
- Duration: No impacts are expected; therefore, duration is not applicable.

22. SOCIAL STRUCTURES AND MORES:
Identify potential disruption of native or traditional lifestyles or communities.

Current conditions

There are no known native or traditional lifestyles or communities nearby.

Alternatives

No Action Alternative

- Impacts: The no action alternative is not expected to have any direct, secondary, or cumulative impacts to native or traditional lifestyles.

Action Alternative

- Direct Impacts: No impacts are expected to native or traditional lifestyles.
- Secondary Impacts: No secondary impacts to native or traditional lifestyles are expected.
- Cumulative Impacts: The selection of the action alternative would not be expected to have significant cumulative impacts to native or traditional lifestyles in the area.
- Duration: No impacts are expected, therefore duration is not applicable.

23. CULTURAL UNIQUENESS AND DIVERSITY:
How would the action affect any unique quality of the area?

Current Conditions

There are no known unique qualities of the area.

Alternatives

No Action Alternative

- Impacts: The no action alternative is not expected to have any direct, secondary or

cumulative impacts to the cultural uniqueness and diversity.

Action Alternative

- Direct Impacts: No direct impacts are expected to cultural uniqueness or diversity.
- Secondary Impacts: No secondary impacts to cultural uniqueness and diversity are expected.
- Cumulative Impacts: The selection of the action alternative would not be expected to have cumulative impacts to the cultural uniqueness and diversity of the area.
- Duration: No impacts are expected, therefore duration is not applicable.

24. OTHER APPROPRIATE SOCIAL AND ECONOMIC CIRCUMSTANCES:
Estimate the return to the trust. Include appropriate economic analysis. Identify potential future uses for the analysis area other than existing management. Identify cumulative economic and social effects likely to occur as a result of the proposed action.

No Action Alternative

- The no action alternative would not have any direct, secondary or cumulative impacts to the trust. It would not generate any economic value.

Action Alternative

- Direct Impact: Judge Berger's order specifically stated that the DNRC must "Charge A.M. Welles fair market value, which was established in their contract with Riverside, for its asphalt and concrete recycling and storage of offsite materials." The contract that Judge Berger is referring to was an amendment to the gravel permit for this site which allowed Riverside, through AM Welles, the ability to operate an asphalt plant from April 3, 2024 until June 8, 2024 for a rental amount of $4,000. This equates to approximately $2,000 per month. Therefore, to comply with the order issued by Judge Berger, the selection of the action alternative would create a license that would charge AM Welles $2,000 on the first of each month as long as the license remains active. Judge Berger issued his order on July 9th, 2025. If the action alternative is selected and the license is issued. AM Welles shall remit back-payment for all months since the order was given beginning with August 2025. The payments made by AM Welles will be distributable and will be appropriated bi-annually by the Montana legislature to the Common Schools.
- Secondary Impact: There are no secondary impacts from the selection of the action alternative
- Cumulative Impacts: Annually, the Forestry and Trust Lands Division of the Montana DNRC contributes millions of dollars to the trust lands beneficiaries of Montana. The revenue created from the proposed activity would add to this total.
- Duration: The land use license's term may be up to ten years, but the proponent must hold an active aggregate take and remove permit from the Department as a provision of the license. If the aggregate take and remove permit expires without renewal or is cancelled or terminated, the license shall also expire, cancel or terminate.

EA Checklist Prepared By:	**Name:**	Zack Winfield	**Date:**	11/25/25
	Title:	Petroleum Engineer		

V. FINDING

25. ALTERNATIVE SELECTED:

DRAFT

26. SIGNIFICANCE OF POTENTIAL IMPACTS:

DRAFT

• 27. NEED FOR FURTHER ENVIRONMENTAL ANALYSIS:

☐ EIS ☐ More Detailed EA ☐ No Further Analysis

EA Approved By:	**Name:** **Title:**
Signature:	**Date**:

Appendix A: Scoping Notice and Legal Advertisement

PUBLIC NOTICE

The Department of Natural Resources and Conservation (DNRC) is seeking public comment on a Land Use License application made by A.M. Welles, Inc. The application is to utilize a portion of the area authorized under Montana DNRC Aggregate Take and Remove Permit G-1273-94 and Montana DEQ Opencut Permit 674 for the purpose of storing, selling and recycling, recycled asphalt and concrete; also, storing and selling decorative rock. The comment period will begin on Thursday September 18 th , 2025 at 8 AM and it will close on October 17 th , 2025 at 5 PM. To make a comment, please utilize the following link: https://forms.office.com/g/QSzL58R2QH --- If you are unable to utilize the link, please mail your comment to ATTN: Zack Winfield, DNRC, 1539 11 th Ave, Helena, MT 59602. For more information about the project, a full scoping letter can be found on the DNRC Website at: https://dnrc.mt.gov/TrustLand/subsurface- resources/Documents/Scoping-Letter-AM-Welles-Storage-LUL.pdf
I/A: DNRC
Published Sept. 11 and 18, 2025

PUBLIC NOTICE

September 2, 2025

Initial Proposal Scoping Notice

AM Welles Storage of Offsite Materials LUL

The Department of Natural Resources and Conservation (DNRC) is seeking public comment regarding a land use license application made by A.M. Welles, Inc. to store, sell and recycle, recycled asphalt and concrete; and also, to store and sell decorative rock within the boundaries of what is known as the "DSL Pit." The DSL Pit is a gravel pit located on State of Montana Trust Lands north of Ennis on Section 16, Township 5S, Range 1W. The operation of the gravel pit is authorized under DNRC aggregate take and remove permit G-1273-94 and Montana DEQ opencut permit number 674; the activities authorized by these permits are not being considered for comment during this scoping period.

DNRC is soliciting public comment in accordance with the Montana Environmental Policy Act for the storage of offsite materials within the boundaries of the pit. Substantive comments should be related solely to storage activities and any comments or portions of comments outside the scope of storage activities will not be considered by the DNRC within their analysis. The analysis will consider two alternatives:

1. **No Action Alternative:** The no action alternative would deny A.M. Welles request to utilize the pit area to store, sell and recycle, recycled asphalt and concrete; and store and sell decorative rock.
2. **Action Alternative:** The action alternative would grant the land use license to A.M. Welles to store, sell and recycle, recycled asphalt and concrete; and store and sell decorative rock.

A 30-day comment period for the project will begin on September 18th, 2025 at 8 AM and will stay open until October 17th, 2025 at 5 PM. Comments may be submitted electronically by utilizing the following link: https://forms.office.com/g/QSzL58R2QH

If an individual is unable to submit comments electronically, they may mail their comment to ATTN: Zack Winfield, Montana DNRC, 1539 11th Ave, Helena, MT 59602.

Sincerely,

Zack Winfield, PE

Petroleum Engineer – Minerals Management Bureau – MT DNRC