

2.0 PROPOSED ACTION AND ALTERNATIVES

Three alternative LBA tract configurations are shown on Figure 3. The tract as applied for by ACC constitutes Alternative 1, and two modified tract configurations that are being considered by BLM are shown as Alternative 2 and Alternative 3.

2.1 Alternative 1: Competitive Sale of Tract As Applied For To Be Mined With Existing Mining Operation (Proposed Action)

Under this alternative, the Antelope tract, as applied for by ACC (see Figure 3), would be offered for lease at a competitive sale, subject to standard and special lease stipulations. The boundaries of the tract would be consistent with the tract configuration proposed in the Antelope lease application (see figures 2 and 3). This alternative assumes that the applicant (ACC) is the successful bidder on the tract if it is offered for sale. Alternative 1 is the preferred alternative of the BLM.

The legal description of the proposed coal lease lands as applied for by ACC under Alternative 1 is as follows:

T. 41 N., R. 71 W., 6th P.M. Converse County, Wyoming	
Section 25: Lots 5-8, 13, & 14	253.67 acres
Section 26: Lots 9-11, 14 & 15	201.78 acres
T. 41 N., R. 70 W., 6th P.M., Converse County, Wyoming	
Section 30: Lots 15-18	<u>161.75 acres</u>
TOTAL (applied for)	617.2 acres more or less

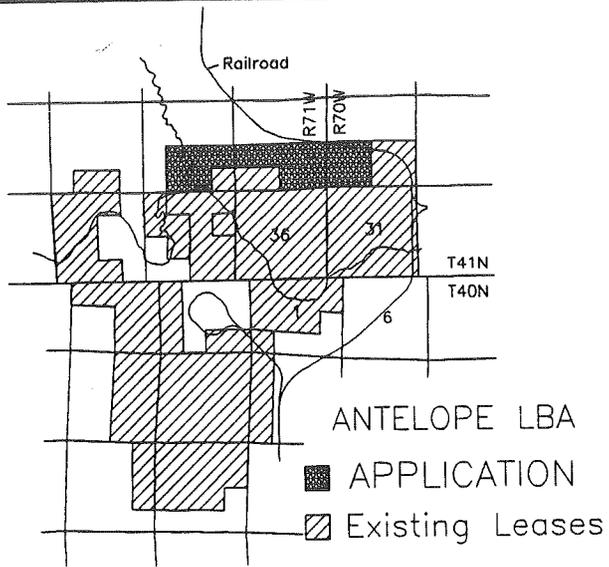
This legal description and acreage are based on approved U.S. Department of the Interior, Bureau of Land Management plats filed in Cheyenne, Wyoming.

Approximately 155 acres within the above-described lands are unsuitable for mining due to the presence of the BN/C&NW railroad right-of-way (see discussion in Section 1.2). Although these lands would not be mined, they are included in the tract to allow recovery of all the minable coal outside of the right-of-way and to comply with the coal leasing regulations which do not allow leasing of less than 10 acre aliquot parts. ACC currently does not have agreements with all of the surface owners along the north boundary of the LBA tract. Such agreements would be necessary to allow recovery of all the coal up to the lease boundaries. ACC's approved mining plan avoids disturbing the Antelope Creek valley, so the coal resources within the above-described lands that are beneath Antelope Creek would not be recovered.

The recoverable coal resources for the tract are preliminarily estimated at 57 million tons underlying approximately 462 acres, after the areas beneath the railroad and right-of-way and Antelope Creek are eliminated. This is based on 95% recovery of the preliminarily estimated 60 million tons of minable coal reserves on the tract.

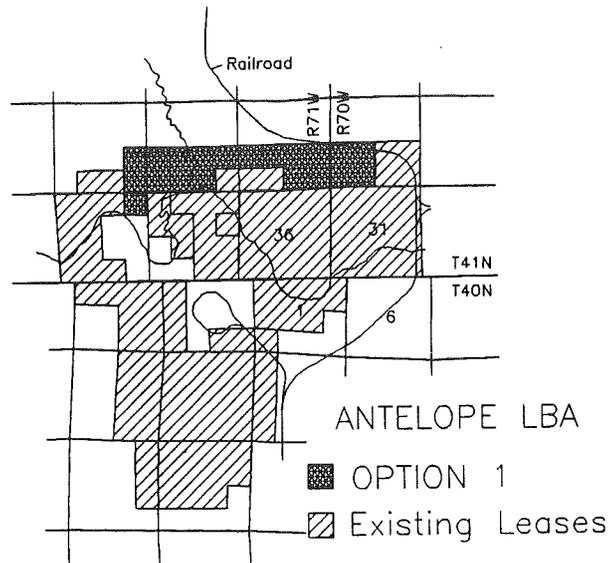
Alternative 1

Tract as Applied For



Alternative 2

Tract as Expanded
by BLM



Alternative 3

Tract as Reduced
by BLM

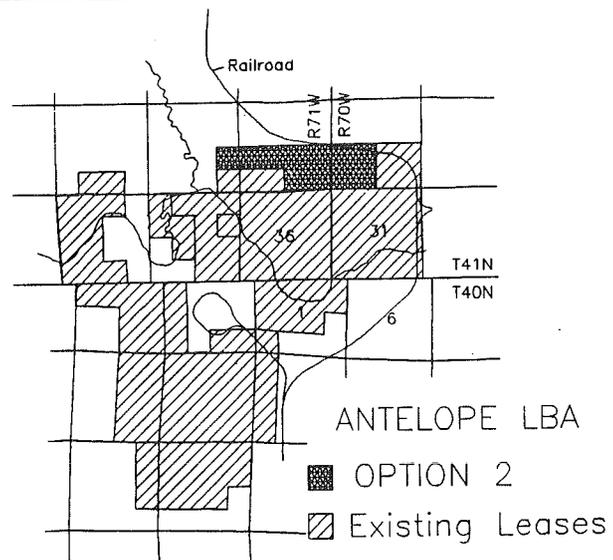


Figure 3: Tract Configurations for Alternatives 1,2 and 3

This estimate of coal resources is used for the EA because it is based on publicly available information. A more accurate estimate of recoverable reserves based on the geologic and engineering evaluation of the tract will be included in the sale notice when the tract is offered for sale.

The ACC application for the coal in the Antelope LBA tract was based on the fact that it is a logical northern extension of the Antelope Mine operation. The tract is bounded by the existing ACC leases to the south and by Converse County Road 37 and the BN/C&NW Gillette-Orin main line on the north and east. No other existing operator is in a position to recover the coal reserves in this area. If another mine opens in the future on currently unleased federal coal resources to the north and northwest of the LBA, it would potentially be in a position to recover some of the coal included in the LBA. Due to the physical constraints of the railroad right-of-way and the existing Antelope leases, however, some of the coal in the eastern part of the LBA might not be recoverable unless it is mined in conjunction with the existing Antelope Mine. Increasing overburden depths to the north and northwest and the existence of eighteen competing mines in the Wyoming portion of the Powder River Basin make a new mine start on these currently unleased federal coal resources economically unattractive in the foreseeable future.

The Antelope Mine is a surface coal mine, owned and operated by ACC. Overburden removal is accomplished with a dragline assisted by a mobile stripping fleet consisting of scrapers, trucks, and loaders. Coal production occurs from two coal seams (Anderson and Canyon) and at several working faces to enable blending of the coal to meet customer quality requirements, to comply with BLM lease requirements for maximum economic recovery of the coal resource, and to optimize coal removal efficiency with available equipment. Existing facilities at the mine include crushing, conveying, storage, loading, administrative, and equipment maintenance facilities. Railroad access is provided for unit trains via the Gillette-Orin main line of the joint BN/C&NW Railroad which runs adjacent to the east edge of the permit area.

The initial 525-T1 mine permit for Antelope Mine was issued on March 11, 1982. OSM concurrence was enacted shortly thereafter on April 1, 1982. Construction of the Antelope Mine facilities began in 1982. The first coal was shipped on November 8, 1985. Current production is about 8 million tons per year. The mine is permitted to produce up to 12 million tons per year through the year 2016. The currently permitted mining plan is to produce 12 million tons per year from 1999 through 2004, and decrease annual production from year 2005 through year 2016. However, if markets exist and necessary permit revisions are approved, the mine could produce at the 12 million ton per year level beyond the year 2004 and exhaust the existing reserves prior to 2016.

With the LBA tract, and assuming an available market, the mine could produce coal at 12 million tons per year through the year 2015, and then decline in 2016, the last year of production. The addition of the LBA tract would extend the period that coal could be produced at the maximum level, but would not extend the life of the

mine beyond 2016, which is the estimated mine life under the currently permitted mining plan. Employment is not predicted to increase if the LBA tract is acquired, although employment levels would remain at their peak for a longer time due to the increased duration of peak coal production.

If ACC leases the tract, it would be mined as part of the existing Antelope mining operation. A new mining and reclamation plan, showing a detailed mining sequence into the newly leased area, would be developed and approved before any disturbance took place on the new lease. Addition of the lease would result in an increase of approximately 462 acres to the area to be affected by mining and mining-related activities at Antelope Mine. Based on the location and movement of the existing pit, it is estimated that coal removal within the LBA tract would begin in approximately 2000. Topsoil removal would begin prior to that. Most of the LBA tract is already within the currently approved mine permit area.

2.1.1 Special Lease Stipulations

The special lease stipulations required would be as follows:

In addition to observing the general obligations and standards of performance set out in the current regulations, the lessee shall comply with and be bound by the following stipulations. These stipulations are also imposed upon the lessee's agents and employees. The failure or refusal of any of these persons to comply with these stipulations shall be deemed a failure of the lessee to comply with the terms of the lease. The lessee shall require his agents, contractors and subcontractors involved in activities concerning this lease to include these stipulations in the contracts between and among them. These stipulations may be revised or amended, in writing, by the mutual consent of the lessor and the lessee at any time to adjust to changed conditions or to correct an oversight.

2.1.1.1 Cultural Resources

- Before undertaking any activities that may disturb the surface of the leased lands, the lessee shall conduct a cultural resource intensive field inventory in a manner specified by the authorized office of the BLM or of the surface managing agency, if different, on portions of the mine plan area and adjacent areas, or exploration plan area, that may be adversely affected by lease-related activities and which were not previously inventoried at such a level of intensity. The inventory shall be conducted by a qualified professional cultural resource specialist (i.e., archaeologist, historian, historical architect, as appropriate), approved by the authorized officer of the surface managing agency (BLM, if the surface is privately owned), and a report of the inventory and recommendations for protecting any cultural resources identified shall be submitted to the Assistant Director of the Western Support Center of the Office of Surface Mining, the authorized officer of the BLM, if activities are associated with the coal exploration outside an approved mining permit area (hereinafter called Authorized Officer), and the Authorized Officer of the surface managing

agency, if different. The lessee shall undertake measures, in accordance with instructions from the Assistant Director or Authorized Officer to protect cultural resources on the lease lands. The lessee shall not commence the surface disturbing activities until permission to proceed is given by the Assistant Director or Authorized Officer.

- The lessee shall protect all cultural resource properties within the lease area from lease-related activities until the cultural resource mitigation measures can be implemented as part of an approved mining and reclamation plan or exploration plan.
- The cost of conducting the inventory, preparing reports, and carrying out mitigation measures shall be borne by the lessee.
- If cultural resources are discovered during operations under this lease, the lessee shall immediately bring them to the attention of the Assistant Director or Authorized Officer, or the Authorized Officer of the surface managing agency, if the Assistant Director is not available. The lessee shall not disturb such resources except as may be subsequently authorized by the Assistant Director or Authorized Officer. Within two (2) working days of notification, the Assistant Director or Authorized Officer will evaluate or have evaluated any cultural resources discovered and will determine if any action may be required to protect or preserve such discoveries. The cost of data recovery for cultural resources discovered during lease operations shall be borne by the lessee unless otherwise specified by the authorized officer of the BLM or of the surface managing agency, if different.
- All cultural resources shall remain under the jurisdiction of the United States until ownership is determined under applicable law.

2.1.1.2 Paleontological Resources

- If paleontological resources, either large and conspicuous, and/or of significant scientific value are discovered during mining operations, the find will be reported to the Authorized Officer immediately. Mining operations will be suspended within 250 feet of said find. An evaluation of the paleontological discovery will be made by a BLM or surface management agency approved professional paleontologist within five (5) working days, weather permitting, to determine the appropriate action(s) to prevent the potential loss of any significant paleontological value. Operations within 250 feet of such a discovery will not be resumed until written authorization to proceed is issued by the Authorized Officer. The lessee will bear the cost of any required paleontological appraisals, surface collection of fossils, or salvage of any large conspicuous fossils of significant interest discovered during the mining operations.

2.1.1.3 Multiple Mineral Development

- Operations will not be approved which, in the opinion of the authorized Officer, would unreasonably interfere with the orderly development and/or production from a valid existing mineral lease issued prior to this one for the same lands. Lessor reserves the right in accordance with applicable coal regulations administered by Lessor to require the Operator/Lessee to modify the Resource Recovery and Protection Plan (R2P2) to minimize conflicts with other resources and to maximize recovery of all resources.

2.1.1.4 Oil and Gas/Coal Resources

- The BLM realizes that coal mining operations conducted on Federal coal leases issued within producing oil and gas fields may interfere with the economic recovery of oil and gas; just as Federal oil and gas leases issued in a Federal coal lease area may inhibit coal recovery. BLM retains the authority to alter and/or modify the resource recovery and protection plans for coal operations and/or oil and gas operations on those lands covered by Federal mineral leases so as to obtain maximum resource recovery.

2.1.1.5 Resource Recovery and Protection

- Any bypass of Federal coal determined to be economically recoverable must have the written approval of the Authorized Officer of the BLM in the form of an approved modification to the Resource Recovery and Protection Plan (R2P2) prior to the Federal coal being bypassed. (43 CFR 3482.2(c)(2)) Failure to comply with this requirement shall result in the issuance of a Notice of Noncompliance by the Authorized Officer. The Notice of Noncompliance will include the amount of damages to be assessed for the unauthorized bypass of Federal coal as determined by the Authorized Officer. Lessee shall pay royalty for all coal not recovered which was available for mining and was economically recoverable by mining operations under an R2P2 approved by the Authorized Officer. The royalty shall be determined in accordance with Section 2.(a). PRODUCTION ROYALTIES, of this lease, and the value of the coal shall be determined as set forth in the applicable coal regulations administered by the Lessor. Federal coal not recovered, but which was available for recovery, will be volumetrically determined by the Authorized Officer using standard industry practices.

2.1.1.6 Public Land Survey Protection

- The lessee will protect all survey monuments, witness corners, reference monuments, and bearing trees against destruction, obliteration, or damage during operations on the lease areas. If any monuments, corners or accessories are destroyed, obliterated, or damaged by this operation, the lessee will hire an appropriate county surveyor or registered land surveyor to reestablish or restore the monuments, corners, or accessories at the same location, using surveying

procedures in accordance with the "Manual of Surveying Instructions for the Survey of Public Lands of the United States". The survey will be recorded in the appropriate county records, with a copy sent to the authorized officer.

2.1.1.7 Coal Resources Within the Burlington Northern/Chicago Northwestern Gillette-Orin Mainline Right-of-Way

- No mining activity of any kind may be conducted within the Burlington Northern/Chicago Northwestern Gillette-Orin Main Line Right-of-Way. The lessee shall recover all legally and economically recoverable coal from all leased lands not within the foregoing right-of-way. Lessee shall pay all royalties on any legally and economically recoverable coal which it fails to mine without the written permission of the authorized officer.

2.2 Alternative 2: Competitive Sale of Tract as Expanded by BLM to be Mined with Existing Mining Operation

To further prevent potential bypass of coal in the future, the BLM is considering adding lands to the tract (see Figure 3). The legal description of the coal lease lands that would be added to the Antelope LBA tract by the BLM under Alternative 2 is as follows:

T. 40 N., R. 71 W., 6th P.M., Wyoming	
Section 34: Lot 1	40.84 acres
T. 41 N., R. 71 W., 6th P.M., Wyoming	
Section 26: Lots 12 and 13	81.27 acres
Section 27: Lots 13 and 16	<u>83.52 acres</u>
TOTAL ADDED TO LEASE:	205.63 acres more or less
TOTAL APPLIED FOR:	617.2 acres more or less
TOTAL UNDER ALTERNATIVE 2:	822.83 acres more or less

This legal description and acreage are based on approved U.S. Department of the Interior, BLM plats filed in Cheyenne, Wyoming.

Under this alternative, the Antelope LBA tract with amended boundaries would be offered for competitive leasing subject to the standard lease stipulations and to the special lease stipulations listed in Section 2.1.1 above. Alternative 2 would add approximately 206 acres to the tract to provide for recovery of federal coal located west of and adjacent to the Antelope LBA tract as applied for. Alternative 2 also assumes that the applicant is the successful bidder on the tract if it is offered for sale.

Alternative 2 allows for recovery of about 25 million additional tons of coal (about 82 million tons total). The coal added under this alternative could logically be

mined as an extension of the Antelope LBA, and this coal could be bypassed if it is not mined with the Antelope leases and the new LBA tract. The area added under this alternative would square up the existing leases and avoid a potential bypass situation in the future.

There are some drawbacks to Alternative 2. The federal and state governments could potentially realize more financial benefits by waiting to lease the coal added by this alternative. The coal added under Alternative 2 would not be mined until near the end of the mine life, according to the current mine plan. This coal could have a higher fair market value if it is leased closer to the time that it would be mined. Most of the area added under this alternative is not within the current permit area. Including it in the tract would increase the costs to the company, and increase the permitting time. This could further decrease the fair market value of the tract.

Although this coal could possibly be bypassed if it is not mined as part of the Antelope Mine, several mechanisms exist for adding it to the mine closer to the time when it would be mined. It could be leased in the future under the lease-by-application process; it could be leased as an emergency bypass lease; or ACC could apply to modify several of its existing leases to include this acreage. This alternative was not selected as the preferred alternative because of the potential financial loss to the public at this time, and because there are mechanisms to avoid bypass of this coal in the future.

2.3 Alternative 3: Competitive Sale of Tract as Reduced by BLM to be Mined with Existing Mining Operation

To preserve some unleased coal with relatively low overburden thickness for future leasing, the BLM is considering reducing the LBA tract size (see Figure 3). The legal description of the lands to be subtracted from the Antelope LBA tract is as follows:

T. 41 N., R. 71 W., 6th P.M., Wyoming	
Section 26: Lots 10, 11, 14 and 15	<u>161.77 acres</u>
TOTAL SUBTRACTED FROM LEASE:	161.77 acres more or less
TOTAL APPLIED FOR:	617.2 acres more or less
TOTAL UNDER ALTERNATIVE 3:	455.43 acres more or less

This legal description and acreage are based on approved U.S. Department of the Interior, BLM plats filed in Cheyenne, Wyoming.

Under this alternative, the Antelope LBA tract with amended boundaries would be offered for competitive leasing subject to the standard lease stipulations and to the special lease stipulations listed in Section 2.1.1 above. Alternative 3 would subtract approximately 162 acres and 20 million tons of coal from the LBA tract as applied for

by ACC, leaving the tract with approximately 37 million tons of recoverable coal. The tract configuration under Alternative 3 avoids the area in the Antelope Creek Valley where some coal would not be recovered under alternatives 1 or 2. Alternative 3 also assumes that the applicant is the successful bidder on the tract if it is offered for sale.

Alternative 3 assumes that development of unleased coal resources north of the Antelope Mine would be economically feasible in the future. There is unleased federal coal north of the existing Antelope lease and west of the main railroad line that was included in the Ridgerunner tract in 1983 (BLM, April, 1983). It was evaluated as a potential tract for leasing in the proposed 1984 Powder River regional coal lease sale that was cancelled. The overburden in the western half of the 1983 Ridgerunner tract is very thick, making that coal unattractive economically relative to the coal that is currently being mined in the basin. If the Ridgerunner tract is leased in the future, the area that is proposed for removal from the Antelope tract under Alternative 3 would be a potential entry point for development of the coal in the Ridgerunner tract because of its relatively low overburden thickness.

There are also some potential drawbacks to this alternative. The coal removed under Alternative 3 is logically mined with the existing Antelope Mine, and the Ridgerunner tract may not be leased in the foreseeable future. Removal of this coal from the Antelope LBA could potentially result in its being permanently bypassed, which is not responsible management of public resources. Also, a portion of the Horse Creek drainage is excluded under Alternative 3. This drainage would be most efficiently mined and reclaimed with the rest of the LBA tract. Although the coal which would be excluded under this alternative could potentially be mined in the future, that could result in less efficient coal recovery and more significant environmental impacts following reclamation. Therefore, this alternative was not selected as the preferred alternative.

2.4 Alternative 4: No Action Alternative

Under this alternative, the BLM would reject the coal lease application, the tract would not be offered for sale, and the coal would not be mined. If this coal is not mined with Antelope's current operation, a portion would remain as a finger of coal between the mined and reclaimed Antelope lease on the south and the railroad right-of-way to the north and east (see Figure 3). This narrow band of coal might not be economically recoverable by another operator in the future. As a result, all or part of the 57 million tons of recoverable coal on the tract as proposed could potentially be permanently bypassed. If this were the case, the environmental impacts associated with mining the LBA tract would be avoided. The potential income from the bonus bid, future royalties and taxes on 57 millions tons of coal would be foregone, as well as the income from additional years of peak coal production at the mine. A portion of the surface of the proposed lease area (approximately 95 acres) would be disturbed due to overstripping to allow coal to be recovered from the existing contiguous ACC coal leases.

2.5 Alternatives Considered But Not Analyzed In Detail

Alternative 5: Proposed Lease Sale for a New Stand-Alone Mine

The lease-by-application process is an open, public competitive leasing process, as required by law and regulation. The LBA coal tracts are nominated for leasing by companies with an interest in acquiring them, but the sale of the coal is a competitive bidding process which is not restricted to the company nominating the lease.

Under this alternative, the Antelope LBA tract would be offered for competitive leasing subject to standard and special lease stipulations, but it is assumed that ACC would not be the successful bidder. The same special lease stipulations would be required as for Alternative 1 (see section 2.1.1 of this EA). The boundaries of the tract would be consistent with one of the tract configurations designated in alternatives 1, 2, or 3 (see Figure 3).

In that event, the successful bidder would be required to produce one percent of the estimated coal reserves within 10 years or lose the lease due to the diligence requirements of the Federal Coal Leasing Amendments Act of 1976. There are no other existing mines in a position to recover this coal, so a new mine would have to be permitted and constructed to mine this coal within that 10-year period. Development of a stand-alone mine would require the construction of new surface facilities including offices, shop facilities, warehouses, coal processing facilities, coal loadout, and railroad spur. This alternative is not considered feasible for several reasons:

- There may not be an appropriate location for such surface facilities within or adjacent to this LBA tract. The LBA tract is physically constrained on the south by the existing Antelope coal leases and on the north and east by the BN/C&NW railroad (see Figure 2). Facilities could potentially be located on the tract or northwest of the tract, on currently unleased coal. This would be prohibitively expensive in either case, because either the coal beneath the facilities would not be mined, reducing the amount of recoverable coal for any new mine, or the facilities would have to be moved at some point during the life of the mine.
- In order to avoid leased or leasable coal reserves, the railroad spur line would be long and expensive. It takes considerable land with suitable topography to construct a railroad loop capable of loading mile-long trains without obstructing the main line. As above, the only locations available would be on the tract itself or northwest of the tract on unleased federal coal. If it were placed on the tract, the coal underlying the loop would be unavailable for mining. Placing it on unleased federal coal to the northwest would prevent that coal from being mined, and the topography in that area is significantly higher than on the LBA tract, making it less suitable for a railroad loop.

- The Antelope tract as applied for contains about 57 million tons of recoverable coal reserves, assuming that the facilities and railroad are located off-lease and that all of the coal in the tract would be recoverable after the existing Antelope leases to the south are mined and reclaimed. That is not enough coal to justify the estimated cost of building the facilities, which could exceed \$100 million. There is unleased federal coal north of the existing Antelope lease that was included in two tracts that were considered for leasing in the proposed 1984 Powder River regional coal lease sale that was cancelled. The Ridgerunner tract was located west of the main railroad line and the Rochelle Hills tract was located east of the main railroad line. The coal in the Rochelle Hills tract is not logistically minable with the Antelope Mine operations or with the Ridgerunner tract because it is separated from both by the main railroad line right-of-way, which is unsuitable for mining. Most of the coal in the Antelope tract could potentially be mined with the Ridgerunner tract, but the thick overburden in the western part of the Ridgerunner Tract would make it difficult for a new mine with those reserves to compete with the existing mines in the basin.

As discussed above, the Antelope LBA does not contain enough coal reserves to economically justify a new mine start. Additional coal reserves are accessible to the north and west, but they are not economically minable at this time. Consequently, the probability of this tract being purchased by another company is very low, and Alternative 5 was not analyzed in detail. The environmental impacts of mining the LBA under Alternative 5 would be greater than for alternatives 1, 2, or 3 because of the need for new facilities, a new rail line, new employment, and the creation of additional sources of dust and blasting.

Alternative 6: Postpone Lease Sale

Under this alternative, the sale of the Antelope tract would be postponed until coal prices increase in the basin on the assumption that the fair market value of the unleased coal would increase if coal prices increase. If the fair market value increases, the government would receive a larger bonus bid at the time the coal is leased.

The average price per ton of Wyoming coal has been declining since about 1983 (Wyoming State Geological Survey; May, 1994, Figure 8). In the early 1980s, most of the coal in the Powder River Basin was sold under long-term contracts at guaranteed prices. As more mines opened, the supply of coal increased, and utilities started to buy more coal on the spot market at lower prices, rather than negotiating longer-term contracts at higher prices. The percentage of sales of lower-cost spot coal has been increasing as the long-term contracts have been expiring. Spot prices have decreased in recent years as well, and in 1993 they were at an all-time low.

An increase in demand for Powder River Basin coal has been predicted for several years by some as a result of incentives favoring low-sulfur coal in the Clean Air Act of 1990. An increase in demand could result in an increase in spot prices, as well as an increase in longer-term contracts for coal sales. Production of Powder

River Basin coal did increase significantly in 1993 and 1994, after a decline in production in 1992. Spot prices for Powder River Basin coal rose in 1994 as a result of cold weather, rail disruptions and other market factors. These conditions no longer exist and spot pricing has returned to pre-1994 levels.

The main source of revenue to federal and state governments from leasing and mining federal coal is the 12.5% royalty that is collected on all federal coal at the time it is sold. Since the 12.5% royalty is collected when the coal is sold, the mechanism is already in place for government revenues to increase if coal prices rise. Postponement of a lease sale until coal prices rise could result in an increase in the bonus bid to the government, but that increase could be offset by a reduction in royalty benefits if the price rise cannot be fully taken advantage of. The duration of any price increase cannot be predicted, and there is a time lag of several years between the time prices escalate and the time the coal can be brought to market due to the time necessary for evaluating environmental impacts, leasing, baseline data collection, and permitting a logical mining plan. Also, postponement could result in lower royalty revenues to the government if the operator must sell the coal on the cheaper spot market, because he does not have the reserves to negotiate higher priced, long-term contracts when the opportunity is there to do so.

The Antelope lease sale is currently tentatively scheduled for early 1996. In 1997, ACC estimates that it will be within three years of mining in the area of the proposed lease. At that point, ACC could apply for the coal in the LBA tract as an emergency lease (under 43 CFR 3425, the same regulations which apply to LBAs). A comparison of emergency and LBA leasing requirements is included in Table 4. There are no particular administrative advantages or disadvantages to be gained by processing the tract as an LBA or as an emergency lease. In either case, the environmental impacts of issuing a lease must be analyzed, the fair market value must be determined, and a competitive lease sale must be held. If the BLM decided to postpone processing the LBA tract until prices increase in the basin, Antelope could re-apply for the same tract as an emergency lease. There is a potential environmental advantage to not delaying the sale. If ACC is able to acquire the new lease earlier, they can begin to develop long pits that are designed to mine through the current leases and the LBA tract concurrently, and the total highwall length (and consequent disturbed area and associated environmental effects) could potentially be reduced slightly.

The environmental impacts of postponing the lease sale could be the same or slightly greater than the environmental impacts of alternatives 1, 2, or 3, or they could be the same as for Alternative 4. The plan being developed for mining the Antelope LBA tract along with the current Antelope Mine coal leases shows coal removal beginning in 2000, with topsoil removal approximately one year in advance. If coal sales increase, these dates could be earlier. If the tract could be leased and permitted before that time, the impacts of mining the LBA tract would be similar to or slightly greater than for Alternatives 1, 2 or 3 (depending on the tract configuration).

Table 4. Comparison of Emergency and LBA Leasing Requirements

EMERGENCY LEASE APPLICATION	LBA
The proposed lease may be located inside or outside a federal coal production region.	The proposed lease is located outside a federal coal production region. The decertification of the Powder River Basin as a Federal coal production region allowed BLM to accept and consider lease by applications.
Before an emergency lease sale may be held, an environmental analysis (EA or EIS) of the proposed lease area must be completed.	Before an LBA sale may be held, an environmental analysis (EA or EIS) of the proposed lease area must be completed.
A public hearing must be held on each proposed emergency coal lease application.	A public hearing must be held on each proposed LBA
Emergency leases are issued by competitive sale, and bids that are less than the fair market value determined by the BLM will not be accepted.	LBAs are issued by competitive sale, and bids that are less than the fair market value determined by the BLM will not be accepted.
The proposed lease must be mined as part of an operation that is producing coal on the date of the application.	
The applicant must demonstrate an emergency need for the coal. (**See definition below)	
The applicant must demonstrate that the need for the coal resulted from circumstances beyond his control or could not have been reasonably foreseen and planned for in time to allow for consideration under the regional leasing process.	
The lease cannot include more than 8 years of recoverable coal reserves at the rate of production at the time of the application.	
<p>** In the regulations, an emergency need is defined as:</p> <ul style="list-style-type: none"> a. The federal coal is needed within three years to maintain an existing mining operation at its current average annual level of production on the date of application; or b. If the coal deposits are not leased, they would be bypassed in the reasonably foreseeable future, and if leased, some portion of the tract applied for would be used within three years. 	

If the sale is postponed beyond the time the LBA tract could be mined in logical sequence with the Antelope Mine (i.e., after the adjoining acreage on the existing lease was mined and reclaimed), it would not be feasible for ACC to mine the tract. The tract is not economical for a stand-alone mine as discussed under Alternative 5, and it is not likely that another operator would lease the Antelope LBA tract. In this case, postponing the lease sale would have the same impacts as Alternative 4 (the No Action Alternative), with the resulting avoidance of environmental impacts associated with mining the coal in the LBA, potential bypass of the coal in the LBA, and loss of potential income from the bonus bid, future royalties and an extended maximum mine production period. Since the environmental impacts of this alternative would not be significantly different from alternatives 1, 2, 3, or 4, this alternative is not analyzed in detail.