



United States Department of the Interior



OFFICE OF SURFACE MINING RECLAMATION AND ENFORCEMENT

Western Region Office
1999 Broadway, Suite 3320
Denver, CO 80202-3050

September 10, 2015

Dear Interested Public Land User,

The U.S. Department of the Interior (DOI), Office of Surface Mining Reclamation and Enforcement (OSMRE), Western Region Office will prepare an environmental assessment (EA) for the Belle Ayr Mine North Tract Federal mining plan modification (the Project). The Project was officially proposed by Alpha Coal West (ACW), a subsidiary of Alpha Natural Resources, Inc., on October 20, 2014. In accordance with the Mineral Leasing Act of 1920 (MLA), The DOI Assistant Secretary for Land and Minerals Management (ASLM) must approve the Project before any mining and reclamation can occur on lands containing leased Federal coal. The Belle Ayr Coal Mine is located in Campbell County, Wyoming, approximately 10 miles south-southeast of Gillette. The Project is located on Federal coal leases administered by the Bureau of Land Management (BLM) Casper Field Office and located within and adjacent to the Belle Ayr Mine's permit area, approved in accordance with the Surface Mining Control and Reclamation Act.

The lease and sale of the Federal coal included in the Belle Ayr North LBA (WYW161248) was originally evaluated in the 2009 South Gillette Area Coal Lease Applications Environmental Impact Statement (EIS). The coal was offered for sale in a sealed-bid, competitive lease process on July 13, 2011. Following determination by BLM that the highest bid at the sale met or exceeded the fair market value of the coal within the tract, the bid submitted by BTU Western Resources Inc. was accepted. The lease was subsequently transferred from BTU Western Resources to Alpha Wyoming Land Company, a subsidiary of Alpha Natural Resources, Inc., in July of 2012. The coal would be mined using conventional surface-mining methods and shipped from an onsite railroad loading facility to various sites within the United States. On June 11, 2014, the Wyoming Department of Environmental Quality (WDEQ)/Land Quality Division (LQD) approved ACW's application to amend the Mine Permit No. 214-T8 to include approximately 976 acres of the Federal coal lease area within the existing and approved Belle Ayr Mine permit boundary. On January 28, 2015, ACW submitted an application to WDEQ/LQD to amend Mine Permit No. 214-T8 to include the remainder (approximately 695 acres) of the Belle Ayr North Tract.

OSMRE is preparing this EA to evaluate the environmental impacts resulting from the Project, pursuant to the requirements of the National Environmental Policy Act of 1969 (NEPA). Under the currently approved State mine permit approved in 2013, mining operations have disturbed 12,091 acres and the proposed modification would add approximately 1,478 acres of disturbance. Since 2010, the annual production rate has ranged from a high of about 25.8 million tons (mmt) in 2010 to a low of

about 14.4 mmt in 2014. Due to the uncertainty in determining the demand for coal, the EA will be prepared assuming that the average annual production rate would be 22.5 million tons per year (mmtpy). Based on remaining coal reserves and the estimated future production rate; mining at the Belle Ayr Mine would be completed in approximately 3 years if the Project is not approved. The amount of Federal coal to be added at this mine as a result of the Project is approximately 221.7 mmt of which, approximately 218.2 mmt would be mineable. The approval would extend the life of mine by approximately 9 years.

This EA will disclose the potential for direct, indirect and cumulative impacts to the environment from the Project. Further, this EA will update, clarify, and provide new and additional environmental information for the Project. Through the EA process, OSMRE will determine whether or not there are significant environmental impacts. If a finding of no significant impact is reached, the OSMRE Director will make a recommendation to the DOI's ASLM on the proposed Federal mining plan modification and the ASLM will approve, approve with conditions, or disapprove the Federal mining plan modification, as required under the MLA. If the EA identifies significant impacts, an EIS will be prepared.

OSMRE is soliciting public comments on the Project. Your comments will help to determine the issues and alternatives that will be evaluated in the environmental analysis. You are invited to direct these comments to:

ATTN: Belle Ayr North Tract EA
C/O Lauren Mitchell
Western Region Office, Office of Surface Mining Reclamation and Enforcement
1999 Broadway, Suite 3320
Denver, CO 80202-3050

Comments may also be emailed to: OSM-NEPA-WY@osmre.gov. Comments should be received or postmarked no later than October 10, 2015 in order to be considered during the preparation of the EA. Comments received, including names and addresses of those who comment, will be considered part of the public record for this Project and will be available for public inspection. Additional information regarding this Project may be obtained from Lauren Mitchell, telephone number (303) 293-5028. When available, the EA and other supporting documentation will be posted at: <http://www.wrcc.osmre.gov/initiatives/belleAyrMine.shtm>

Sincerely,

Marcelo Calle, Manager
Field Operations Branch