

## SUMMARY

Kerr-McGee has applied to the BLM for a lease for Federal coal adjacent to Kerr-McGee's existing Jacobs Ranch Mine. This Environmental Assessment has been prepared to assist the BLM to make a decision on the proposed lease, to provide a basis for public review, and to comply with the requirements of the National Environmental Policy Act.

Three alternatives were considered as follows:

Alternative 1 - Proposed Lease Sale To Be Mined With Existing Mining Operation - Preferred Alternative.

Alternative 2 - No Action.

Alternative 3 - Proposed Lease Sale for a New Stand-Alone Mine.

Based upon the minimal short-term environmental impacts actually experienced in mining the similar adjacent existing Jacobs Ranch Mine, there appears to be no environmental basis for selecting the No Action Alternative. Moreover, not leasing this tract would reduce near-term Federal and State royalty and tax revenues and would shorten the period of significant contribution of Jacobs Ranch Mine to the regional economy.

A New Stand-Alone Mine on this tract does not appear feasible because of the high costs associated with starting a new operation and the limited reserve base.

The Preferred Alternative is to conduct the proposed lease sale with the expectation that the coal would be mined as an extension of the existing Jacobs Ranch Mine. This would extend the life of the mine and its positive contribution to the regional economy and the federal and state royalty and tax revenues. The potential economic benefit of this eight year mine life extension (direct, indirect and induced) would be about \$1.0 billion. Mining this reserve as part of the existing mine should allow for any potential coal quality problems to be resolved, leading to improved coal resource recovery. Short-term minimal environmental impacts would be incurred, but would be mitigated by the demonstrated successful reclamation practices employed by the existing mine. Acceptable post-mining conditions, including improved pasture and water supply impoundments, are expected on this land surface. Since the land surface is owned by Kerr-McGee, there will be no conflicting surface land use concerns. The post-mining land use will be grazing and wildlife habitat which is the same as the pre-mining land use.