

## APPENDIX L: COAL LEASING AND LICENSING

Federal mineral ownership includes coal deposits (lignite) in northwestern South Dakota. Rights to coal, a leasable mineral, can be obtained through competitive leasing or licensing.

### Leasing

Historically, there has been no substantive industry interest in leasing federal coal in South Dakota. This area is not a part of the Ft. Union or any other designated federal coal production region.

Any potential federal coal leasing in the state would be governed by the leasing portion of the federal coal management regulations (43 CFR 3425). Under these regulations, interested parties apply for a coal lease to the BLM, Montana State Office, Billings, Montana. The area applied for would be studied for suitability, utilizing the four planning screens which are: (1) Verification of coal development potential; (2) Application of the 20 unsuitability criteria; (3) Surface owner consultation (for split-estate lands); and (4) Multiple-use tradeoffs (other resource values are compared to the coal

values). Application of these screens would constitute an amendment to this RMP and would be subject to gubernatorial and public review. Areas studied would be designated as suitable or not suitable for further consideration for leasing. Assuming that some areas were found to be suitable (with or without additional stipulations on mining and reclamation), the applicant maintained interest, and positive evidence of surface owner consents were provided then the "cleared" lands could be offered for competitive lease by the Secretary of the Interior.

Coal operators must comply with all federal and state laws and regulations dealing with coal mining and reclamation.

### Licensing

BLM regulations (43 CFR 3440) provide for the issuances of coal mining licenses to municipalities for home heating use and to individuals and entities for use with limitations. Licenses are also issued under 43 CFR 3410 for coal exploration operations. Exploration operations must comply with all state and federal coal exploration regulations. Licensing can occur without an amendment to this RMP.