

U.S. DEPARTMENT OF THE INTERIOR
OFFICE OF SURFACE MINING RECLAMATION AND ENFORCEMENT
FINDING OF NO SIGNIFICANT IMPACT
FOR
Elk Creek and Sanborn Creek Mine
Federal Coal Lease COC-70615
Mining Plan Decision Document

A. Introduction

Oxbow Mining, LLC submitted a permit application package (PAP) for a permit revision for the Elk Creek and Sanborn Creek Mine to the Colorado Division of Reclamation, Mining and Safety (CDRMS). The PAP proposed extending underground mining operations into 726 acres of Federal Lease COC-70615. Under the Mineral Leasing Act of 1920, the Assistant Secretary, Land and Minerals Management, must approve, approve with conditions, or disapprove the proposed mining plan modification for Federal Lease COC-70615. Pursuant to 30 CFR Part 746, the Office of Surface Mining (OSM) is recommending approval of the mining plan action without special conditions.

B. Statement of Environmental Significance of the Proposed Action

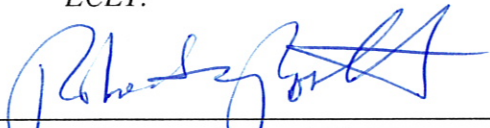
The undersigned person has determined that the above-named proposed action would not have a significant impact on the quality of the human environment under section 102(2) (C) of the National Environmental Policy Act of 1969 (NEPA), 42 U.S.C. 4332(2) (C), and therefore, an Environmental Impact Statement is not required.

This finding of no significant impact is based on the attached Bureau of Land Management Environmental Assessment for Elk Creek East Tract (ECET) Coal Lease (DOI-BLM-CO-150-2008-53 EA) and associated FONSI prepared by the Uncompahgre Field Office of the Colorado BLM. OSM was a cooperating agency in the development of the EA and has adopted this NEPA document.

In addition the PAP, BLM's review and approval of the R2P2 coupled with CDRMS permit findings have been independently evaluated by OSM. These documents coupled with the noted EA assess the environmental impacts of the proposed action adequately and accurately and provide sufficient evidence and analysis for this finding of no significant impact. The opportunity for public input was provided during and with completion of the EA, with the submission of the PAP, and during issuance of the State permit. OSM takes full responsibility for the accuracy, scope, and content of the attached EA and other contributing documentation.

It should be noted that the June 7, 2011, EA and FONSI, which were available to the public for review and comment, were challenged by Wildearth Guardians who alleged that BLM failed to adequately discuss impacts of Green House Gases, their effect on air quality and global climate change, alternatives, and possible mitigation measures. They also claimed that an EIS was the more appropriate document to address the leasing issues and associated environmental consequences. Visual impacts and consideration of cumulative impacts were also challenged. The Interior Board of Land Appeals found in favor of the BLM (March 27, 2012). BLM moved forward and issued the lease based on the EA.

Because of concerns expressed by the public with the release of coal mine methane (CMM), a greenhouse gas, from ventilation wells, the EA includes the following statement under the proposed action: *Oxbow Mining LLC will be required to continue to evaluate the technical and economic feasibility of converting or using gas resources that will be released to the atmosphere by the mine ventilation system. Within one year after the lease is approved, OMLLC (utilizing a neutral contractor approved by BLM) will identify existing methane recovery projects that may be applicable to the ECET. At the end of the one year period, OMLLC will submit a report to BLM outlining the technical and economic feasibility of mitigating, capturing, or using the CMM being vented as applicable to the ECET. Annually thereafter, until mining of the ECET is completed, OMLLC will provide BLM with summaries of the status of the projects identified and would include the effectiveness of methane capture, any operational difficulties or constraints, and an assessment of the suitability of the project cost and adaptability to the ECET.*



Manager, Program Support Division

3/27/2013
Date

Attachment