



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 26, 2013

Dear Interested Public Land User,

The Colowyo Coal Company L. P. (Colowyo) proposes to expand mining at the Colowyo Coal Mine. The expansion, referred to as the Collom Permit Expansion Area, will include mining federal coal from two federal leases, including the Collom Tract, and will require approval of the proposed mining plan. Before considering whether or not the proposed mining plan can be approved, the Office of Surface Mining Reclamation and Enforcement (OSM), Western Region Office is preparing an Environmental Assessment (EA) to evaluate the potential environmental impacts resulting from the proposed mining plan for the Collom Permit Expansion Area, as required by the National Environmental Policy Act of 1969 (NEPA). This EA will update, clarify and provide new and additional environmental information based on the proposed mining operations. Resource values to be covered include: surface and ground water; geology; soils; topography; recreation; air quality; climate change and greenhouse gases; fish and wildlife; cultural resources; social economic composition; and environmental justice. The cumulative effects of the project will also be addressed. We are sending you this letter to inform you about this proposal and to solicit any comments you might have.

The Colowyo Coal Mine is located approximately 26 miles southwest of Craig, Colorado and 22 miles north-northeast of Meeker, Colorado, west of Colorado Highway 13/789 in southwest Moffat and northern Rio Blanco Counties, Colorado. The Collom Permit Expansion Area is approximately one mile northwest of Colowyo's current mining operations. The project would occur on federal coal leases administered by the Bureau of Land Management (BLM) Little Snake Field Office, a State coal lease and private lands located within the Collom Permit Expansion Area.

Background

For over 100 years, coal has been mined on a commercial scale in the area of the Colowyo Coal Mine. In 1908, the underground Collom Mine (later renamed the Mount Streeter Mine) started producing coal from the 24 foot thick Collom coal seam. As coal mining continued and grew with the opening of the Shaver Mine (later renamed the Redwing Mine), another underground mine, the first federal coal lease in the area was issued in 1924, just four years after passage of the Mineral Leasing Act of 1920. Twenty years later, in 1944, the underground Lower Streeter Mine was opened. The Mount Streeter and Lower Streeter Mines eventually became known as the "Streeter Mines". In 1945, Colowyo Coal Company acquired the federal lease and the Redwing Mine. Coal was mined by underground mining techniques continuously for 66 years until 1974 when the underground mines closed. The underground mines were closed in response to a Closure Order issued by the U.S. Mine Enforcement and Safety Administration due to the dangers posed by the active coal

seam fires in the adjacent Streeter Mines. Those underground fires had been burning since about 1953 and over the ensuing 20 years. Then in 1977, Colowyo initiated its first surface mining operation at the Colowyo Coal Mine. In 1982 and 1988 Colowyo obtained rights to additional federal coal leases and a state lease to expand its coal reserve base and ensure continuity of mining. Colowyo currently operates the Colowyo Coal Mine on Federal Coal Leases C29225, C29226 and D034365 and is producing coal from the West and South Taylor Pits. Nearby surface coal mining operations include the Trapper Mine near Craig, operated by Trapper Mining Company Inc.

The environmental impacts for the proposal to lease the Collom Tract were evaluated in the 2006 "Environmental Assessment for Lease-by-Application, Collom Lease Tract". The approved Finding of No Significant Impact (FONSI), and the decision to lease the tract were documented in the Decision Record issued by the BLM in 2006. Federal lease COC68590 were issued by the BLM in July 2007. The other leases were issued in 1982. Colowyo operates the existing Colowyo Coal Mine under coal mining permit number C-1981-019 issued by the Colorado Division of Reclamation, Mining and Safety (CDRMS). On January 26, 2009, Colowyo submitted Permit Revision No. 3 to CDRMS to update the permit boundary to incorporate the Collom Permit Expansion Area. On May 29, 2013, CDRMS approved Colowyo's Permit Revision No. 3 with the condition that Colowyo Coal Mine must obtain the Department of the Interior's approval of the proposed mining plan before Colowyo can begin mining federally leased coal under Permit Revision No. 3.

Proposed Action

Colowyo is proposing a mining plan for a new surface mining area adjacent to the existing mining operations in order to access additional coal reserves. The new mining area includes the Collom Permit Expansion Area which is located northwest of the current mining area. The Collom Permit Expansion Area includes approximately 16,824.79 acres contained in federal coal leases COC0123475, COC0123476-01, and COC68590, the Jubb State Lease 257-13s and private lands. Federal lease COC68590 was issued by the BLM in July 2007 and the other leases were issued in 1982. Within the Collom Permit Expansion Area, 637.0 acres are owned by the State of Colorado, 2,525.18 acres are managed by the BLM, and 13,662.61 acres are privately owned by Colowyo.

The proposed Collom Permit Expansion Area mining plan would involve mining within two pits, the Collom Lite Pit and the Little Collom X Pit. For development of these pits, Colowyo proposes to employ truck/shovel and dragline surface mining techniques. Mining would be conducted from north to south. The Collom Lite Pit would cover about 880 acres and would be up to 650 feet deep in places and the Little Collom X Pit would cover about 213 acres and would be up to 100 feet deep in places.

Temporary out-of-pit spoil pile areas or an adjoining mined out pit would be utilized to store overburden materials removed from the pit areas during the initiation of mining in the Collom Lite Pit. For the Little Collom X Pit, overburden material would need to be stored in temporary out-of-pit spoil pile areas located just outside of the pit to the southwest. Overburden and coal would be fragmented by use of explosives or by ripping and loaded into haulage trucks by an electric shovel, an excavator, or a rubber tired front end loader. Overburden would be taken to the temporary spoil pile areas and within the pit. Coal would be trucked on haulage roads to a primary crusher where it would be loaded into haul trucks designed for use on conventional

roads. It would then be transported, by truck, on a single haul road northeast along the west fork and main stem of Jubb Creek for approximately six miles to the Gossard loadout.

Additional mine facilities would be constructed in the expansion area to support the mining activities. These facilities would include utility and water lines, in-pit haulage routes, a primary crusher, and an office, maintenance, and warehouse facility.

Of the 16,824.79 acres currently contained within the CDRMS approved permit revision area, mining operations would disturb a total area of 2,244.22 acres over the anticipated 20 to 40 year life of the project. Reclamation, including backfilling and grading (to handle erosion and restore the landscape to a condition similar to the pre-mining topography), replacement of topsoil, and revegetation using suitable approved species, would begin as soon as possible after coal is removed.

Decision to be Made

OSM will decide whether or not the proposed action would have significant impacts on the environment. If OSM reaches a FONSI, the OSM Western Regional Director will make a recommendation to the Department of the Interior's Assistant Secretary Land and Minerals Management (ASLM) on the proposed mining plan. The ASLM will approve, approve with conditions or disapprove the mining plan. If OSM cannot reach a FONSI, then an Environmental Impact Statement (EIS) could be required before the project is authorized.

Timeline

A decision for the proposed action is expected sometime between May and June 2014. Construction and mining operations would commence shortly thereafter, subject to any timing stipulations. Mining activities in the Collom Lite and Little Collom X Pits would be anticipated to continue for 20-40 years.

Public Outreach Meeting

A public outreach information meeting will take place on October 10, 2013, from 4-8 p.m. at the BLM Little Snake Field Office located at 455 Emerson Street, Craig, Colorado. Representatives from OSM, BLM, the Colowyo Coal Mine, and the contractor developing the EA will be on hand to answer questions on the proposed action, the regulatory and permitting process, and the NEPA process. You are invited to meet with OSM and review the project information. Resource specialists will be available to provide information, answer questions, and receive written comments.

Providing Comments

OSM requests comments on the nature and scope of the environmental, social, and economic issues and possible alternatives related to the proposed action. To assist OSM in identifying and considering issues and concerns related to the proposed action, comments should be as specific as possible. Please submit written comments to:

ATTN: Colowyo Coal Mine Permit Expansion Area Proposed Mining Plan EA

C/O: Foster Kirby or Nicole Caveny

Office of Surface Mining, 1999 Broadway, Suite 3320, Denver, CO 80202

Comments may also be emailed to: OSM-Colowyo-Mine-EA@osmre.gov. Be sure to send emails ATTN: Colowyo Coal Mine Permit Expansion Area Proposed Mining Plan. Please indicate on your comments whether you wish to be kept on any mailing lists to receive updates from this project and whether you wish to receive them via email or hardcopy. If you have any questions, please call Foster Kirby at (303) 293-5039 or Nicole Caveny at (303) 293-5078.

Comments should be received no later than October 31, 2013, in order to be considered during the outreach period. 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.

Only those individuals and organizations who have submitted specific written outreach comments during this opportunity for public involvement will have standing to make formal objections when the EA is made available.

This document, and additional information, as it becomes available, will be posted on OSM's website at: http://www.wrcc.osmre.gov/current_initiatives/Colowyo/Colowyo.shtm.

Sincerely,



Elaine Ramsey, Manager
Field Operations Branch