



# United States Department of the Interior

OFFICE OF THE SECRETARY  
Washington, D.C. 20240

## Finding of No Significant Impact (FONSI)

### **Dunn Ranch Area Lease-By-Application and Mine Plan Modification DOI-BLM-CO-S010-2019-0003-EA Project number: COC-78825**

#### **LOCATION:**

New Mexico Principal Meridian, Colorado

T. 35 N., R. 11 W.,

sec. 18, lots 2 thru 5, 8, 9, and 10, SE1/4NW1/4, and NE1/4SW1/4;

sec. 19, lots 1, 2, 6, and 7, NE1/4NW1/4, and N1/2SE1/4NW1/4.

T. 35 N., R. 12 W.,

sec. 13, S1/2NE1/4, SE1/4NW1/4, S1/2SW1/4, NE1/4SE1/4, and S1/2SE1/4;

sec. 14, S1/2NE1/4SW1/4, S1/2NW1/4SW1/4, S1/2SW1/4, S1/2NW1/4SE1/4, and S1/2SE1/4;

sec. 15, SE1/4SW1/4 and S1/2SE1/4;

sec. 22, N1/2NE1/4, N1/2SW1/4NE1/4, SE1/4SW1/4NE1/4, SE1/4NE1/4, E1/2NE1/4NW1/4, NE1/4SE1/4NW1/4, and E1/2NW1/4SE1/4;

sec. 23, N1/2NE1/4, SE1/4NE1/4, N1/2NW1/4, SE1/4SW1/4, and SE1/4;

sec. 24, N1/2, SW1/4 and NW1/4SE1/4;

sec. 26, N1/2NE1/4NE1/4, SW1/4NE1/4NE1/4, NW1/4NE1/4, N1/2NW1/4, N1/2SW1/4NW1/4, SE1/4SW1/4NW1/4, and SE1/4NW1/4;

sec. 27, NE1/4NE1/4 and SE1/4NW1/4NE1/4.

The area described contains 2,462.07 acres.

#### **PROJECT NAME:**

Dunn Ranch Area Lease-By-Application and Mine Plan Modification

#### **APPLICANT:**

GCC Energy, LLC

#### **BACKGROUND:**

The Bureau of Land Management (BLM) has conducted an environmental analysis along with the Office of Surface Mining Reclamation and Enforcement (OSMRE) as joint-lead agencies (DOI-BLM-CO-S010-2019-0003-EA) for a proposed action to address GCC Energy, LLC's (GCCE) Lease by Application (LBA) for a proposed new federal coal lease (COC-78825) in the Dunn Ranch area in La Plata County. The project would allow BLM to offer the lands for competitive leasing encompassing approximately 2,462 acres adjacent to the northern boundary of GCCE's existing federal coal lease COC-62920. The underlying need for the proposal would be met which is established by BLM's responsibility under the Mineral Leasing Act of 1920 (30 U.S.C. § 181 *et seq.*), as amended by the Federal Coal Leasing Amendments Act of 1976, and the Federal Land Policy Management Act of 1976 (FLPMA), which states that public lands shall be

managed in a manner that recognizes the nation's need for domestic sources of minerals (43 U.S.C. §1701(a)(12)). Furthermore, FLPMA authorizes BLM to manage the use, occupancy, and development of public lands through leases and permits (43 U.S.C. § 1732). OSMRE's action would be to recommend modifying the existing mine plan for the King II mine to cover the area of the LBA, after a lease has been issued, and to allow additional new activity within the existing permit boundary, and if approved, what conditions may be needed.

The Dunn Ranch LBA project area consists of federal coal beneath fee surface estate predominantly owned by the Ute Mountain Ute (UMU) Tribe, along with a smaller amount of other private surface owners and BLM-administered surface estate. GCCE proposes to access the federal coal reserve within the proposed LBA area from the King II Mine using underground mining methods from the King II Mine. About 204 acres of non-federal coal would be mined beneath about 479 acres of UMU Tribe owned surface during development of access into the new federal coal reserve.

The Dunn Ranch Area LBA and Mine Plan Modification EA (DOI-BLM-CO-S010-2019-0003-EA), which is available at the Tres Rios Field Office in Dolores, CO, is incorporated by reference for this Finding of No Significant Impact (FONSI). The proposed action - Alternative A and no action alternative - Alternative B were analyzed in the EA.

The proposed action would result in approximately 20 acres of new surface disturbance over the life of the mine, ten of these acres would be considered temporary disturbance associated with construction of a "low cover crossing" to access the new lease from the existing lease without surfacing. This crossing would be located on lease COC-62920, on Federal Mine Permit CO-0106C, not on COC-78825. Another ten acres could be expected for future miscellaneous activities in locations yet to be identified and would only occur after additional analysis. If the winning bidder intends to mine the property in a manner substantially different than the selected alternative, additional analysis would be required.

#### **FINDING OF NO SIGNIFICANT IMPACT:**

Based upon a review of the EA and the supporting documents, I have determined that the Proposed Action - Alternative A, with design features, (Selected Alternative) is not a major federal action that would significantly affect the quality of the human environment, individually or cumulatively with other actions in the general area. The action is consistent with current land management direction for the Project area set forth in the Tres Rios Field Office Approved Resource Management Plan (RMP) (BLM 2015). No environmental effects meet the definition of significance in context or intensity as defined in 40 C.F.R. § 1508.27 and do not exceed those effects described in the San Juan National Forest and BLM Tres Rios Field Office Lands and Resource Management Plan/Final Environmental Impact Statement (TRFO RMP/FEIS, September 2013). Therefore, an environmental impact statement is not needed.

This finding is based on the context and intensity of the project as described:

**Context:** The context of the environmental effects is based on the environmental analysis in the EA. The Selected Alternative would extend mine life at the King II mine at presently approved rates for an additional 22 years by opening up new private and federal coal in and adjacent to the LBA area, and by allowing presently uneconomic reserves at the existing mine to be blended with high grade coal from the LBA. Mining would be by underground methods, and there would only be 20 acres of surface disturbance. The road use agreement with La Plata County authorizes up to 1.1 million tons of haulage per year, however the annual production is only projected to be up to 800,000 tons per year. The project is a site-specific action directly involving approximately 2,462 acres of Federal coal mineral estate. Most of the lease is split estate land, owned by the Ute Mountain Ute Indian Tribe. The lease includes 47 acres of BLM administered surface land that by itself does not have international, national, regional, or state-wide importance.



**Intensity:** The following discussion is organized around the Ten Significance Criteria described in 40 C.F.R. § 1508.27 and incorporated into resources and issues considered (includes supplemental authorities Appendix 1 H-1790-1) and supplemental Instruction Memorandum, Acts, regulations and Executive Orders.

The following have been considered in evaluating intensity for this proposal:

**1. Impacts may be both beneficial and adverse.**

The Selected Alternative would impact resources as described in the EA (See chapter 3 of the EA). Minimization and avoidance measures to reduce impacts are described in Appendix C of the EA and incorporated as design features and GCCE's Reclamation Plan. As described in Section 1.1 of the EA, the Selected Alternative would represent approximately 22 years of additional coal production at the GCCE King II Mine. The Selected Alternative covers approximately 2,462 acres of underground mining with 20 acres of surface disturbance. While the road use agreement with La Plata County allows GCCE to haul up to 1.1 million tons per year, the annual production rate is expected to be approximately 800,000 tons per year. Other indirect emissions include total cement production and general combustion of other sources such as rail lines. The indirect emissions would have a moderate impact on the region as all the coal extracted from the mine would be burned at the various cement plants, which currently operate nearly 100 percent on coal from King II Mine. The impact is considered moderate because the surrounding air quality meets all National Ambient Air Quality Standards (NAAQS), but the overall emissions are substantial enough to be more than negligible (lowest level of detection). A detailed discussion regarding these emissions can be found in the accompanying Technical Resources Report associated with the EA (OSMRE and BLM 2019), see Section 2.2.2. See Appendix C of the EA for design features addressing impacts from Air Quality. The agencies calculated that over the projected 22 year life of the mine, 450.6 mt of CO<sub>2</sub>e emissions would be produced cumulatively from all sources related to the proposed action and the produced coal's uses downstream including direct, indirect and downstream coal combustion. These emissions are then compared in the Technical Resources Report (Section 2.2.6.2) and the EA (Section 3.4.1.1) to similar local, state, national and global GHG emissions sources. The cumulative emissions from the proposed action represent approximately 0.09% of the mean face value (500 GtCO<sub>2</sub>) of the carbon budget. The agencies have determined that the proposed action is not a significant contributor to CO<sub>2</sub>e emissions over the life of the mine.

None of the environmental effects discussed in detail in the EA and associated appendices are considered significant, nor do the effects exceed those described in the Resource Management Plan and associated EIS listed above.

**2. The degree to which the selected alternative will affect public health or safety.**

The EA considered impacts associated with hazardous and solid wastes, and considered impacts to public health and safety by analyzing air quality, water quality, and noise. Air and water impacts of the Selected Alternative are discussed in the EA in Sections 3.4.1 and 3.4.2, respectively. Direct emissions from the Proposed Action would produce a minor impact on an annual basis because the overall change is not substantial, but does have a measurable amount. Regionally, there would only be moderate effects from indirect emissions. The project would be responsible for only 0.28% of US and 0.038% of global greenhouse gas emissions. The agencies calculated that over the projected 22 year life of the mine, 450.6 mt of CO<sub>2</sub>e emissions would be produced cumulatively from all sources related to the proposed action and the produced coal's uses downstream including direct, indirect and downstream coal combustion. These emissions are then compared in the Technical Resources Report (Section 2.2.6.2) and the EA (Section 3.4.1.1) to similar local, state, national and global GHG emissions sources. The cumulative emissions from the proposed action represent

approximately 0.09% of the mean face value (500 GtCO<sub>2</sub>) of the carbon budget. The agencies have determined that the proposed action is not a significant contributor to CO<sub>2</sub>e emissions over the life of the mine.

Due to the nature of the proposed action, impacts to surface and groundwater resources would be moderate, short term. No impacts to surface and groundwater quantity (including nearby residential wells) are expected, and there would be no increase in demand for water beyond what is currently occurring. Impacts on noise would be negligible to minor and temporary (EA Section 3.4.4).

**3. Unique characteristics of the geographic area such as proximity to historic or cultural resources, park lands, prime farm lands, wetlands, wilderness, wild and scenic rivers, or ecologically critical areas.**

The following components of the geographic area are not affected because they are not present in the project area; park lands, prime farmlands, wetlands, wilderness, wild and scenic rivers, or ecologically critical areas (See section 3.3 of EA).

The historic and cultural resources of the area have been inventoried and potential impacts mitigated in the design features of the Selected Alternative. The potential surface disturbing activities of the Selected Alternative would be approximately 20 acres. Of the 7 cultural resource sites within the Area of Potential Effect (see EA section 3.4.3.3), none would be impacted by the Selected Alternative as no surface disturbance is proposed in the site areas. Further, these sites would be subject to cultural resource avoidance monitoring requirements.

**4. The degree to which the effects on the quality of the human environment are likely to be highly controversial.**

There is not likely to be controversy over the nature of the impacts associated with the Selected Alternative because the effects have been disclosed in the EA and the project is located adjacent to and immediately northwest of the King II Mine and existing federal coal lease COC-62920. That project was disclosed in an EA incorporated by reference (DOI-BLM-CO-S010-2011-0074) into this EA. The decision to lease additional coal reserves and its effects are not considered unique. The BLM has been making coal-leasing decisions involving this area since 1941.

**5. The degree to which the possible effects on the human environment are highly uncertain or involve unique or unknown risks.**

The project is not unique or unusual. The BLM has experience implementing similar actions in the area. The unleased Federal coal reserves comprise an approximate 2,462-acre block of coal north of the northern limits of GCCE's existing King II Mine. The environmental effects to the human environment are fully analyzed in the EA. There are no predicted effects on the human environment that are considered to be highly uncertain or involve unique or unknown risks.

**6. The degree to which the action may establish a precedent for future actions with significant effects or represents a decision in principle about a future consideration.**

The actions considered in the Selected Alternative were considered by the interdisciplinary team within the context of past, present, and reasonably foreseeable future actions. Significant cumulative effects are not predicted. A complete analysis of the direct, indirect, and cumulative effects of the Selected Alternative and all other alternatives is described in Chapter 3 of the EA. The action would likely not establish a precedent for future actions with significant effects or represent a decision in principle about a future consideration.



**7. Whether the action is related to other actions with individually insignificant but cumulatively significant impacts.**

The EA did not identify any significant cumulative effects not already disclosed in the TRFO RMP/EIS. The EA evaluated the possible issues in context of past, present, and reasonably foreseeable actions, including the King II Mine operation, the transport of coal from the mine, the combustion of that coal, and ranching, recreation and other mines in the cumulative effects analysis area. The total direct and estimated indirect greenhouse gas emissions from coal combustion mined annually from the King II Mine were disclosed in the EA (EA Section 3.4.1). There were no significant cumulative effects identified.

**8. The degree to which the action may adversely affect districts, sites, highways, structures, or other objects listed in or eligible for listing in the National Register of Historic Places or may cause loss or destruction of significant scientific, cultural, or historical resources.**

The project will not adversely affect districts, sites, highways, structures, or other objects listed in or eligible for listing in the National Register of Historic Places, nor will it cause loss or destruction of significant scientific, cultural, or historical resources. A cultural inventory has been completed for the proposed action, and BLM and OSMRE consulted with the State Historic Preservation Office in accordance with Section 106 of the NHPA (see EA section 3.4.3.3).

**9. The degree to which the action may adversely affect an endangered or threatened species or its habitat that has been determined to be critical under the Endangered Species Act of 1973, or the degree to which the action may adversely affect: 1) a proposed to be listed endangered or threatened species or its habitat, or 2) a species on BLM's sensitive species list.**

Measures to reduce impacts to wildlife and fisheries have been incorporated into the design of the Selected Alternative. Although aquatic species, game species, raptors, and migratory birds occur within the project boundary, it has been determined that they will not be significantly affected because of the design features incorporated in the Selected Alternative (see Appendix C of EA). In addition the Selected Alternative would have negligible to minor impacts to any threatened, endangered, and sensitive species. Section 7 of the Endangered Species Act consultation was conducted for this project with the US Fish and Wildlife Service. The USFWS concurred with the "May Affect, not Likely to Adversely Affect" determination (See Appendix D of the EA).

**10. Whether the action threatens a violation of a federal, state, local, or tribal law, regulation or policy imposed for the protection of the environment, where non-federal requirements are consistent with federal requirements.**

Colorado Division of Mining Reclamation and Safety and La Plata County both participated in the preparation of the EA as cooperating agencies. The project does not violate any known federal, state, local or tribal law or requirement imposed for the protection of the environment. State, local, and tribal interests were given the opportunity to participate in the environmental analysis process. Furthermore, letters were sent to Native American tribes concerning consulting party status. In addition, the project is consistent with applicable land management plans, policies, and programs.

  
 Casey Hammond  
 Acting Assistant Secretary,  
 Land and Minerals Management

  
 Date