



United States Department of the Interior
BUREAU OF LAND MANAGEMENT
Washington, D.C. 20240
<http://www.blm.gov>



DECISION RECORD

(DOI-BLM-CO-S010-2019-0003-EA)

CASEFILE/PROJECT NUMBER: COC-78825

LOCATION:

New Mexico Principal Meridian, Colorado

T. 35 N., R. 11 W.,

sec. 18, lots 2 thru 5, 8, 9, and 10, SE1/4NW1/4, and NE1/4SW1/4;

sec. 19, lots 1, 2, 6, and 7, NE1/4NW1/4, and N1/2SE1/4NW1/4.

T. 35 N., R. 12 W.,

sec. 13, S1/2NE1/4, SE1/4NW1/4, S1/2SW1/4, NE1/4SE1/4, and S1/2SE1/4;

sec. 14, S1/2NE1/4SW1/4, S1/2NW1/4SW1/4, S1/2SW1/4, S1/2NW1/4SE1/4, and S1/2SE1/4;

sec. 15, SE1/4SW1/4 and S1/2SE1/4;

sec. 22, N1/2NE1/4, N1/2SW1/4NE1/4, SE1/4SW1/4NE1/4, SE1/4NE1/4, E1/2NE1/4NW1/4, NE1/4SE1/4NW1/4, and E1/2NW1/4SE1/4;

sec. 23, N1/2NE1/4, SE1/4NE1/4, N1/2NW1/4, SE1/4SW1/4, and SE1/4;

sec. 24, N1/2, SW1/4 and NW1/4SE1/4;

sec. 26, N1/2NE1/4NE1/4, SW1/4NE1/4NE1/4, NW1/4NE1/4, N1/2NW1/4,

N1/2SW1/4NW1/4, SE1/4SW1/4NW1/4, and SE1/4NW1/4;

sec. 27, NE1/4NE1/4 and SE1/4NW1/4NE1/4.

The area described contains 2,462.07 acres.

PROJECT NAME: Dunn Ranch Area Lease-By-Application (LBA) and Mine Plan Modification

APPLICANT: GCC Energy (GCCE), LLC

COMPLIANCE WITH MAJOR LAWS & CONFORMANCE WITH THE LAND USE PLAN:

This decision complies with applicable laws, regulations and policy, including the National Environmental Policy Act of 1970, the Endangered Species Act, Migratory Bird Treaty Act, Clean Water Act, Clean Air Act, and the National Historic Preservation Act of 1966 (NHPA). This decision is also in compliance with the 2015 Tres Rios Field Office (TRFO) approved Resource Management Plan (RMP) and Record of Decision.

DECISION:

Based on the (1) analysis conducted in Environmental Assessment (EA) DOI-BLM-CO-S010-2019-0003-EA, (2) associated Finding of No Significant Impact (FONSI), and (3) the recommendation of the TRFO Field Manager, it is my decision to authorize the Dunn Ranch Area LBA parcel in its entirety as described in the proposed action of the EA (DOI-BLM-CO-S010-2019-0003-EA) with design features (Appendix C of the EA) for competitive lease sale under the regulations described at 43 C.F.R. § 3425.

My decision is to offer the lease competitively in accordance with 43 C.F.R. § 3425. If GCCE is issued the Federal coal lease, the regulations require the Office of Surface Mining Reclamation and Enforcement (OSMRE) to provide a mining plan modification recommendation for mining the Federal coal to the Assistant Secretary, Land and Minerals Management (ASLM). To assist with assuring compliance with other Federal laws, regulations, and Executive Orders, the OSMRE also reviews other relevant documents before making its recommendation to the ASLM. The ASLM then reviews the Mining Plan Decision Document and decides whether to approve the mining plan modification, and if approved, what, if any, conditions may be needed.

FINDING OF NO SIGNIFICANT IMPACT:

The Bureau of Land Management (BLM) prepared a Finding of No Significant Impact based on the information contained in the EA and in consideration of the criteria for significance outlined in 40 C.F.R. § 1508.27. It is my determination that the Proposed Action is consistent with the TRFO RMP. The Proposed Action does not constitute a major Federal action that would have a significant effect on the human environment. Therefore, an Environmental Impact Statement is not necessary.

RATIONALE:

The BLM is required by law to consider the leasing of federally owned minerals for economic recovery. In addition, the Proposed Action is consistent with current land management direction for the project area set forth in the TRFO approved RMP (BLM 2015).

My decision will provide approximately 9.54 million tons of Federal coal reserves available for leasing in a responsible manner. If GCC Energy (GCCE) is issued the Federal lease, the life of the mine would be extended by about 22 years to 2043, including mining private coal adjacent to the LBA, as well as inferred resources within the existing lease that would made economical by blending with higher grade coal from the LBA. . If the annual production rate is lower, the mine life could be extended further. In addition, the selected alternative meets the purpose and need for action which is established by BLM's responsibility under the Mineral Leasing Act of 1920 (30 U.S.C. 181 *et seq.*), as amended by the Federal Coal Leasing Amendments Act of 1976, and the Federal Land Policy Management Act of 1976 (FLPMA), which states that public lands shall be managed in a manner that recognizes the nation's need for domestic sources of minerals (43 U.S.C. § 1701(a)(12)). Furthermore, FLPMA authorizes BLM to manage the use, occupancy, and development of public lands through leases and permits (43 U.S.C. § 1732). Additionally, the need for the action is to encourage development of domestic coal reserves to meet future energy needs, reducing dependence on foreign sources of energy, and providing for dependable and affordable domestic energy while giving due consideration to the protection of

other resource values through standard lease stipulations and design features identified in the EA (see Appendix C of EA).

The No Action Alternative was not chosen as it would not fulfill the BLM's purpose and need for action.

COMPLIANCE:

BLM will conduct routine compliance inspections periodically throughout the life of this project. To ensure that all lease terms and conditions and stipulations are being implemented as required, the BLM mining engineer will conduct Inspection and Enforcement examinations at least quarterly. The Colorado Division of Reclamation, Mining, and Safety (CDRMS) conducts monthly surface inspections of the surface facilities. The OSMRE conducts quarterly inspections on the King II surface facilities and also conducts oversight inspections of the CDRMS inspection program.

PUBLIC INVOLVEMENT:

The public scoping period for the EA began on February 8, 2019, and finished on March 11, 2019. A public notice was posted on the BLM's national NEPA Register, on OSMRE's website and in the Durango Herald on February 11, 13, and 15, 2019. In addition, a public scoping letter was sent to 289 entities (comprised of individuals, organizations, businesses, and government agencies) and 26 Indian tribes with information about the Proposed Action and a request for comments within the 30-day public comment period. A total of 13,050 comments were received during the scoping period. Many comments were submitted two or three times, each to the different agency comment addresses, and the submittals to each address were counted in the total as individual comments. Of the total number, 13,012 were form letters or form emails with the same content, and 38 submittals included unique comments.

The preliminary EA was publicly available for review for a 32-day period starting on July 5, 2019, and ending on August 5, 2019. The EA and supporting information were available on both the BLM and OSMRE webpages. Interested party letters were sent to 253 people/agencies and 32 Native American Tribes in advance of posting the EA for the 32-day public review. A legal notice was published in the Durango Herald on July 10 and 17, 2019, informing the public of the availability of the preliminary EA for public comment. The legal notice also informed the public of the informational meeting and public hearing held on July 24, 2019, at the BLM TRFO.

The public hearing was held on July 24, 2019 in accordance with BLM coal regulations found at 43 C.F.R. § 3425.4, which require the BLM to receive verbal public comments on the preliminary EA and on the fair market value and maximum economic recovery of the coal proposed to be mined. A total of four people submitted verbal comments at the hearing. An additional, separate public information meeting was held on August 1, 2019, at the Breen Community Center in La Plata County near the King II Mine with a separate legal notice informing the public published in the Durango Herald on July 26 and 29, 2019. The two public meetings were attended by 12 and 19 members of the public, respectively. These public meetings contained informational posters detailing the proposed action, anticipated consequences of the action and described the regulatory process. Agency management representatives and resource specialists were on hand to engage with the public and answer

questions. At the meetings, the public were able to submit their written comments to the agencies.

During the 32-day public comment period, a total of 28 comment letters were submitted through the meetings, email, and through the BLM's ePlanning website. Many of the letters contained multiple comments for a total of 127 discrete comments received. The majority of the comments were concerned with air quality and climate change (26), the NEPA process and alternatives (17), energy development (13), water quality (12), and traffic and transportation (10). All public comments received from the web posting of the EA and from the public meetings are provided in the Public Comment/Agency Response Matrix included as Appendix B of the EA.

The OSMRE and BLM initiated Government to Government consultations on October 30, 2018, by sending 60 consultation letters to 26 Native American Tribes (Technical Resources Report (OSMRE and BLM 2019)) that have cultural affiliations to the Area of Potential Effect. In accordance with the 2011 Department of the Interior Policy on Consultation with Indian Tribes and the NHPA, this included those from the Colorado Office of Archaeology and Historic Preservation directory of tribes with historic ties to Colorado. The Hopi Tribe claims cultural affiliation with prehistoric cultural groups in southwestern Colorado. The Southern Ute Indian Tribe expressed concern for impacts on properties of religious and cultural importance to the tribe. At present, no Native American religious concerns or potential traditional cultural properties within the permit area have been identified.

FINAL AGENCY ACTION

I hereby approve this decision. My approval of this decision constitutes the final decision of the Department of the Interior and, in accordance with the regulations at 43 C.F.R. § 4.41 0(a)(3), is not subject to appeal to the Office of Hearings and Appeals under Departmental regulations at 43 CFR Part 4.

Approved by:



Casey Hammond
Acting Assistant Secretary,
Land and Minerals Management



Date