

U.S. Department of the Interior
Bureau of Land Management
White River Field Office
220 E Market St
Meeker, CO 81641

CATEGORICAL EXCLUSION

NUMBER: DOI-BLM-CO-110-2012-0130-CX

CASEFILE/PROJECT NUMBER: COC57190

PROJECT NAME: Blue Mountain Energy Minor Revision #153 B-Seam Dewatering System

LEGAL DESCRIPTION: Sixth Principal Meridian
T3N, R101W
Section 27

APPLICANT: Blue Mountain Energy (BME)

DESCRIPTION OF PROPOSED ACTION:

Background/Introduction: Deserado is an existing underground coal mine that utilizes longwall mining techniques. The mine was permitted in 1981 and supplies coal to the Bonanza Power Plant in Bonanza, Utah. The coal is shipped 37 miles via electric train from the mine to the power plant. There are two mineable coal seams in the leased area, the D-seam and the B-seam. The upper seam is the D-seam with an inter-burden that varies from 5 feet to 70 feet between the D and B-seams. Production in the D-seam ceased in November 1999 and mining operations are now in the B-seam. Water is utilized during mining operations mainly for coal dust control and is also released from the formation during coal extraction. Excess water is required to be removed from the active working areas. Mine water was discharged into Red Wash during the mining operations in the D-seam under the authorization of the state of Colorado Water Quality Control Division (CWQCD). Once mining ceased in the D-seam the excess mine water from the B-seam was pumped into the D-seam workings. These D-seam workings are nearing the capacity available for mine water disposal and require implementing surface discharge of the mine water. In 2011 BME submitted a mine plan revision for B-seam surface discharge of mine water (See Figures 1 and 2) and amended the CWQCD permit to include the new discharge point for the B-seam dewatering system.

Proposed Action:

Blue Mountain Energy proposes to construct two additional retention ponds, approximately 4 deep feet by 140 feet long by 25 feet wide. These ponds would be constructed in the previously permitted area of disturbance for the B-seam dewatering system. The purpose of the ponds is to improve the ability of sediment removal prior to passing through the artificial wetlands. The area is fenced to keep livestock out of the dewatering system.

Construction of the two additional retention ponds is expected to commence fall 2012.

Reclamation standards for the dewatering system are located in the reclamation portion of the approved Blue Mountain Energy Inc., Deserado Mine Mining Permit.

PLAN CONFORMANCE REVIEW: The Proposed Action is subject to and has been reviewed for conformance with (43 CFR 1610.5-3, BLM 1601.08) the following plan:

Name of Plan: White River Record of Decision and Approved Resource Management Plan (ROD/RMP).

Date Approved: July 1, 1997

Decision Number/Page: 2-7

Decision Language: “Ensure that federal coal resources identified as acceptable for further consideration for coal leasing, are available for exploration, leasing and development.”

CATEGORICAL EXCLUSION REVIEW: The Proposed Action qualifies as a categorical exclusion under 516 DM 11.9, Number F-8: “Approval of minor modifications to or minor variances from activities described in an approved underground or surface mine plan for leasable minerals (e.g., change in mining sequence or timing).”

The Proposed Action has been reviewed with the list of extraordinary circumstances (43 CFR 46.215) described in the table below.

Extraordinary Circumstance	YES	NO
a) Have significant adverse effects on public health and safety.		X
b) Have significant impacts on such natural resources and unique geographic characteristics as historic or cultural resources; park, recreation, or refuge lands; wilderness areas; wild or scenic rivers; national natural landmarks; sole or principal drinking water aquifers; prime farmlands; wetlands; floodplains; national monuments; migratory birds; and other ecologically significant or critical areas.		X
c) Have highly controversial environmental effects or involve unresolved conflicts concerning alternative uses of available resources.		X
d) Have highly uncertain and potentially significant environmental effects or involve unique or unknown environmental risks.		X
e) Establish a precedent for future action or represent a decision in principle about future actions with potentially significant environmental effects.		X
f) Have a direct relationship to other actions with individually		X

Extraordinary Circumstance	YES	NO
insignificant but cumulatively significant environmental effects.		
g) Have significant impacts on properties listed, or eligible for listing, in the National Register of Historic Places as determined by the bureau.		X
h) Have significant impacts on species listed, or proposed to be listed, on the List of Endangered or Threatened Species, or have adverse effects on designated Critical Habitat for these species.		X
i) Violate a Federal law, or a State, local or tribal law or requirement imposed for the protection of the environment.		X
j) Have a disproportionately high and adverse effect on low income or minority populations.		X
k) Limit access to and ceremonial use of Indian sacred sites on Federal lands by Indian religious practitioners or significantly affect the physical integrity of such sacred sites.		X
l) Contribute to the introduction, continued existence, or spread of noxious weeds or non-native invasive species known to occur in the area or actions that may promote the introduction, growth, or expansion of the range of such species.		X

INTERDISCIPLINARY REVIEW:

The Proposed Action was presented to, and reviewed by, the White River Field Office interdisciplinary team on 08/21/2012. A complete list of resource specialists who participated in this review is available upon request from the White River Field Office. The table below lists resource specialists who provided additional remarks concerning cultural resources and special status species.

Name	Title	Resource	Date
Kristin Bowen	Archaeologist	Cultural Resources, Native American Religious Concerns	09/07/2012
Ed Hollowed	Wildlife Biologist	Special Status Wildlife Species	09/06/2012
Amber Shanklin	Biological Technician – Plants	Special Status Plant Species	08/28/2012

REMARKS:

Cultural Resources: The Proposed Action modifies the design of an existing project that was recently analyzed (DOI-BLM-CO-110-2011-0072-CX). Cultural inventories were conducted prior to the previous project and authorization. No cultural resources are located in the project area. No cultural resources should be impacted.

Native American Religious Concerns: There are no known Native American religious concerns associated with the Proposed Action.

Special Status Wildlife Species: This action merely modifies the design of an existing project that was recently analyzed (DOI-BLM-CO-110-2011-0072-CX). Since that analysis, there have been no changes in wildlife issues involved or resources affected.

Special Status Plant Species: There are no special status plant species issues or concerns associated with the Proposed Action.

MITIGATION:

1. The applicant is responsible for informing all persons who are associated with the project that they will be subject to prosecution for knowingly disturbing archaeological sites or for collecting artifacts.
2. If any archaeological materials are discovered as a result of operations under this authorization, activity in the vicinity of the discovery will cease, and the BLM WRFO Archaeologist will be notified immediately. Work may not resume at that location until approved by the AO. The applicant will make every effort to protect the site from further impacts including looting, erosion, or other human or natural damage until the BLM determines a treatment approach, and the treatment is completed. Unless previously determined in treatment plans or agreements, the BLM will evaluate the cultural resources and, in consultation with the State Historic Preservation Office (SHPO), select the appropriate mitigation option within 48 hours of the discovery. The applicant, under guidance of the BLM, will implement the mitigation in a timely manner. The process will be fully documented in reports, site forms, maps, drawings, and photographs. The BLM will forward documentation to the SHPO for review and concurrence.
3. Pursuant to 43 CFR 10.4(g), the applicant must notify the AO, by telephone and written confirmation, immediately upon the discovery of human remains, funerary items, sacred objects, or objects of cultural patrimony. Further, pursuant to 43 CFR 10.4(c) and (d), the applicant must stop activities in the vicinity of the discovery and protect it for 30 days or until notified to proceed by the AO.

COMPLIANCE PLAN: Blue Mountain Energy Inc., Deserado Mine Mining Permit

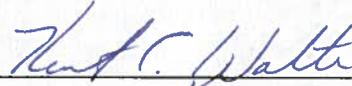
NAME OF PREPARER: Paul Daggett

NAME OF ENVIRONMENTAL COORDINATOR: Heather Sauls

COMPLIANCE WITH NEPA

The Proposed Action is categorically excluded from further documentation under the National Environmental Policy Act (NEPA) in accordance with 516 DM 11.9, Number F-8. This categorical exclusion is appropriate in this situation because there are no extraordinary circumstances potentially having effects that may significantly affect the environment. The Proposed Action has been reviewed, and none of the extraordinary circumstances described in 43 CFR 46.215 apply.

SIGNATURE OF AUTHORIZED OFFICIAL:



Field Manager

DATE SIGNED:

09/11/12

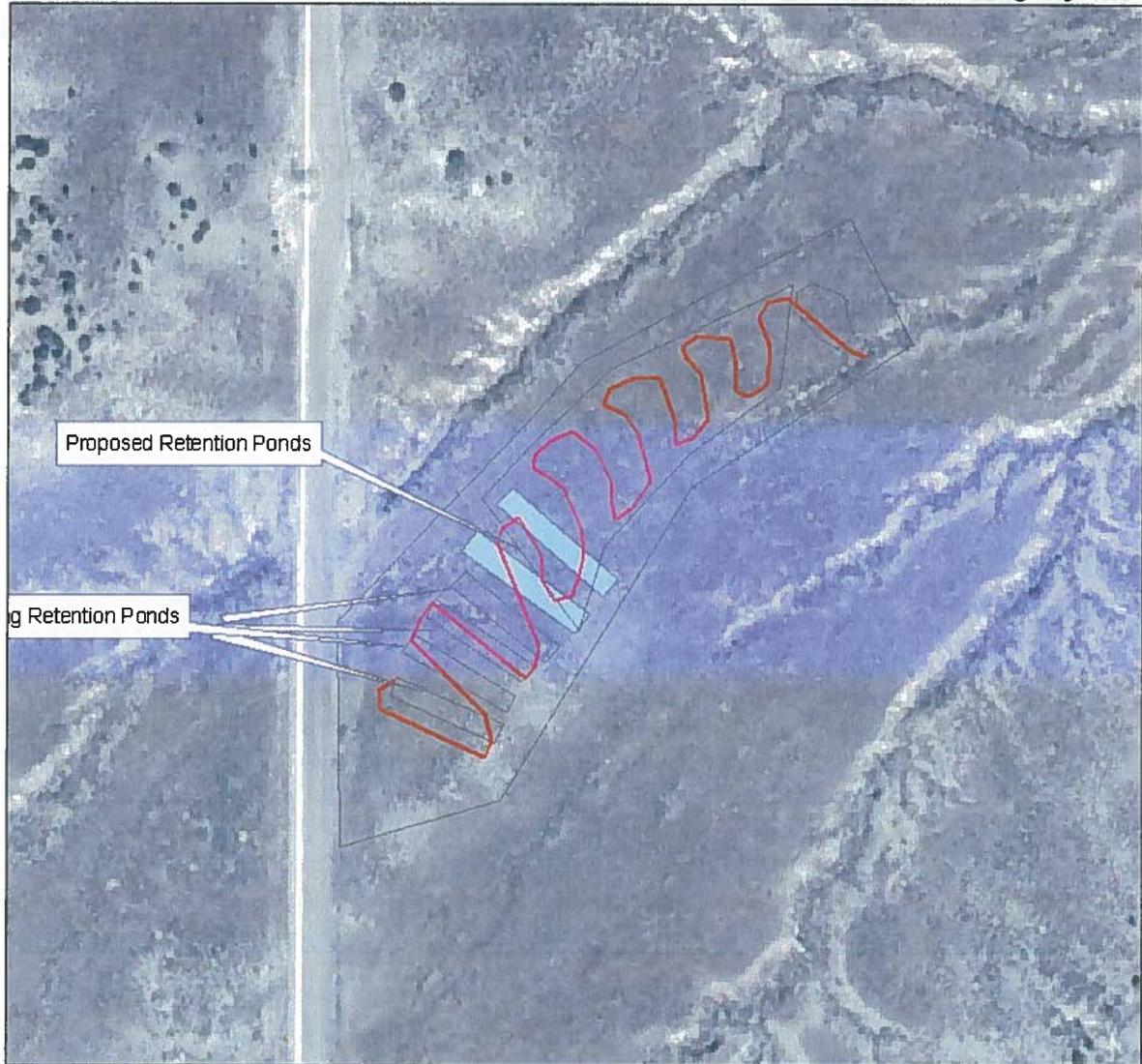
ATTACHMENTS:

Figure 1: General Location Map – Aerial Photo

Figure 2: General Location Map – Topographic

Figure - General Location Map – Aerial Photo

DOI-BLM-CO-110-2012-0130-CX
Blue Mountain Energy Minor Revision #153 B-Seam Dewatering System

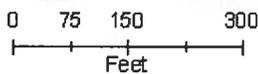


Proposed Retention Ponds

Existing Retention Ponds

08/20/2012

T. 3 N., R. 101 W., 6th P.M.
 Section 27



- Water Flow Channels
- Disturbance and Retention Ponds
- Additional Retention Ponds

Source:
 BLM, USGS, CDOW, etc.

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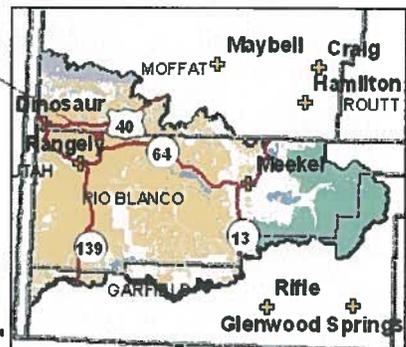
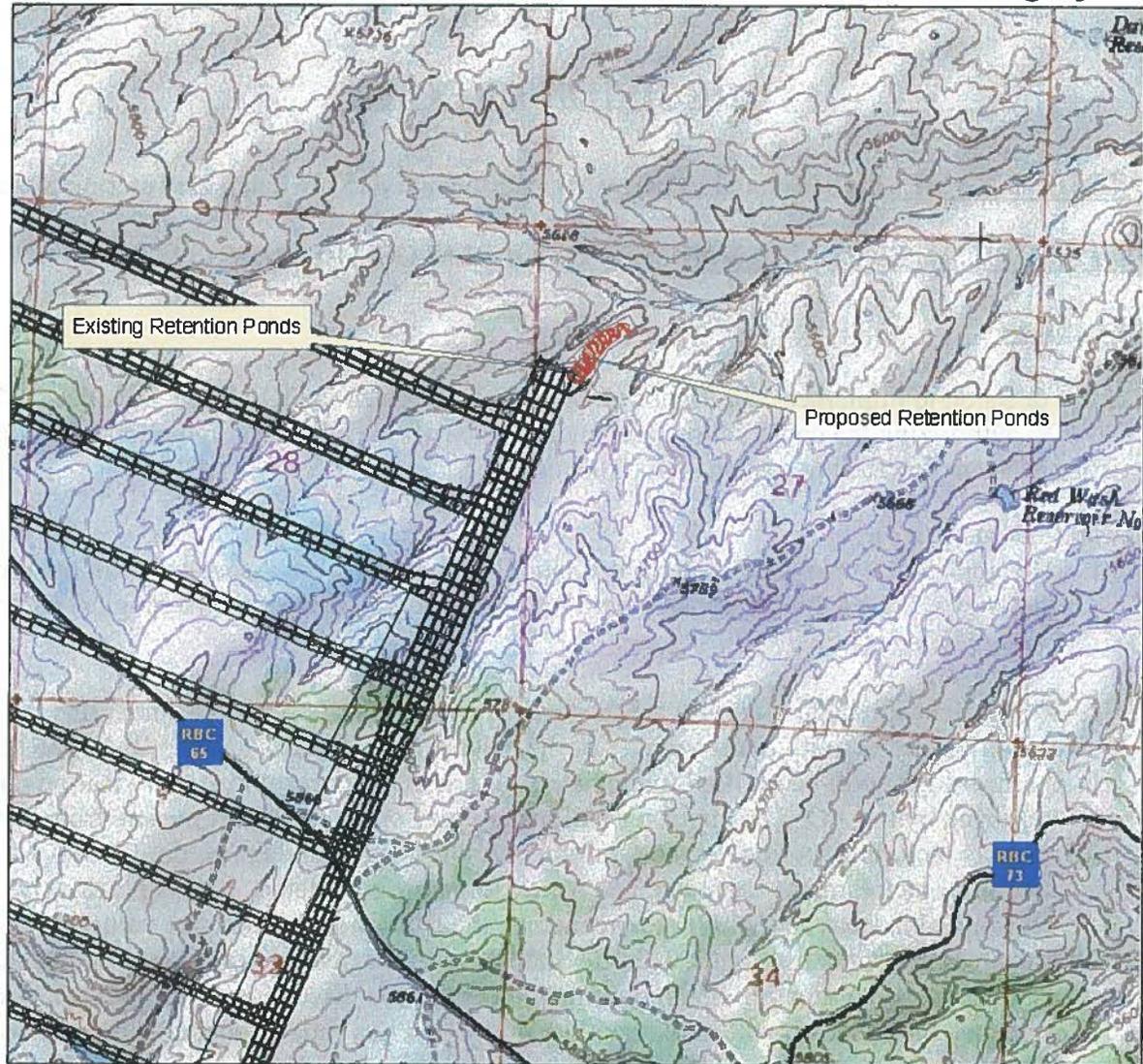


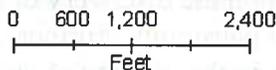
Figure 2- General Location Map – Topographic

DOI-BLM-CO-110-2012-0130-CX
 Blue Mountain Energy Minor Revision #153 B-Seam Dewatering System



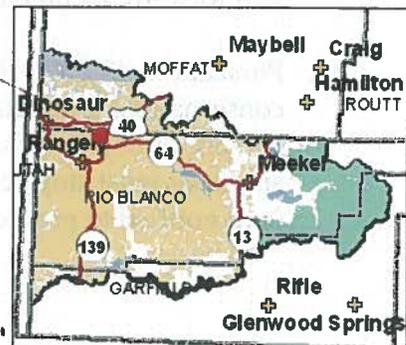
T. 3 N., R. 101 W., 6th P.M.
 Section 27

-  Water Flow Channels
-  Mine Workings
-  Disturbance and Retention Ponds
-  Additional Retention Ponds



Sources:
 BLM, USGS, CDOW, etc.

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DECISION RECORD

PROJECT NAME: Blue Mountain Energy Minor Revision #153 B-Seam Dewatering System

CATEGORICAL EXCLUSION NUMBER: DOI-BLM-CO-110-2012-0130-CX

DECISION

It is my decision to implement the Proposed Action, as mitigated in DOI-BLM-CO-110-2012-0130-CX, authorizing the construction, and maintenance of two additional retention ponds in the existing B Seam dewatering system area of disturbance.

Mitigation Measures

1. The applicant is responsible for informing all persons who are associated with the project that they will be subject to prosecution for knowingly disturbing archaeological sites or for collecting artifacts.
2. If any archaeological materials are discovered as a result of operations under this authorization, activity in the vicinity of the discovery will cease, and the BLM WRFO Archaeologist will be notified immediately. Work may not resume at that location until approved by the AO. The applicant will make every effort to protect the site from further impacts including looting, erosion, or other human or natural damage until the BLM determines a treatment approach, and the treatment is completed. Unless previously determined in treatment plans or agreements, the BLM will evaluate the cultural resources and, in consultation with the State Historic Preservation Office (SHPO), select the appropriate mitigation option within 48 hours of the discovery. The applicant, under guidance of the BLM, will implement the mitigation in a timely manner. The process will be fully documented in reports, site forms, maps, drawings, and photographs. The BLM will forward documentation to the SHPO for review and concurrence.
3. Pursuant to 43 CFR 10.4(g), the applicant must notify the AO, by telephone and written confirmation, immediately upon the discovery of human remains, funerary items, sacred objects, or objects of cultural patrimony. Further, pursuant to 43 CFR 10.4(c) and (d), the applicant must stop activities in the vicinity of the discovery and protect it for 30 days or until notified to proceed by the AO.

COMPLIANCE WITH LAWS & CONFORMANCE WITH THE LAND USE PLAN

This decision is in compliance with the Endangered Species Act and the National Historic Preservation Act. It is also in conformance with the 1997 White River Record of Decision/Approved Resource Management Plan.

PUBLIC INVOLVEMENT

The BLM informed the public about this project by listing it on the online WRFO NEPA Register on 09/04/2012 and a copy of the completed Categorical Exclusion will be posted on the WRFO website.

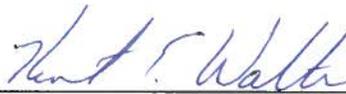
RATIONALE

The Proposed Action is categorically excluded from further documentation under the National Environmental Policy Act (NEPA) in accordance with 516 DM 11.9, Number F-8. This categorical exclusion is appropriate in this situation because there are no extraordinary circumstances potentially having effects that may significantly affect the environment. The Proposed Action has been reviewed, and none of the extraordinary circumstances described in 43 CFR 46.215 apply.

ADMINISTRATIVE REMEDIES

Any appeal of this decision must follow the procedures set forth in 43 CFR Part 4. Within 30 days of the decision, a Notice of Appeal must be filed in the office of the Authorized Officer at White River Field Office, 220 East Market St., Meeker, CO 81641 with copies sent to the Regional Solicitor, Rocky Mountain Region, 755 Parfet St., Suite 151, Lakewood, CO 80215, and to the Department of the Interior, Board of Land Appeals, 801 North Quincy St., MS300-QC, Arlington, VA, 22203. If a statement of reasons for the appeal is not included with the notice, it must be filed with the Interior Board of Land Appeals at the above address within 30 days after the Notice of Appeal is filed with the Authorized Officer.

SIGNATURE OF AUTHORIZED OFFICIAL:



Field Manager

DATE SIGNED:

09/11/12

