

REQUEST FOR COMMENTS

Dunn Ranch Area Lease by Application and Mine Plan Modification at the King II Coal Mine Environmental Assessment

The U.S. Department of the Interior (DOI) Bureau of Land Management (BLM), Tres Rios Field Office, and Office of Surface Mining Reclamation and Enforcement (OSMRE) Western Region, will prepare an environmental assessment (EA) for an expansion of the King II Coal Mine proposed by GCC Energy, LLC (GCCE) that would include a new federal coal lease for lands adjacent to the existing mine and a mining plan modification for mining in the new lease. The King II Mine is located approximately 17 miles west of Durango, Colorado, and 7.5 miles west of Hesperus, Colorado. OSMRE is joining with the BLM to prepare a single EA that will analyze related proposed federal actions in accordance with the National Environmental Policy Act of 1969 (NEPA), Council on Environmental Quality regulations for implementing NEPA, Departmental Manual Part 516, and additional DOI, BLM, and OSMRE policies and guidance. Separate decision documents will be issued by each agency.

GCCE proposes to expand its existing King II Coal Mine into mostly federally owned coal reserves beneath surface lands owned by the Ute Mountain Ute Tribe, Devil's Canyon Trust, C & C Livestock, Shirard Colorado LTD Partnership and BLM immediately north and northwest of the north boundary of GCCE's existing federal lease and mine workings.

GCCE's proposal would result in a continuation of operations at the King II Coal Mine with expanded underground acreage, and approximately the same production rates and coal haul traffic volumes that are currently in effect. It would extend the life of the mine by approximately 22 years. If authorized, the project would result in a total of about 20 acres of new surface disturbance over a 2,462 acre lease area known as the "Dunn Ranch Area". The temporary surface disturbance would be primarily associated with construction of a "low cover crossing", i.e. an engineered, below-grade steel lined haulage-way that would allow underground mining equipment (vehicles, utilities, conveyors, ventilation ducts, etc.) to pass from the existing mine workings to the LBA beneath East Alkali Gulch without coming to the surface. The "low cover crossing" would be constructed at the southwest end of the existing mine workings. Surface facilities at the existing King II Coal Mine would not change. Coal would continue to be mined using the "room and pillar" method followed by retreat mining to ensure the maximum recovery. The coal would be mined using continuous miner machinery to mine coal at the face and convey it underground via a belt to the existing surface facilities for cleaning, sorting and shipment. Mining rates are presently approximately 600,000 tons per year, with an expected average of 800,000 tons. All coal is shipped from the mine via truck, with a maximum daily average of 120 trucks per day. Coal is delivered to GCC of America (GCC)-owned cement plants in the U.S. and Mexico where the coal is used as a fuel source in the cement manufacturing process. These plants are in Pueblo, Colorado, Tijeras, New Mexico, and in Chihuahua and Samalayuca, Mexico. Deliveries to the cement plants in the U.S. are directly trucked from the King II mine. Coal delivered to GCC's Mexico cement plants are delivered via rail from the Gallup, New Mexico rail hub. Coal is also delivered to the Durango & Silverton Narrow Gauge Railroad, the Cumbres and Toltec Scenic Railroad in Chama, New Mexico, and locally for home heating.

Additional information regarding this project may be obtained from James Blair, BLM Tres Rios Field Office, 20211 Highway 184, Dolores, CO, at (970) 882-7296, and from Paul Clark, OSMRE, Western Region Office, 1999 Broadway, Suite 3320, Denver, CO 80202-3050, at (303) 293-5065. Copies of this notice, maps, and other background information are available on BLM's ePlanning website at <https://go.usa.gov/xEKTv> and OSMRE's website at <https://www.wrcc.osmre.gov/initiatives/kingIICoalMine.shtm>.

The Agencies are seeking public input regarding the proposed project to enable the Agencies to consider potential impacts during the environmental analysis process. Your comments will also help to determine the issues and alternatives that will be evaluated in the environmental analysis. You are invited to submit your substantive comments and information related to this proposal in writing to: Stantec Consulting, Attn: Dunn Ranch Area LBA EA, 3325 S Timberline Road Suite 150, Fort Collins, CO 80525, Email: coalcommenttresrios@blm.gov, or website: <https://go.usa.gov/xEKTv>. Comments will be accepted through March 11, 2019. All submissions received will be forwarded to OSMRE. Your name and address must be included for your submission to be considered. 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.

DRAFT