



BLM Colorado Coal Update

March 21, 2012

Currently, there are nine producing coal mines (seven underground and two surface operations) encompassing 75,000-acres in the state. In Fiscal Year 2012, coal energy production on BLM Colorado public lands directly contributed \$918.1 million to the economy, generating royalty revenue of \$57.7 million, according to the Office of Natural Resource Revenue (ONRR), and accounted for 5,719 direct and indirect jobs in Colorado.

Coal Lease Applications (Five current applications)

Name	Mine	Acreage	Rcvd	Status
CAM-Colorado	Red Cliff	14098	9/12/2006	The BLM is analyzing the lease application in an Environmental Impact Statement (EIS) and has contracted Edge Environmental to help develop the document. The Grand Junction Field Office is preparing the Notice of Intent.
New Elk Coal Co	New Elk	1440	10/12/2007	This action is on hold at the company's request. This mine is located in the Royal Gorge Field Office.
Blue Mountain Energy	Deserado	3155	2/11/2011	The Lease by Application (LBA) was analyzed through an Environmental Assessment (EA) by the White River Field Office, which resulted in a Finding of No Significant Impact and a subsequent decision to offer the coal for sale. The appeal period associated with the Decision Record ended March 4, 2013. WildEarth Guardians (WEG) filed a notice of appeal with no petition for stay or statement of reasons (SOR) on March 4, 2013. WEG must file a SOR by April 3, 2013 or else the appeal is voluntarily dismissed.
Twentymile Coal	Foidel Creek	260	11/13/2012	The LBA for a 260-acre coal lease is adjacent to their existing mining operations southwest of Steamboat Springs, CO. The Little Snake Field Office is preparing an EA with the goal of holding a lease sale by August or September 2013. The mine demonstrated a need for access to the coal by August or September to maintain their current production schedules. Any delays in processing the application, the area will be bypassed and the mine will have to move its equipment to another location. The mine estimates roughly 2 million tons of coal will be bypassed the application is delayed. The small amount of acreage and the small amount of coal reserves, coupled with the fact that the location is not easily accessible from the outcrop, virtually assures that Twentymile Coal is the only operator that could economically develop the tract.
Bowie	Bowie	1,813	10/19/2012	On Nov. 07, 2012 the Cost Estimate worksheet was sent to the company for their signature and submittal of the Cost Recovery funds. The mine is located within the Uncompahgre Field Office.

Coal Lease Modifications (5 current applications)

Name	Mine	Acreage	Rcvd	Status
Mountain Coal	West Elk	800	1/16/2009	The West Elk Mine is modifying two of their existing leases to add an additional 1,721 acres containing roughly 10.1 million tons of recoverable coal reserves in the Uncompahgre Field Office. Both leases and the modifications consist of Forest Service (FS) surface. The FS analyzed the modifications in an EIS that was subsequently adopted by the BLM. The appeal period regarding the BLM's decision to issue the modifications has ended – BLM received a Notice of Appeal and Request for Stay from WEG.
Mountain Coal	West Elk	921	1/16/2009	
CAM-Colorado	McClane Canyon	317	12/16/2009	The Grand Junction Field Office posted the draft EA for a 30-day public comment period, which ended Nov. 5, 2012. The final EA is being reviewed by the Office of the Solicitor and the BLM – we expect a decision Spring 2013.
Oxbow Mining	Elk Creek	363.41	1/14/2013	On March 5, 2013 a Cost Recovery Worksheet was sent to the company. Oxbow asked for reconsideration of the estimate, and a revised cost estimate was sent. Oxbow plans to submit an application to the Uncompahgre Field Office shortly for a lease modification to mine the lower B seam. The Oxbow mine experienced two major mining incidents related to the geology of their mining operation (bounces where the floor heaves upward). As a result of the bounces, the Mine Safety and Health Administration shut the mine down for a period of 100 days while the mine and MSHA monitor gas build up and conditions at the mine. As a result, the mine may lose two entire panels, shortening the life of the mine as well as lose long-wall mining equipment.
GCC Energy	King II	955	1/03/2011	The scoping process was completed and a contractor was selected. The Tres Rios Field office is working with the contractor to identify issues and prepare the draft EA.

Coal Exploration Licenses (One current application)

Name	Mine	Acreage	Rcvd	Status
Texas and Oklahoma Coal Company		16,323	8/24/2012	Texas and Oklahoma Coal Company, LLC, filed a coal exploration license with the BLM for roughly 16,323 acres in the Royal Gorge Field Office. As part of the licensing process, BLM regulations require a company to announce an invitation to the public to participate in the coal exploration process prior to beginning any exploration activities. This invitation was published in the Federal Register Notice on Jan. 24, 2013.
Ark Land	West Elk	2,240	11/20/1998	Put on hold by the United States Forest Service. The mine is located in the Uncompahgre Field Office.