

**DRAFT**  
**ENVIRONMENTAL IMPACT STATEMENT**  
**FOR THE PIT 14 COAL LEASE-BY-APPLICATION**  
**SWEETWATER COUNTY, WYOMING**

**As Applied for by Black Butte Coal Company**  
**(Federal Coal Lease Application WYW160394)**

**Bureau of Land Management**

**Rock Springs Field Office**

**Rock Springs, Wyoming**

In Cooperation with

**Office of Surface Mining Reclamation and Enforcement**  
**Wyoming Department of Environmental Quality - Land Quality Division**  
**Wyoming State Planning Office**

**March 2006**

## EXECUTIVE SUMMARY

On March 24, 2004, Black Butte Coal Company (BBCC), a joint venture between Kiewit Coal Properties, Inc., a wholly-owned subsidiary of Level 3 Communications of Louisville, Colorado, and Bitter Creek Coal Company, a wholly-owned subsidiary of Anadarko Petroleum Corp. of Houston, Texas, filed a Lease-by-Application (LBA) with the Rock Springs Field Office of the Bureau of Land Management (BLM), which would allow them to access federal coal reserves located adjacent to the existing Black Butte Mine in Sweetwater County, Wyoming. The existing mine and LBA tract are located approximately 28 miles southeast of Rock Springs (see **Figures ES-1** and **ES-2**). The application was made pursuant to provisions of the Leasing on Application Regulations found in 43 Code of Federal Regulations (CFR) 3425.1. The tract applied for, known as the Pit 14 amendment area under BLM case number WYW-160394, is hereafter referred to as the LBA tract.

This lease application has been received and reviewed by the BLM, Wyoming State Office, Division of Minerals and Lands, and the application and lands involved were determined to meet all requirements of the regulations governing coal leasing on application Title 43 of the Code of Federal Regulations Part 3425.1 (43 CFR 3425.1).

In order to process an LBA, the BLM must evaluate the quantity, quality, maximum economic recovery, and fair market value of the federal coal involved, and fulfill the requirements of the National Environmental Policy Act (NEPA) by evaluating and disclosing the potential environmental consequences of leasing the federal coal.

To evaluate the environmental impacts of leasing the coal, the BLM must prepare an environmental assessment (EA) or environmental impact statement (EIS) in which it must identify the site-specific and cumulative environmental and socioeconomic impacts of leasing, mining, and developing the federal coal in the application area. The BLM made the decision to prepare an EIS for this lease application.

To allow for an early and open process for determining the scope and significance of issues related to the proposed project (40 CFR 1510.7), a public scoping period was provided by BLM. A Notice of Intent to prepare an EIS was published in the Federal Register on January 4, 2005 (Federal Register 70 v5:1464-1465; WY-920-1320-EL; WYW160394). Publication of this notice in the Federal Register initiated a 30-day scoping period that provided for acceptance of comments through February 4, 2005, and BLM held a public meeting on January 26, 2005. Concurrent with these actions, BLM issued a news release regarding proposed project scoping to local media organizations. Scoping comments were received from 11 individuals and organizations during the scoping period.

Following a 60-day review and comment period, the BLM will use the analysis in the Final EIS to decide whether or not to hold a public, competitive sealed-bid coal lease sale for the federal coal tract, and issue a federal coal lease. The LBA sale process is, by law and regulation, an open, public, competitive, sealed-bid process. Bidding at a potential sale would be open to any qualified bidder; it would not be limited to the applicant. A federal coal lease would be issued to the highest bidder at a lease sale if a federal sale panel determines that the high bid at that sale meets or exceeds the fair market value of the coal (as determined by BLM's economic evaluation), and if the U.S. Department of Justice determines that there are no antitrust violations if a lease is issued to the high bidder. The EIS analysis assumes that BBCC will be the successful applicant for this lease; however, should another entity successfully bid, BLM would be required to analyze any new development proposals as mandated by NEPA.

Cooperating agencies, including the Office of Surface Mining Reclamation and Enforcement (OSM), Wyoming Department of Environmental Quality Land Quality Division (WDEQ/LQD), and Wyoming State Planning Office, will use this analysis to make decisions related to leasing and mining the federal coal within this tract.

Figure ES-1 The Black Butte Mine and Project Area

















