

## SUMMARY

AMAX Land Company applied to the Bureau of Land Management (BLM) for a lease for federal coal adjacent to AMAX Coal West, Inc.'s existing Eagle Butte Mine on July 24, 1991. The proposed tract, referred to as the Eagle Butte Lease-By-Application (LBA) tract, is located approximately three miles north of Gillette, Wyoming, and is contiguous with the existing Eagle Butte federal coal lease to the north and east.

This environmental assessment has been prepared to evaluate the potential environmental impacts which could be expected to occur if the proposed Eagle Butte LBA tract is leased and mined. It considers the existing coal mining in the basin and the pending and previously issued LBAs, and the previously prepared regional and site-specific impact analyses in evaluating the cumulative impacts of leasing this tract of coal.

The following five alternatives are considered in this environmental assessment:

Alternative 1) Lease the tract as applied for by AMAX Land Company as a maintenance-type tract for the existing Eagle Butte Mine. This case assumes that the applicant is the successful bidder.

Alternative 2) Lease the tract with revised boundaries to include coal that might be bypassed if not mined in conjunction with the tract as it was applied for. The modified tract would be leased as a maintenance-type tract for the existing Eagle Butte mine. This alternative also assumes that the applicant is the successful bidder. Alternative 2 is the preferred alternative of the BLM.

Alternative 3) Do not lease the coal; this is the no action alternative.

Alternative 4) Lease the coal to open a new, stand-alone mine. This alternative assumes that the applicant is not the successful bidder.

Alternative 5) Postpone the lease sale.

Under Alternatives 1, 2, and 4, the lease would be offered after BLM's evaluation of the Fair Market Value is completed. A competitive lease sale would be held, with the coal rights going to the company or individual that submits the highest qualified bonus bid that meets or exceeds the Fair Market Value for the property as determined by the BLM.

Under Alternative 1, the proposed action, the tract would be mined by AMAX in order to extend the life of the Eagle Butte Mine. Coal would be recovered from beneath about 915 acres of land adjacent to and southwest of the existing Eagle Butte coal leases. The tract contains approximately 150 million tons of coal. Assuming that all of the estimated coal reserves are

recoverable, and that the coal is produced at a rate of 16 million tons per year, the reserves requested in the application for the Eagle Butte LBA tract would extend the life of the mine between 9 and 10 years.

Alternative 1 would extend the duration of the impacts currently resulting from the mining of the current Eagle Butte lease. Water-level drawdowns in the coal aquifer due to mining at the current Eagle Butte Mine would be extended approximately one mile further to the south. Drawdowns in the overburden aquifer would also be extended further to the south. Soils and vegetation are similar to those on the adjacent Eagle Butte Mine, where reclamation is already occurring. Impacts to wildlife would include loss of habitat on the lease area during mining and reclamation. The current plan to mitigate impacts to raptor nests would have to be updated to include the newly leased area. The proposed tract has been surveyed for cultural resources, and no such resources eligible for the National Register of Historic Places were located on the tract. No significant paleontological resources have been identified on the tract. Visual impacts would not be different from those under the current mine plan at Eagle Butte. Both the existing Eagle Butte lease and the proposed Eagle Butte LBA extend approximately one mile into the Gillette Buffer Zone. As a result, the impacts to Gillette's air quality would be similar to those predicted for mining the current lease, but these effects would remain for almost ten additional years. Economic benefits would be realized from the bonus bid, royalty payments, production taxes and fees, and maintaining present employment levels for almost ten additional years.

Alternative 2, the preferred alternative of the BLM, would add approximately 145 acres to the tract, to provide for recovery of federal coal located between the proposed Eagle Butte LBA tract and U.S. Highway 14-16. This coal would logically be mined with the Eagle Butte LBA tract, and could be bypassed if not mined along with the Eagle Butte LBA tract. Alternative 2 would add approximately 6 million additional tons of minable coal lying east of Highway 14-16 to the tract. The coal recovered under Alternative 2 would add an additional one-third of a year to the life of the mine.

The environmental impacts of Alternative 2 are substantially the same as those for Alternative 1. No additional surface would be disturbed by mining because the surface of the land added by Alternative 2 would be disturbed by mining-related activity under Alternative 1. There would be a slight increase in the impacts to coal and overburden aquifers and in the duration of air quality effects. Economic benefits and term of employment would increase as well, from the additional 6 million tons of coal that would be mined under this Alternative.

Alternative 3, the No Action Alternative, would leave the Eagle Butte LBA tract essentially as it now exists. A portion of the north and east edges of the tract would be disturbed by overstripping along the existing lease boundary in order to mine the coal in the existing Eagle Butte leases. Economic and employment benefits associated with the mining of 150 million tons of coal would be foregone. After the coal in the existing Eagle Butte leases is mined, and the surface is reclaimed, the coal in this tract would be isolated by coal removal and reclamation to the north and west, by the Gillette Buffer Zone on the south, and by the airport and Highway 14-16 on the west. If this tract is not mined with Eagle Butte's current operation, it could be bypassed for many years,

if not forever.

Alternative 4, leasing the tract for a new stand-alone mine, would have different, probably increased, environmental and economic impacts than Alternatives 1 or 2. Alternative 4 was not analyzed in detail. There are not enough reserves in the tract as applied for or as revised to economically justify the expense of a new mine start in the current market. The tract is constrained to the north and east by the existing Eagle Butte coal leases, to the west by U.S. Highway 14-16 and the Campbell County airport, and to the south by the City of Gillette buffer zone. Because of these constraints, the coal in this tract is not accessible to the other mines in this area, rail access would entail a prohibitively long spur line to avoid leased or leasable coal reserves, and there is no suitable location for facilities for a new mine.

Alternative 5 would delay leasing on the premise that if the price of coal in the region increases, the government could receive a larger bonus up-front from the lease sale. This alternative was not analyzed in detail. Coal prices are unpredictable, and most of the income to the government from federal coal is from royalties, which are based on the price of the coal when it is mined. The impacts of issuing the lease at a later date could be the same as for Alternatives 1 or 2 if leasing is not delayed beyond the time where the tract could be mined with the existing Eagle Butte leases. The impacts of delaying the lease sale could be the same as Alternative 3, the No Action Alternative if the delay extends beyond the time that Eagle Butte Mine can reasonably incorporate the LBA tract into the mine plan. In that case, the coal may never be recovered, for the reasons cited under Alternative 4.