



United States Department of the Interior



Bureau of Land Management
Uncompahgre Field Office
2465 South Townsend Avenue
Montrose, Colorado 81401

In Reply Refer to: 3420
COC70615

August 20, 2008

Dear Interested Party,

The U.S. Department of the Interior, Bureau of Land Management, Uncompahgre Field Office (BLM), is seeking input regarding an application by Oxbow Mining, LLC (OML) for a federal competitive coal lease-by-application (LBA). The Elk Creek East Tract (ECET) encompasses about 786 acres of BLM managed surface and mineral estate located about 1.5 miles northeast of Somerset, Colorado in Gunnison County, in T. 13 S. R. 90 W., 6th P.M. and generally described as follows:

T.13S., R.90W., 6th PM.

Sec. 3: Portion of W $\frac{1}{2}$;

Sec. 4: N $\frac{1}{2}$ and Portion of N $\frac{1}{2}$ S $\frac{1}{2}$;

Sec. 5: Portion of E $\frac{1}{2}$.

(SEE ENCLOSED FIGURE 1).

The applicants purpose and objectives for the LBA tract are to obtain a lease that would allow access to adjacent coal reserves, provide return to their investors, and allow continued coal extraction consistent with applicable company, state, federal, and local environmental permitting and operational requirements. The proposed action conforms to the overall guidance given in the BLM Uncompahgre Basin Resource Management Plan (RMP, 1989), which encourages environmentally sound energy and mineral development.

OML applied for the ECET as a logical extension east of its D-Seam workings in their Elk Creek Mine, located near Somerset, Colorado. OML presently operates using a longwall system of underground mining.

The adjacent federal coal lease COC61357 was analyzed in the North Fork Coal EIS of 2000. Portions of the proposed ECET have been included in federal coal exploration license tracts which were analyzed in two BLM lands NEPA documents, CO-150-2003-53 EA and CO-150-07-019 EA. The adjacent federal coal lease COC61357 is currently undergoing NEPA analysis with regard to a lease modification (Tract 4) that involves 148 acres that are adjacent to the northwest side of the ECET LBA.

The BLM has determined that this action must be evaluated under the National Environmental Policy Act (NEPA) to identify the potential for environmental impacts related to the proposed project. The BLM is seeking any comments you may have related to this project. Your comments will assist the interdisciplinary team in identifying issues that should be addressed as part of the evaluation being prepared for this project.

Written comments may be submitted by mail, email, or fax. Comments concerning this proposal should be submitted no later than September 29, 2008, and sent to:

BLM-UFO
2465 South Townsend Avenue
Montrose, Colorado 81401
Email: desty_dyer@blm.gov
Fax: (970) 240-5367

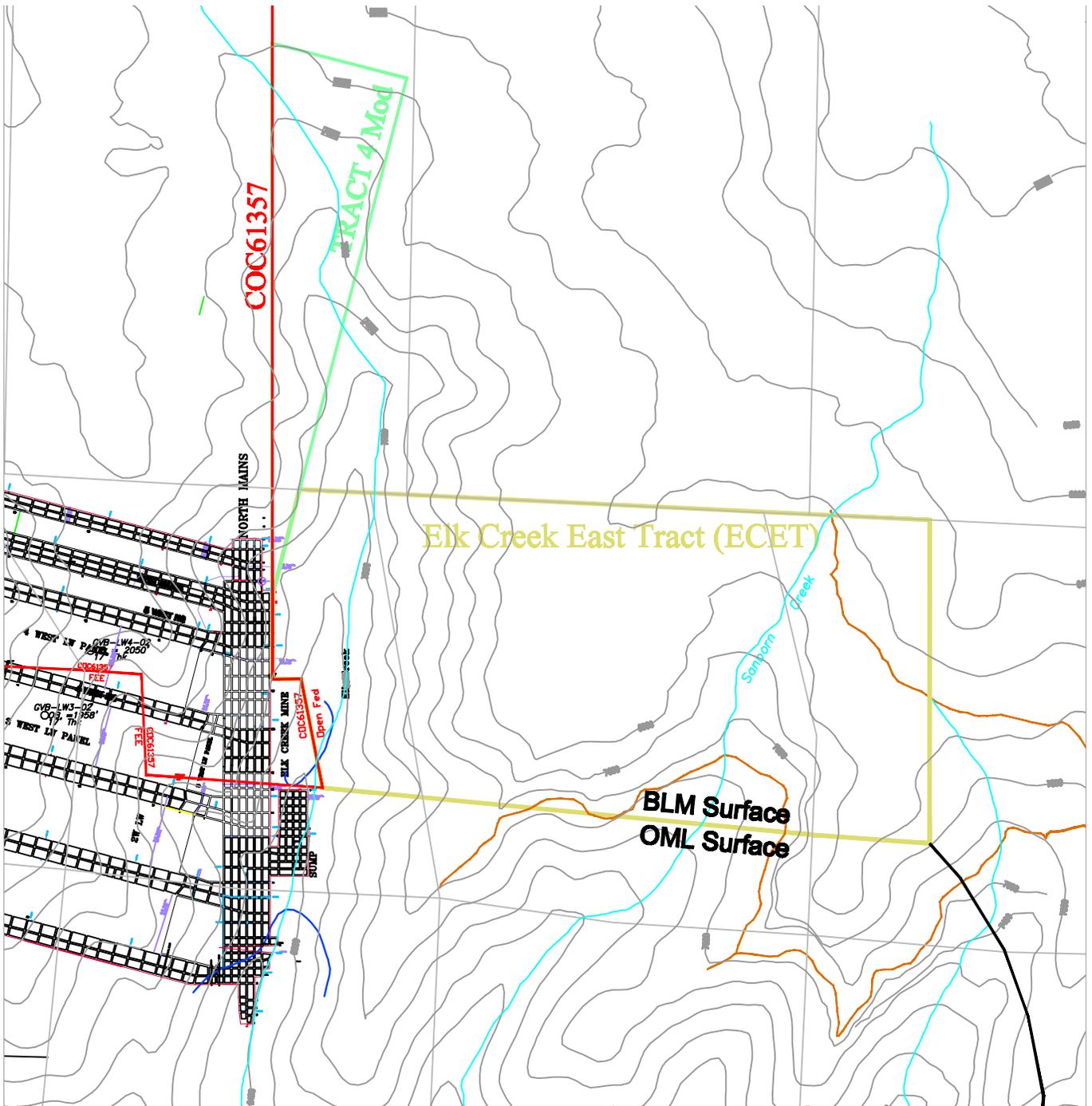
Parties expressing interest during this comment period will be eligible to appeal the decision pursuant to 43 CFR part 4.400. Appeal and stay procedures are outlined in Form CO-1840. Only those who submit timely comments will be accepted as appellants of the final decision. Comments must be within the scope of the proposed action, have a direct relationship to the proposed action, and include supporting reasons for the Responsible Official to consider. Also, for appeal eligibility, each individual or representative from each organization submitting comments must either sign the comments or verify their identity upon request. Please note that comments and information submitted regarding this project, including email addresses and street addresses of respondents, will be available for public review and disclosure at the above address. Individual respondents may request confidentiality. If you wish to withhold your name, email address, or street address from public view or from disclosure under the Freedom of Information Act, you must state this prominently at the beginning of your written comment. Such requests will be honored to the extent allowed by the law. All submissions from organizations or businesses, and from individuals identifying themselves as representatives of officials of organizations or businesses, will be made available for public inspection in their entirety.

Sincerely,

/s/ Barbara L. Sharrow
Field Manager
BLM Uncompahgre Field Office

Enclosure (1)

1. Figure 1.



**COC70615 Coal LBA
Elk Creek East Tract (ECET)**

- Federal Lease Boundary**
- ECET Boundary**
- Mod 4 Boundary**

Existing Roads

BLM reference: CO-150-2008-53 EA Fig. 1

Date: August 2008

Scale: 0 500' 2,000'

Drwn by: DDD

1" = 2,000'

