

Decision Record
Jacobs Ranch
Federal Coal Lease Application

Decision: It is my decision to offer Federal coal lease application WYW117924 for competitive sale. If the bid is acceptable the successful qualified bidder has the right to develop the lease.

If you wish to appeal this decision, as provided in 43 CFR 4.4, you must file an appeal in writing within 30 days from the receipt of this decision with the Director of the BLM. The appeal shall state clearly and concisely why you think the decision is in error.

Finding of No significant Impact: Based on the analysis of potential impacts contained in the Jacobs Ranch Coal Lease Application Environmental Assessment (EA #WY-061-1-062), the expected result is Alternative 1, where the tract would be leased to the applicant as a production maintenance tract and would be mined as part of the existing Jacobs Ranch Mine and in compliance with that mining and reclamation plan. Under Alternative 1 from the EA, I have determined that the impacts are not expected to be significant and an environmental impact statement is not needed. If the applicant is not the successful bidder, we will evaluate the record upon which this decision is based to determine if the record still supports the finding of no significant impact.

Rationale for Decision: This action is in conformance with the Buffalo RMP and the Medicine Bow Land and Resource Management Plan. Issuance of the lease 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 additional coal would allow the current level of production of 16.8 million tons to be maintained for approximately 8 years longer than would be possible under the current mine situation. This would mean that the mine would continue operating until 2012 instead of 2004 as currently anticipated. The total economic impact to the area from 21 years of mine operation as opposed to 14 years is estimated at \$2.53 billion, up \$966 million over the no action alternative.

Water monitoring and data presented in the Cumulative Potential Hydrologic Impacts of Surface Mining in the Eastern Powder River Structural Basin - Northeastern Wyoming (CHIA) and the Gillette Area Groundwater Monitoring Organization (GAGMO) indicate that groundwater recharge after reclamation has allowed water levels to recover to near pre-mining levels in about five years. "Postmining recharge, movement and discharge of groundwater in the Wasatch aquifer and Wyodak coal aquifer will not be

substantially different from pre-mining conditions", (CHIA).

There are no identified substantial impacts to other resources and the amount of surface area in a disturbed state would not be increased. Reclamation would proceed at the same pace as mining. Reclamation success on post-mined lands has been satisfactory.

Given the current market situation for mines in the basin, it would be extremely difficult for a new mine to start production on the proposed lease area. Development costs of a new stand alone mine on this small reserve base (132 million tons) would result in high break even costs resulting in a less competitive mine. It is unlikely that a new stand alone mine would be economically justified for a prudent investor.

Mitigation: Consistent with the EA, the attached three special stipulations will be added to the coal lease to be offered. These stipulations were addressed as part of the proposed action in the EA.

Compliance and Monitoring: Compliance and monitoring would be carried out as outlined in the mining and reclamation plan for the Jacobs Ranch Mine.



Wyoming State Director

8-16-91
Date