

CHAPTER 1.0 - PURPOSE AND NEED

1.1 INTRODUCTION

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 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 (**Figure 1.1** and **Figure 1.2**). The application was made pursuant to provisions of the Leasing on Application Regulations found in 43 Code of Federal Regulations (CFR) 3425. 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. The Proposed Action is to lease and extract the coal reserves within the LBA tract.

The Rock Springs Field Office (RSFO) of the Wyoming BLM analyzed the environmental impacts of issuing a lease in accordance with the National Environmental Policy Act (NEPA). Based on the potential amount of in-place coal associated with the lease tract and adjacent mine operations, the BLM has determined that an Environmental Impact Statement (EIS) would be prepared. The issuance of a lease for the BLM-administered lands in this application (the LBA tract) is a prerequisite for mining, but is not the enabling action that would allow mining to commence. After a lease has been issued by the BLM, but prior to mine development, the lessee must file a permit application package with the Land Quality Division (LQD) of the Wyoming Department of Environmental Quality (WDEQ) and Office of Surface Mining Reclamation and Enforcement (OSM) for a surface mining permit and approval of a mining plan. Analyses of the site-specific permit application and mining plan occurs at that time. Authorities and responsibilities of the BLM and other concerned regulatory agencies are described in Section 1.2 and Section 1.3. **Appendix A** presents a flow chart of the coal LBA process.

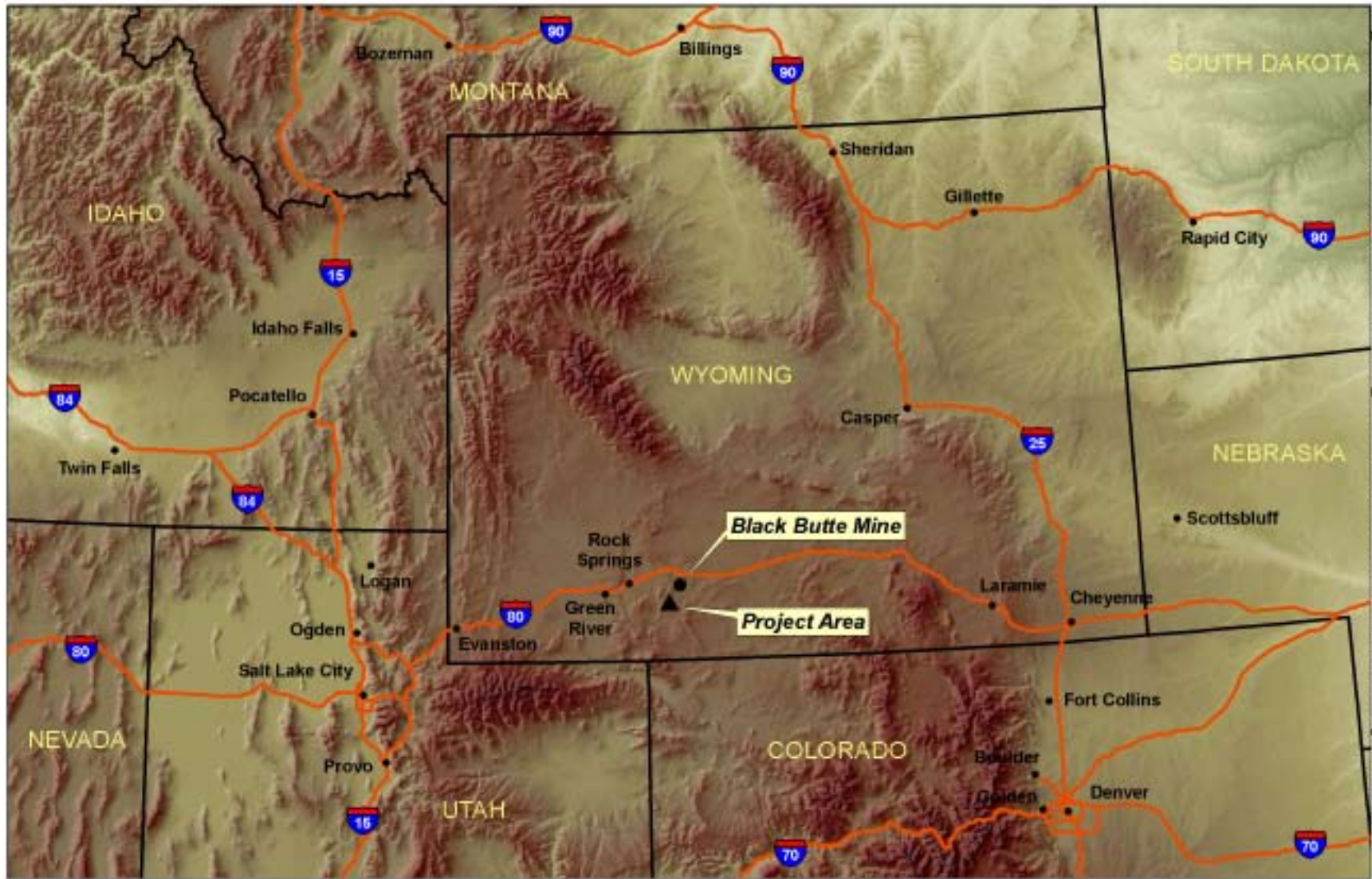
The project includes the leasing of federal coal reserves in the LBA tract and reasonably foreseeable mining related actions in a larger project area (**Figure 1.2**). The project area is located adjacent to Black Butte Mine's existing surface coal mine permit area. The project area contains private mineral estates proposed for mining and previously leased federal mineral estate (WYW-6266). The LBA tract is the currently unleased federal mineral estate lands within the project area. According to the application, extraction of coal from the LBA tract by BBCC is required to meet production commitments. Existing mine operations would support the mining of coal in the project area through the use of processing, maintenance, and other ancillary facilities located in the Black Butte Mine permit area.

The proposed project includes mixed surface ownership or "checkerboard", with every other section in private ownership and the others federally-owned (**Figure 1.2**). As proposed by BBCC, the proposed project area includes the 1,399-acre LBA tract (federal surface and minerals), 640 acres of previously leased federally owned surface and minerals, 160 acres of split estate (federal surface, State of Wyoming-owned minerals), and 2,159 acres of privately owned land (Anadarko-owned surface and mineral estate). The project area is 4,359 acres.

The BLM administers the federal coal leasing program under the Mineral Leasing Act (MLA). A federal coal lease grants the lessee the exclusive right to obtain a permit to mine coal on the leased tract subject to:

- Terms of the lease,
- The WDEQ Permit to Mine Coal,
- The federal MLA mining plan approval, and
- Applicable state and federal laws.

Figure 1.1 Locations of the Existing Black Butte Mine and the Project Area



- ▲ Project Area
- Black Butte Mine
- City/Town
- Interstate Highways

Elevation (ft.)		
1,000 and less	5,000	9,000
2,000	6,000	10,000
3,000	7,000	11,000
4,000	8,000	12,000 and above

