



United States Department of the Interior



OFFICE OF SURFACE MINING RECLAMATION AND ENFORCEMENT

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

May 21, 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 mining plan modification for the Colowyo Coal Mine's South Taylor area (the Project). The mining plan modification was originally proposed by the Colowyo Coal Company (Colowyo) on July 3, 2006 to surface mine undeveloped federal coal leases at the existing Colowyo Coal Mine. The Colorado Division of Reclamation Mining and Safety (CDRMS) approved Colowyo's Mine Permit Revision 02 (PR02) for the South Taylor area (including federal leases C-123476-01, C-29225, and C-29226) on June 8, 2007 in accordance with its responsibilities under the federal Surface Mining and Reclamation Control Act (SMCRA) of 1977. The DOI Assistant Secretary for Land and Minerals (ASLM), in accordance with the Mineral Leasing Act of 1920 (MLA), originally approved Colowyo's mining plan modification for the South Taylor Area on June 15, 2007 based on a supplemental environmental assessment conducted by OSMRE for the Project. OSMRE's supplemental environmental analysis resulted in a Finding of No Significant Impact (FONSI) on May 8, 2007. Colowyo commenced mining in the South Taylor area in 2008 in accordance with its state mine permit and federal mining plan modification approvals, and mining and reclamation operations included within PR02 have been ongoing since that time in the approved permit area.

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 originally proposed and approved Project is occurring on federal coal leases administered by the Bureau of Land Management (BLM) Little Snake Field Office and located within the South Taylor Permit Expansion Area in the southeast portion of Colowyo's approved SMCRA Permit Area. The federal coal leases contained in the Project Area include leases C-123476-01, C-29225, and C-29226. Federal lease C123476-01 was issued by the BLM in 1982 and leases C-29225 and C-29226 were issued in 1983. PR02 proposed to add approximately 6,050 surface acres to the previously existing permit area and add approximately 5,219 coal acres and 43 million tons of recoverable Federal coal. The Colowyo Mine uses a combination of dragline, truck shovel, and highwall miner mining methods.

Because of a recent court decision, OSMRE is preparing this EA to reevaluate the environmental impacts resulting from the originally proposed and currently approved mining plan modification for the South Taylor Permit Expansion Area, pursuant to the requirements of the National Environmental

Policy Act of 1969 (NEPA). *See Wildearth Guardians v. U.S. Office of Surface Mining et al.*, Case 1:13-cv-00518-RBJ (D. Colo. 2015). Under the currently approved mining plan modification issued in 2007, mining operations have disturbed 789 acres of the originally approved 1,492 acres to be disturbed. The mine estimates that 20 acres remain to be disturbed in the South Taylor Permit Expansion Area for a total of 809 acres of disturbance. To date, the company has mined an estimated 21.3 million tons of coal and an estimated 11.8 million tons of coal remains to be mined. Prior to approval of PR02, the average production rate was approximately 4.5 million tons per year (mtpy). PR02 proposed that the average production rate and the maximum production rate would increase and vary from 5.8 to 6.0 mtpy for the life of the mining operation. Since 2008, the production rate has ranged from a high of about 4.95 mtpy in 2008 to a low of about 2.1 mtpy in 2012. In 2014 the production rate was about 2.48 mtpy. Based on remaining coal reserves and the 2014 production rate mining at the South Taylor Permit Expansion Area would be completed in approximately five years. It is not reasonably foreseeable that a production rate of 6.0 mtpy could be achieved. Therefore, the EA will evaluate production rates not to exceed 5.0 mtpy.

This EA will disclose the impacts that have already occurred under the approved PR02, and the potential impacts, including cumulative impacts, associated with mining the remaining coal. Further, this EA will update, clarify, and provide new and additional environmental information based on the originally proposed mining operations. Resource values to be covered in the EA include: surface and ground water; air quality; climate change and greenhouse gases; geology; soils; topography; recreation; fish and wildlife; cultural resources; social economic composition; and environmental justice. The cumulative effects of the Project will also be addressed.

Through the EA process, OSMRE will determine whether or not the current and existing FONSI reached for the original Project is still valid considering new and additional environmental information. If a FONSI is reached the Western Region Director will make a recommendation to the DOI's ASLM on the previously proposed and approved federal mining plan modification, and the ASLM will approve, approve with conditions, or disapprove the mining plan modification as required under the MLA. If the EA identifies significant impacts, an Environmental Impact Statement will be prepared.

OSMRE will hold an "open-house" style public outreach meeting that will include displays and handouts explaining the status of the existing and approved Project, and will provide opportunities to ask questions of OSMRE and Colowyo representatives about the Project and the NEPA process, and opportunities to provide written comments on the project. ***The meeting will be held on, June 10, 2015 from 4-8 pm at The Center of Craig, located at 601 Yampa Avenue in Craig, Colorado.***

OSMRE is soliciting public comments on this Project. You are invited to direct these comments to:

ATTN: Colowyo Coal Mine South Taylor Area Mining Plan Modification EA
C/O: Nicole Caveny
Office of Surface Mining Reclamation and Enforcement
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 South Taylor Mining Plan Modification. 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. Additional information regarding this Project may be obtained from Nicole Caveny, telephone number (303) 293-5078. When available, the EA and associated decision document, outreach summary report, legal notice, and outreach letter, will also be posted at:

<http://www.wrcc.osmre.gov/initiatives/colowyoMineSouthTaylor.shtm>

Comments should be received no later than June 15, 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.

Sincerely,

Marcelo Calle, Manager
Field Operations Branch