



United States
Department of
Agriculture

Forest
Service

Manti-La Sal
National Forest

Supervisor's Office
599 West Price River Drive
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Phone # (435) 637-2817
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File Code: 2820-4

Date: February 18, 2003 *freemg*

Dear Interested Party:

Elaine Zieroth, Forest Supervisor, Manti-La Sal National Forest, has decided to consent to leasing of the South Crandall Canyon Coal Lease Tract (UTU-78953) by the BLM (Bureau of Land Management). Sally Wisely, BLM Utah State Director, has decided to offer the tract for competitive sale. The respective decisions are documented in the enclosed Joint DN/FONSI (Decision Notice/Finding of No Significant Impact) prepared by these officials. Under the selected leasing alternative, the lease will contain special coal lease stipulations for the protection of non-coal interests as shown in Attachment 2 to the DN/FONSI.

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This 880-acre coal tract was proposed by Genwal Coal Company to add coal reserves to their Crandall Canyon Mine. Genwal will deplete their current coal reserves within approximately 2 years. The tract could extend the life of the mine by approximately 8 years. It is located directly east of State Coal Lease ML-48258, south of the Crandall Canyon Mine in Crandall Canyon, as described in the DN/FONSI.

The Forest Service and BLM decisions are subject to appeal as described in the DN/FONSI. The Forest Service appeal period starts on February 19, 2003 (day after publication of the Notice of Decision in the *Sun Advocate*) and ends on April 4, 2003 (45th day).

For additional information regarding the Forest Service decision or to obtain a copy of the DN/FONSI contact Karl Boyer or Carter Reed, Manti-La Sal National Forest, 599 West Price River Drive, Price, Utah 84501 at 435-637-2817. Information regarding the BLM decision should be directed to Stan Perkes, BLM Utah State Office, 324 South State Street, Salt Lake City, Utah 84145-0155 at 801-539-4036.

Sincerely,

ELAINE J. ZIEROTH
Forest Supervisor

Enclosure

cc:
Sally Wisely, BLM Utah State Director
D-2/3

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FEB 20 2003

DIV. OF OIL, GAS & MINING



JOINT
DECISION NOTICE/FINDING OF NO SIGNIFICANT IMPACT

**COAL LEASE APPLICATION UTU-78953
SOUTH CRANDALL CANYON TRACT
EMERY COUNTY, UTAH**

**BUREAU OF LAND MANAGEMENT
UTAH STATE OFFICE**

**USDA FOREST SERVICE, INTERMOUNTAIN REGION
MANTI-LA SAL NATIONAL FOREST
FERRON-PRICE RANGER DISTRICT**

Responsible Officials:

Sally Wisely
Utah State Director
Bureau of Land Management
Utah State Office
324 South State Street
P.O. Box 45155
Salt Lake City, Utah 84145-0155

Elaine J. Zieroth
Forest Supervisor
Manti-La Sal National Forest
599 West Price River Drive
Price, Utah 84501
435-637-2817

Cooperating Agency:

Office of Surface Mining
1999 Broadway, suite 3320
Denver, Colorado 80202

I. Introduction

On June 6, 2000, Genwal Resources, Inc. (Genwal) applied to the Bureau of Land Management (BLM) to lease 880 acres, under the Lease-on-Application process contained in Federal Regulations 43 CFR 3425, to extend the life of their Crandall Canyon Mine. The BLM assigned serial number UTU-78953 to the proposed tract known as the South Crandall Canyon Tract. The tract encompasses approximately 880 acres, containing an estimated 6 million recoverable tons of Federal coal underlying lands administered by the Manti-La Sal National Forest (see Attachment 1). It is situated directly adjacent to the approved permit area for Genwal's Crandall Canyon Mine. It is expected that Genwal would obtain the tract through competitive bid and that it would be accessed through Genwal's underground mine workings. Mining would be done in two overlapping coal seams using either the room-and-pillar mining or longwall method.

An EA (Environmental Assessment) which discusses the effects of leasing the Mill Fork Tract, that included the 880 acre South Crandall Canyon Tract area, was jointly prepared by the Forest Service (FS) and the BLM for the Mill Fork Federal Coal Lease Tract in June 1997. The EA is herein referenced as the Mill Fork Tract EA. The Office of Surface Mining, Reclamation and Enforcement (OSM) participated as a cooperating agency. The leasing decisions for the Mill Fork Tract specifically excluded approximately 880 acres encompassing the Little Bear Canyon watershed because there was insufficient information about the potential impacts of mining that could alter the recharge area for Little Bear Spring. A Decision Notice with a Finding of No Significant Impact was issued in September 1997, and the finalized Mill Fork Tract was subsequently leased to PacifiCorp as Utah Coal Lease ML-48258.

The proposed action to lease the 880 acres is based on additional hydrologic investigation and analysis, and is subject to the following authorities: Mineral Leasing Act of 1920, as amended; Federal Coal Leasing Amendments Act of 1976 (FCLAA); Multiple-Use Sustained Yield Act of 1960; National Forest Management Act of 1976 (NFMA); National Environmental Policy Act of 1969 (NEPA); and Federal Regulations 43 CFR 3400. Development of the lease, which is a separate permitting action, would be subject to these actions and the following: Federal Land Policy and Management Act of 1976 (FLPMA); Surface Mining Control and Reclamation Act of 1977 (SMCRA); Federal Regulations 30 CFR 700 to End (SMCRA Regulations), and the State of Utah Coal Mining and Reclamation Regulatory Program.

The decisions recorded in this document are based on the supplemental hydrogeologic analysis, the environmental analyses contained in the Mill Fork Tract EA; the Land and Resource Management Plan and the Final Environmental Impact Statement, Manti-La Sal National Forest (Forest Plan FEIS), 1986; and Final Environmental Impact Statement for the San Rafael Proposed Resource Management Plan, 1989. The Environmental Assessment for Coal Lease Application UTU-71307, Mill Fork Tract, is available through the Forest Supervisor's Office of the Manti-La Sal National Forest in Price, Utah, and the Bureau of Land Management, Utah State Office in Salt Lake City, Utah.

A coal lease unsuitability analysis was completed in accordance with 43 CFR 3461 during preparation of the Mill Fork Tract EA, which included the proposed South Crandall Canyon Tract. No areas were determined to be unsuitable.

II. Decisions

After careful review of the proposal, public comments, the supplemental hydrogeologic analysis (Project File), and the analysis contained in the Mill Fork Tract Environmental Assessment and project file, the responsible officials of the BLM and Forest Service have decided to select Alternative 3.

Sally A. Wisely, Utah State Director, BLM, has decided to offer the tract for competitive bidding subject to standard terms and conditions of the lease and the Special Coal Lease Stipulations contained in Attachment 2.

Elaine Zieroth, Forest Supervisor, Manti-La Sal National Forest has decided to consent to leasing by BLM subject to the Special Coal Lease Stipulations contained in Attachment 2.

Under this alternative mining under Little Bear Creek, where overburden is less than 600 feet, will be limited to full-support room-and-pillar mining and is subject to the special coal lease stipulations contained in Attachment 2. The tract to be offered for leasing and subsequent mining under this alternative is described as follows:

T. 16 S., R. 7 E., SLM, Emery County, Utah.

Section 4: W1/2SW1/4, S1/2SW1/4NW1/4

Section 5: SE1/4, S1/2SE1/4NE1/4

Section 8: E1/2, NE1/4NW1/4, S1/2NW1/4

Section 9: NW1/4

We have concluded the potential for this action to alter flow from Little Bear Spring is low. However, due to the necessity to guarantee that culinary water is available to meet Castle Valley Special Services District's (CVSSD) supply and demand needs, a water replacement agreement between the lessee and CVSSD must be in place and implemented prior to mining within the tract (Attachment 2, Special Coal Lease Stipulations).

This alternative would make additional Federal coal reserves available for competitive leasing, provide an opportunity to extend the life of the Crandall Canyon Mine, and be consistent with Forest Service management goals and prescriptions for the area. Any lease issued would include the Forest Service Special Stipulations identified in the Mill Fork Tract EA as amended by the Mill Fork Tract DN/FONSI. All of the stipulations are consistent with the Forest Plan.

The OSM participated as a cooperating agency.

III. Decision Rationale

These decisions provide for recovery of a coal resource needed for energy production and economic benefit. If leasing of these lands for coal mining were not allowed it would shorten the life of the Crandall Canyon mine, likely causing it to close in about 2 years. This would impact

existing jobs, revenue, and tax base in Emery County. By consenting to, and offering these lands for lease, the mine life will extend about 8 years (personal communication with Dave Shaver of Andalex, September 2001), continue to provide jobs and continued economic benefits to the Federal Government, State of Utah, and Emery County. Recoverable coal reserves (estimated at 50% of the 12 million tons of mineable reserves) would be approximately 6 million tons. The economic value of this coal at a market price of \$18.00 per ton is estimated at \$108 million. Coal royalties are estimated to be \$8.6 million (8% of the market value). It is in the public interest to lease these lands for coal mining. The Multiple Use Sustained Yield Act of 1960 provides for mineral activity on National Forest System Lands.

Since the Mill Fork Tract EA was released to the public in 1997, a number of additional investigation and analyses of the hydrology within the lease tract and Little Bear Spring have been completed. These reports are summarized in the Hydrologic Interpretation (Project File). In addition, supplemental field observations have established that some areas in Little Bear Creek support riparian vegetation indicating that there are segments of perennial sub-alluvial flow, even though the creek is not classified as a perennial stream (Mill Fork EA, page III-5). With precautionary measures required in lease stipulations, the potential for effects to water at the spring or in Little Bear Canyon is low. In the unlikely event that effects were to occur, construction of the water treatment facility in Huntington Canyon by Genwal prior to mining within the tract would provide replacement water and net benefits to the Castle Valley Special Services District (CVSSD).

Alternative 1 (No Action) was not chosen because it would not have met the purpose and need, and would not have benefited the local economy by sterilizing (bypassing) usable reserves, causing a mine to close.

Alternative 2 was not a viable or selectable alternative in the Mill Fork Tract EA or in the current analysis. Differential subsidence and cracking of the Little Bear Stream channel could cause disruption of the channel and morphological changes where overburden is less than 600 feet. It was included for analysis and comparison purposes only.

Alternative 3 was chosen because it offers adequate environmental protection of National Forest System resources, including Little Bear Creek and the culinary water source in Little Bear Canyon, and provides for the maximum utilization of recoverable coal reserves, and economic benefits to the United States, State of Utah, Emery County, and surrounding communities during the continued life of the mine.

Alternative 4 was not chosen because it excluded Little Bear Canyon from recovery of coal reserves and reconfiguration of the tract boundaries has now been determined not to be necessary to be consistent with Forest Plan direction based on supplemental analyses.

IV. Alternatives Considered

Based on analyses of issues raised during public scoping and by the interdisciplinary team, three action alternatives were developed. Concerns for water resources drove development of specific

alternatives. As a result, the no action alternative and the three action alternatives represent a reasonable range of alternatives. The alternatives are discussed below. A discussion is also provided to explain how each of these alternatives are related to the alternatives addressed in the Mill Fork EA and the associated effects

Alternative 1 - No Action

The No Action Alternative is required by NEPA (40 CFR 1502.14).

The Forest Service would not consent to, and the BLM would not approve leasing the South Crandall Tract as submitted. Subsequently, Alternative 1 would not allow for mining of the tract, and therefore not provide coal reserves for the mine. No mitigation measures or monitoring would be required as part of this alternative other than meeting Forest Plan direction, standards, and guidelines. This alternative is the same as Alternative 4, the previously selected alternative for the Mill Fork Tract. There would be no change relative to the effects analysis presented in the EA under Alternative 4.

Alternative 2 - Offer for Lease with Standard BLM Lease Terms, Conditions and Stipulations (stated on Form 3400-12)

The Forest Service would consent to, and the BLM would offer the tract of 880 acres for competitive bid. The lease would only have the standard BLM terms, conditions and stipulations attached. Forest Service stipulations for protection of non-coal resources would not be included. Under this alternative two seams of full-extraction room-and-pillar mining could occur beneath the upper reaches of Little Bear Canyon. This type of mining as opposed to longwall mining could cause differential subsidence and associated cracking of the ground surface in the drainage channel. This alternative was included for analysis purposes only, as it is not consistent with the Forest Plan. This coincides with Alternative 2 as discussed in the Mill Fork Tract EA.

Alternative 3 - Offer for Lease with Application of Special Coal Lease Stipulations for Protection of Non-Coal Resources

The Forest Service would consent to, and the BLM would approve, offering the tract as submitted for competitive bid. The lease would have the 19 Special Coal Lease Stipulations consistent with Appendix B of the Forest Plan and additional stipulations needed (see Attachment 2) to protect non-coal resources. Subsidence of the stream channel in Little Bear Canyon with less than 600 feet of overburden would not be allowed and only full-support room-and-pillar mining would be allowed under Little Bear Creek as defined by the area with overburden less than 600 feet, unless specific approval is given. This alternative is the same as Alternative 3, as presented in the Mill Fork Tract EA, as modified/ supplemented with new information presented in this DN/FONSI and project file. According to Peng, 1992 (Subsidence Engineering Handbook) and as observed on the Wasatch Plateau (USGS Water Resources Investigation Report 95-4025 and Burnout Canyon Study, 1998) mining induced subsidence in areas with overburden less than 60 times the mine height (600 feet) can result in hydrologic connectivity between surface drainages and the underground mine workings. If hydrologic

connectivity occurs, there could be a loss of surface and subsurface alluvial flow and riparian vegetation in Little Bear Creek.

Alternative 4 - Offer a modified tract for lease with application of Special Coal Lease Stipulations for Protection of Non-Coal Resources

The Forest Service would consent to, and the BLM would offer, a modified tract for leasing including the special coal lease stipulations discussed in Alternative 3. In the Mill Fork Tract EA this alternative (the selected alternative) excluded the 880 acres of the South Crandall Canyon Tract from the lease to protect the integrity of the Little Bear Canyon watershed and spring. Relative to the South Crandall Canyon Tract, this alternative would be the same as Alternative 1, No Action, since it would exclude the 880 acre tract from leasing.

V. Public Participation

Project scoping was initiated on May 29, 2001 and concluded on June 19, 2001. Scoping included publishing notices in the Sun Advocate and Emery County Progress newspapers, and mailing letters to interested parties (in addition to the Public Participation Noted in the Mill Fork Tract EA and DN/FONSI).

Four letters were received in response to project scoping:

- The Sanpete County Commission responded by stating that they support the addition of the 880 acres in the proposed tract for mining.
- Energy West Mining Company responded. They stated that they have become aware that the Forest Service is considering inclusion of a stipulation in the lease, if issued, which would establish a "trigger point" prescribing when the lessee would be required to mitigate any significant loss of flow (if any). They commented that a requirement of this type cannot and should not be made prior to approval of leasing, but must be made during the permitting process under the rules of the Surface Mining Control and Reclamation Act (SMCRA). Energy West did not contest the right of the Forest Service to place this requirement in the form of a lease stipulation, but believes that the placement of a stipulation of this type ahead of the leasing process is premature.

Response: The Forest Service considered requiring a stipulation that would establish a flow loss volume that would trigger replacement by the lessee/operator. However, this type of requirement is no longer needed in the lease. An understanding has been reached among Castle Valley Special Services District, Energy West Mining Co., and Genwal, whereby the companies would provide water replacement capability prior to any mining that could potentially impact Little Bear Spring. The companies have agreed to construct a water treatment facility in Huntington Canyon at an old treatment facility location. This facility would increase water treatment capabilities such that water from Huntington Creek can be treated to provide for the existing and potential future culinary water needs. With this agreement in place, any water loss at the spring due to mining (even though not

expected to occur) would be replaced and would be immediately available upon discovery of any water loss. Currently available data indicate that Castle Valley Special Services captures all or most of the spring flow. However, the creek flow is not captured or diverted. The creek is supported by runoff and baseflow and since the creek will not be subsided, the flow should not be affected.

- The State of Utah, Division of Water Rights stated that Little Bear Spring is a source of municipal water that is used by the cities of the northern part of Emery County. Any excess water adds to the agricultural, industrial, culinary, and stockwatering needs of the residents and water users. Any diminution in flow or quality could have a significant impact to these water users.

Response: The Forest Service is aware of the concerns. Through the analysis it has been determined that there is only a low potential for water at the spring to be effected by mining. Even so, a water replacement plan has been agreed to by CVSSD (Castle Valley Special Services District) and the mining companies that would provide for replacement water in the unlikely event that flow or quality of the spring were affected. Additionally, nearly all water emerging from Little Bear Spring is captured by CVSSD and should the spring be affected by mining, no substantive loss to agriculture, industrial, culinary, or stockwatering needs would occur.

- The U.S. Fish and Wildlife Service (USFWS) stated that effects to raptors, the Utah Northern goshawk, and Colorado cutthroat trout be assessed. They also stated that effects to all listed threatened and endangered species must be assessed.

Response: A Biological Evaluation and a Biological Assessment were prepared for the project and it was determined that effects these species would be negligible. Consultation with the USFWS is therefore not necessary. Consultation regarding application of the coal lease unsuitability criteria was completed in conjunction with the Mill Fork Tract EA.

There are five Management Indicator Species (MIS) that could be found in the South Crandall Canyon Tract: Mule deer, elk, golden eagle, blue grouse, and macroinvertebrates. Of these, all but the blue grouse are discussed in the Mill Fork Tract EA. The FS has determined (Official Project Record, Memorandum re MIS Evaluation, 8/27/02) that leasing the South Crandall Canyon Tract would have no effect on blue grouse. This determination was made after considering that only underground mining and helicopter drilling would take place and no surface facilities would be required on the tract. Additionally, the chances were determined to be extremely small that grouse nests or habitat would be affected by subsidence caused surface cracking and hummocks. Therefore it was determined that there were no issues concerning blue grouse on the South Crandall Canyon Tract.

The EA for the Mill Fork Tract and the Proposed Finding of No Significant Impact (PFONSI) were released on June 5, 1997, with the 30-day comment period ending on July 7, 1997. All parties commenting during scoping received copies of the EA and

PFONSI. The PFONSI identified Alternative 4 as the Forest Service preferred alternative. Eight comments, six written and 2 verbal, were received. A list of commentors and responses to comments are included in Appendix C of the Mill Fork Tract EA.

VI. Finding of No Significant Impact

The need for an EIS is, in part, based on the potential for significant impacts as revealed by an analysis of impacts disclosed in an environmental assessment (EA). If significant impacts are not disclosed in the EA, then the EA is sufficient documentation upon which to base a finding of no significant impact and decision. Based on the following discussion and the direct, indirect, and cumulative effects disclosed in the EA, a finding regarding "significance" was made. Implementation of Alternative 3 was determined not to be a major Federal action that would significantly affect the quality of the human environment; therefore, an Environmental Impact Statement is not needed. This determination was made based on the following considerations:

Significance, as used in NEPA, defines and requires consideration of both context and intensity. Context means the significance of the action must be analyzed in several contexts such as the affected region, interests, and locality. Intensity refers to the severity of the impacts disclosed in the analysis.

Context:

Coal mining and related activities have been intensive and common on the Wasatch Plateau since the late 1800's; county and city governments, and local residents are accustomed to these activities and their environmental, social, and economic effects. The potential environmental effects to affected surface resources are local in scope, that is, the effects are limited to the Huntington drainage. Social and economic effects are also local in scope, primarily involving Carbon, Emery, and Sanpete counties. Some indirect economic effects may be distributed elsewhere as a function of sale and transport of the coal, or generated electrical power.

Individual coal leases have ranged in size from 40 to 9,905 acres. The South Crandall Canyon Tract, as delineated is 880 acres, making it a small lease tract. Additionally, this lease would not involve any new or unusual developments; it merely provides additional reserves for an existing mine, extending its life.

This decision is local in effect; all underground, no new surface disturbance, no subsidence under Little Bear Spring or Little Bear Creek, short-term compared to the 100 plus year history of contemporary human activities in the area, and will not negatively effect city and county governments. Therefore, in context, this decision is not significant.

Intensity:

Intensity is evaluated by comparing and contrasting the following ten criteria (**in bold**) from 40 CFR 1508.27 with the issues and effects disclosed in the EA and project file.

1. "Impacts that may be both beneficial and adverse. A significant effect may exist even if the Federal agency believes that on balance the effect will be beneficial".

The action will create a beneficial impact by maintaining the production of coal from the Crandall Canyon Mine that provides jobs and economic health to local communities. Under the selected alternative, there will be no significant impacts to non-mineral resources. Neither the beneficial or negative impacts are extraordinary. The impacts and benefits are typical and reasonable for underground coal mining activity on the Wasatch Plateau. Under the selected alternative no effects to Little Bear Spring are expected. In the unlikely event that flow or quality of water at the spring is affected, there is an agreement in place between the CVSSD and operator to replace water. Before mining occurs, a water treatment plant will be constructed in Huntington Canyon to treat water in Huntington Canyon and make it available for culinary uses. Replacement water treatment capacity would be available prior to mining and any potential effect to the spring. If no effects occur, as anticipated, or if there is only a partial loss of water at the spring, there would be a net benefit to the water users. Since all water that issues from the spring is currently and will continue to be captured in the water system for culinary use, there would be no loss of water to the Little Bear Canyon ecosystem. The ecosystem is currently supported by flow in the stream that emerges to the canyon above the spring. Since no subsidence would be allowed in the stream channel, and no effects to up-canyon springs are anticipated, there are no anticipated adverse effects to the Little Bear Canyon riparian ecosystem.

2. "The degree to which the proposed action affects public health or safety".

Noted concerns for public health and safety included potential adverse impacts to the culinary water source at Little Bear spring, and safety of Forest users. Under the selected alternative, there would be negligible risk of effects to public health and safety. Some rocks along the small limited outcrops of the Castlegate Sandstone above Little Bear Canyon could be dislodged by subsidence, but safety risks would be negligible due to the slope and remoteness of the canyon. The analysis indicates only negligible hazard to Forest users would result from mining the tract.

3. "Unique characteristics of the geographic area such as proximity to historical or cultural resources, park lands, or prime farmlands, wetlands, wild and scenic rivers, or ecologically critical areas".

No significant historical or cultural resources will be affected (Mill Fork Tract EA page IV-9 and 10). The entire Forest, including the Mill Fork Coal Lease tract, does not contain prime farmland, rangeland and forestlands (Forest Plan page II-57). Nor does the site contain any areas eligible or designated wild or scenic rivers, or ecologically critical areas. Small pothole-type wetlands associated with springs (Mill Fork Tract EA, page III-8) occur throughout the lease tract. These springs occur predominately at the higher elevations in the Price River and North Horn Formations where greater than 600 feet of overburden exists above the coal. Surface disturbances from subsidence are buffered in the North Horn Formation because its typically clayey soils have high self-healing capabilities (Mill Fork Tract EA, page III-4).

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

Information received during scoping and the predecisional review period for the Mill Fork EA indicated concern for the impacts to water resources due to mining, most notably for the effects to the culinary water source at Little Bear Spring and the catchment area above Rilda Canyon springs. Several hydrologic studies have been performed since 1977 to investigate the recharge source for Little Bear Spring (Project File). These studies have agreed that the spring flow is supported by a fault/fracture system. Since Little Bear Spring lies more than 300 feet below the level of the mineable coal seams and past mining encountered the fault/fracture system without significant inflow of water, there is general consensus among the CVSSD, mine operators, scientific community, and the regulatory agencies that adverse effects to the spring are unlikely. There was no other controversy identified among resource professionals addressing the anticipated direct, indirect, or cumulative effects, or the effectiveness of the proposed mitigation measures designed to address the resource issues.

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

Coal mining has been a common and important element of the local economy and culture since the late 1800s. The impacts of underground coal mining on the Forest have been observed and monitored for many years, and the possible effects and risks are well understood. Enhanced understanding of the local ecosystems and selection of the alternative to maximize and protect the environment ensures that the human environment will not be effected by unique or unknown risks. While the flow mechanisms conveying water to Little Bear Spring are not completely understood, additional hydrologic studies performed since the Mill Fork EA was written have indicated that adverse impacts to the spring are not expected due to the vertical separation between the coal seams and flow.

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 Forest Plan designated the area available for further consideration for coal leasing, and made findings relative to unsuitability criteria. Leasing of specific tracts is authorized on a case-by-case basis, and environmental analyses are completed based on site-specific information. Coal leasing has been conducted in this area since 1920; therefore leasing this tract is not precedent setting. This action will not influence future considerations of coal leasing.

7. "Whether the action is related to other actions with individually insignificant but cumulatively significant impacts. Significance exists if it is reasonable to anticipate a cumulatively significant impact on the environment. Significance cannot be avoided by terming an action temporary or by breaking it down into small component parts".

This action, connected actions, and past, present and reasonably foreseeable future actions were determined not to be cumulatively significant (Mill Fork EA IV-17 to 26). The EA addressed the cumulative effects of the existing mining operation (Chapter I. E. History, Background, and

Potential Mining Scenarios, pg. I-5), other resource activities proposed in the vicinity of the project area (Chapter I. F. Other Activities Affecting Cumulative Impacts, pg. I-6; Tables IV-A, B, C, pg. IV-21 through IV-26), and mining of the new tract under each alternative (Chapter I. E. History, Background, and Potential Mining Scenarios, pg. I-5; Appendix B, Reasonably Foreseeable Development Scenario). Effects of mining the new tract for each alternative were based on a Reasonably Foreseeable Development Scenario presented as Appendix B (conceptual mine plan) that included underground mining and reasonably foreseeable surface disturbance. A surface coal development drill plan was also forecast (Chapter I. F. Other Activities Affecting Cumulative Impacts, pg. I-6). The discussions of impacts in Chapter 4 consider all activities. The expected effects are consistent within the limits analyzed in the Forest Plan FEIS. Under the selected alternative, there will be minimal impacts on resources that will not lead to cumulatively significant impacts.

8. "The degree to which the action may adversely affect districts, sites, highways, structures, or 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 historic resources".

No known objects on or adjacent to the lease tract are listed or are eligible for the National Register of Historic Places (Mill Fork Tract EA, page III-23). No significant heritage resources will be affected by the action (Mill Fork Tract EA page III-23; Project File). A Forest Service coal lease stipulation provides a measure to protect heritage resources in case they are unexpectedly encountered.

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".

The Biological Evaluation/Biological Assessment completed for this project and it was determined that there would be negligible effects. The US Fish and Wildlife Service was consulted on application of unsuitability criteria, to which they concurred with the Forest Service finding (EA page IV-8; Project File). Additionally, they concurred with the Forest Service determination in their July 16th response.

A survey was performed for the spotted bat (USDA-FS Sensitive Species) and Townsend's big eared bat. Townsend's big eared bat was not found in the proposed lease area. Spotted bats were reported throughout the eastern (lower elevation) portions of the proposed lease area but not in any of the higher elevation sites sampled. Spotted bats were observed to be common enough throughout the proposed lease area that current mining practices are not believed to pose a serious threat to the sustainability of viable populations of the spotted bat.

10. "Whether the action threatens a violation of Federal, State, or local law or requirements imposed for the protection of the environment".

The analysis did not identify any adverse effects that threaten a violation of Federal or State laws designed to protect the environment.

VII. Irreversible and Irretrievable Commitments of Resources

Coal is not a renewable resource. Mining will be an irreversible commitment of the coal itself and other energy resources used in the mining process. Approximately 6,000,000 tons of coal reserves would be left in the ground if the lease were not approved. Under the current economic environment and mining technologies, benefits from these reserves would be irretrievably lost by excluding the Little Bear Canyon watershed from the lease offering and subsequent mining. Once the mine is shut down and reclaimed, it would not be economically feasible to re-open the mine at some future date for 880 acres of relatively thin coal.

Changes in elevation due to subsidence would be irreversible.

VIII. Findings Required by other Laws and Regulations

This analysis tiers to the Forest-wide direction and management area goals and standards of the Forest Plan and incorporates by reference the analysis disclosed in the FEIS and Record of Decision (1986), as amended.

The South Crandall Canyon Tract area encompasses MWS (Municipal Water Supply), RPN (Riparian), and RNG (Range) Forest Plan Management Units.

MWS Management Unit Direction (Forest Plan Page III-74)

Management emphasis is on producing water for municipal uses. Some limited land uses or activities that do not degrade the water quality or disrupt the watershed or source areas may occur.

Mineral leasing is allowed where it has been determined that stipulated methods of mining will not affect the watershed values to any significant degree (Forest Plan, page III-76). It has been determined through the analysis documented in this DN/FONSI that there would be no significant effects to Little Bear Spring that is designated as a municipal water supply.

RPN Management Unit Direction (Forest Plan, Page III-69)

RPN Management Units are not mapped in the Forest Plan, however the Little Bear Canyon drainage contains riparian vegetation and is considered to be an RPN Management Unit. Management emphasis is on management of riparian areas, and all component ecosystems. Components include the aquatic (including fish) ecosystem, the riparian (characterized by

distinct vegetation), and adjacent ecosystems that remain within approximately 100 feet measured horizontally from the edge of all perennial streams and springs, and from the shores of lakes and other still water bodies, i.e., from seeps, bogs, and wet meadows.

Management direction for minerals is to avoid and mitigate detrimental disturbance to the riparian area by mineral activities. Initiate timely and effective rehabilitation of disturbed sites (Forest Plan, Page III-72). The decision would not result in detrimental disturbance to this riparian area.

RNG Management Unit Direction

Management emphasis for RNG Management Units is on production of forage and cover for domestic livestock and wildlife. For mineral activities mitigations must be provided to ensure continued livestock access and use. Those authorized to conduct developments will be required to replace losses through appropriate mitigations, where a site-specific development adversely affects long-term production of management (Forest Plan, page III-66). The decision provides for mitigations consistent with this direction.

Findings Required by Other Laws and Regulations

Environmental Justice: Based on experience with similar projects on the Ferron-Price Ranger District, it is believed that this project would not have any disparate impacts on individual groups of peoples or communities. Implementation of this project will produce no adverse effects on minorities, low-income individuals, Native Americans or women. No civil liberties will be affected.

The majority of the proposed coal lease tract is within the East Mountain Inventoried Roadless Area. However, no roads, surface facilities or portals would be constructed.

The unsuitability criteria for coal mining contained in Federal Regulations 43 CFR 3461 were addressed in the Forest Plan, Forest Plan FEIS, and the Mill Fork Tract EA. No areas within the proposed tract were determined to be unsuitable for mining based on the criteria.

The potential adverse effects of the proposal are effectively mitigated by the included special lease stipulations and implementation of the SMCRA Regulations (30 CFR 700 to End) and State of Utah Federal Coal Mining and Reclamation Regulatory Program.

The leasing action and anticipated lease development will have no affect to known paleontological resources, floodplains, prime or unique rangelands, farmlands, or timberlands, or alluvial valley floors.

Compliance with the terms and conditions of the lease and other administrative actions associated with the lease, in accordance with Federal Regulations 43 CFR 3400, are the responsibility of the Bureau of Land Management. The review, approval, and enforcement of mining operations within the lease are the responsibility of the Department of Interior, Office of Surface Mining Reclamation and Enforcement under Federal Regulations 30 CFR 700 to End.

As required under the Federal Coal Leasing Amendments Act of 1975 and the above regulations, future actions related to the lease that could affect surface resources require consultation and consent of the Forest Service.

The decision is consistent with the National Forest Management Act requirements as expressed in 36 CFR 219.27. The decision complies with the Endangered Species Act of 1973 (Mill Fork Tract EA, page IV-8; Project File) and Section 106 of the National Historic Preservation Act of 1966 (Mill Fork Tract EA, page IV-9, Project File).

Issues of consumers, civil rights, minority groups and women are not within the scope of the decision.

IX. Implementation Date

If no appeals of this decision are filed, implementation of the decision may occur on, but not before, 5 business days from the close of the appeal filing period.

X. Administrative Review or Appeal Opportunities

The following paragraphs describe opportunities to appeal the BLM decisions: The BLM decision is subject to appeal in part or full, to the Board of Land Appeals, Office of the Secretary, in accordance with the regulation at 43 CFR Part 4 and the enclosed Form 1842-1. If an appeal is taken, your notice of appeal must be filed in this office (at the above address) within 30 calendar days following the expiration of the compliance period. The appellant has the burden of showing that the decision appealed from is in error.

If you wish to file a petition (request) pursuant to regulation 43 CFR 4.21 (59 FR 4939, January 19, 1993) for a stay (suspension) of the effectiveness of this decision during the time that your appeal is being reviewed by the Board, the petition for a stay must accompany your notice of appeal. A petition for a stay is required to show sufficient justification based on the standards listed below. Copies of the notice of appeal and the petition for a stay must also be submitted to the Office of the Solicitor (see 43 CFR 4.413) at the same time the original documents are filed with this office. If you request a stay, you have the burden of proof to demonstrate that a stay should be granted.

Standards for Obtaining a Stay

Except as otherwise provided by law or other pertinent regulation, a petition for a stay of a Decision pending appeal shall show sufficient justification based on the following standards;

- (1) The relative harm to the parties if a stay is granted or denied;
- (2) The likelihood of the appellant's success on the merit;

- (3) The likelihood of the immediate and irreparable harm if the stay is not granted, and;
- (4) Whether the public interest favors granting the stay.

The following paragraphs describe appeal rights under each regulation for decisions by Forest Supervisors or District Rangers published in legal notices or included in decision documents:

36 CFR 215:

Legal Notice published for a Forest Supervisor or District Ranger decision:

This decision is subject to appeal pursuant to Forest Service regulations at 36 CFR 215.7. Any written appeal must be postmarked or received by the Appeal Deciding Officer within 45 days of the publication of this notice in The Sun Advocate, Price Utah. The Appeal Deciding Officer is: Regional Forester, Intermountain Region 324 25th Street, Ogden, UT 84401. Appeals must meet the content requirements of 36 CFR 215.14.

36 CFR 251:

Decision signed by a Forest Supervisor:

This decision is subject to appeal pursuant to 36 CFR 251.82. Notice of appeal must be postmarked or received by the Appeal Reviewing Officer within 45 days of the date of this decision. A notice of appeal, including the reasons for appeal, must be filed with the Regional Forester, Intermountain Region, Federal Building, 324 25th Street, Ogden, UT 84401. A copy of the notice of appeal must be filed simultaneously with Elaine Zieroth, Forest Supervisor, Manti-La Sal National Forest, 599 West Price River Drive, Price, Utah 84501. Appeals must meet the content requirements of 36 CFR 251.90.

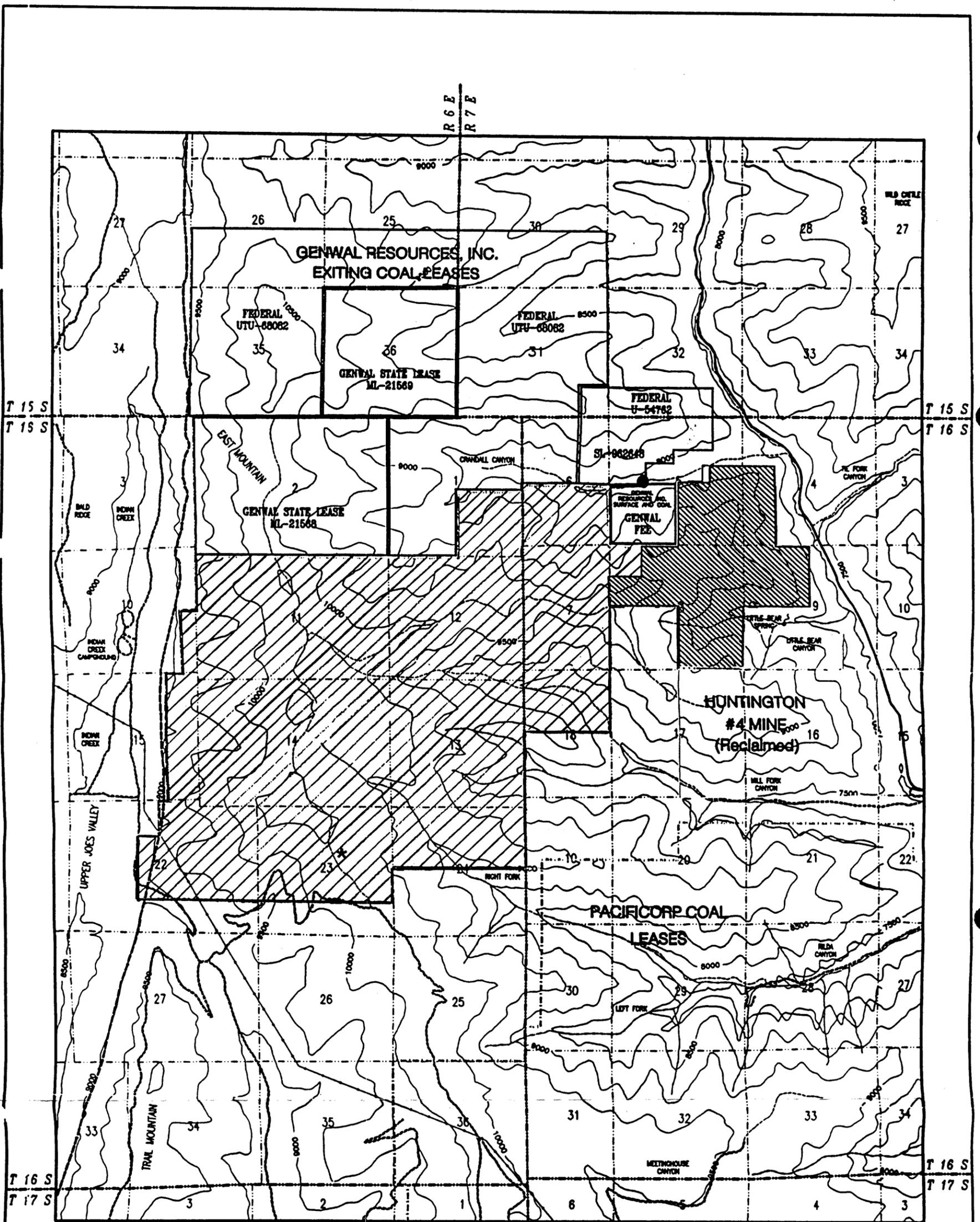
XI. Contact Person

This decision notice, FONSI, and EA are available for review at the Forest Service office in Price and the BLM, Utah State Office, in Salt Lake City, Utah. Any persons with questions related to this decision or project may contact Karl Boyer or Carter Reed at the Manti-La Sal National Forest, 599 W. Price River Drive, Price, UT 84501, 435-637-2817 or James Kohler at the Bureau of Land Management, State Office, 324 South State Street, Salt Lake City, Utah, 801-539-4037.

Approved by: Sally Wisely Date: 2/13/03
SALLY WISELY, Utah State Director
Bureau of Land Management

Approved by: Elaine J. Zieroth Date: 02/12/03
ELAINE ZIEROTH, Forest Supervisor
USDA Forest Service, Manti-La Sal National Forest

**ATTACHMENT 1
PROJECT MAP**



General Location Map
Attachment 1



1000' 0' 2000' 4000'

SOUTH CRANDALL TRACT
UTU-78953



Crandall Canyon Mine Portals

**SOUTH CRANDALL CANYON
COAL LEASE TRACT**

PROPOSED ACTION

STATE COAL LEASE TRACT ML 48258
BURLINGTON RESOURCES GAS WELL
LITTLE BEAR SPRING
JOES VALLEY FAULT



**MANTI-LA SAL
NATIONAL FOREST**

ATTACHMENT 2
SPECIAL COAL LEASE STIPULATIONS

Federal Regulations 43 CFR 3400 pertaining to Coal Management make provisions for the Surface Management Agency, the surface of which is under the jurisdiction of any Federal agency other than the Department of Interior, to consent to leasing and to prescribe conditions to insure the use and protection of the lands. All or part of this lease contain lands the surface of which are managed by the United States Department of Agriculture, Forest Service, Manti-La Sal National Forest.

The following stipulations pertain to the Lessee responsibility for mining operations on the lease area and on adjacent areas as may be specifically designated on National Forest System lands.

Stipulation #1

Before undertaking activities that may disturb the surface of previously undisturbed leased lands, the Lessee may be required to conduct a cultural resource inventory and a paleontological appraisal of the areas to be disturbed. These studies shall be conducted by qualified professional cultural resource specialists or qualified paleontologists, as appropriate, and a report prepared itemizing the findings. A plan will then be submitted making recommendations for the protection of, or measures to be taken to mitigate impacts for identified cultural or paleontological resources.

If cultural resources or paleontological remains (fossils) of significant scientific interest are discovered during operations under this lease, the Lessee prior to disturbance shall immediately bring them to the attention of the appropriate authority. Paleontological remains of significant scientific interest do not include leaves, ferns or dinosaur tracks commonly encountered during underground mining operations.

The cost of conducting the inventory, preparing reports, and carrying out mitigating measures shall be borne by the Lessee.

Stipulation #2

If there is reason to believe that Threatened or Endangered (T&E) species of plants or animals, or migratory bird species of high Federal interest occur in the area, the Lessee shall be required to conduct an intensive field inventory of the area to be disturbed and/or impacted. The inventory shall be conducted by a qualified specialist and a report of findings will be prepared. A plan will be prepared making recommendations for the protection of these species or action necessary to mitigate the disturbance.

The cost of conducting the inventory, preparing reports and carrying out mitigating measures shall be borne by the Lessee.

Stipulation #3

The Lessee shall be required to perform a study to secure adequate baseline data to

quantify the existing surface resources on and adjacent to the lease area. Existing data may be used if such data are adequate for the intended purposes. The study shall be adequate to locate, quantify, and demonstrate the interrelationship of the geology, topography, surface and ground water hydrology, vegetation and wildlife. Baseline data will be established so that future programs of observation can be incorporated at regular intervals for comparison.

Stipulation #4

Powerlines used in conjunction with the mining of coal from this lease shall be constructed so as to provide adequate protection for raptors and other large birds. When feasible, powerlines will be located at least 100 yards from public roads.

Stipulation #5

The limited area available for mine facilities at the coal outcrop, steep topography, adverse winter weather, and physical limitations on the size and design of access roads, are factors which will determine the ultimate size of the surface area utilized for the mine. A site-specific environmental analysis will be prepared for each new mine site development and for major improvements to existing developments to examine alternatives and mitigate conflicts.

Stipulation #6

Consideration will be given to site selection to reduce adverse visual impacts. Where alternative sites are available, and each alternative is technically feasible, the alternative involving the least damage to the scenery and other resources shall be selected. Permanent structures and facilities will be designed, and screening techniques employed to reduce visual impacts and, where possible, achieve a final landscape compatible with the natural surroundings. The creation of unusual, objectionable, or unnatural landforms and vegetative landscape features will be avoided.

Stipulation #7

The Lessee shall be required to establish a monitoring system to locate, measure and quantify the progressive and final effects of underground mining activities on the topographic surface, underground and surface hydrology and vegetation. The monitoring system shall utilize techniques which will provide a continuing record of change over time and an analytical method for location and measurement of a number of points over the lease area. The monitoring shall incorporate and be an extension of the baseline data.

Stipulation #8

The Lessee shall provide for the suppression and control of fugitive dust on haul roads and at coal handling and storage facilities. On Forest Service Roads (FSR), Lessees may perform their share of road maintenance by a commensurate share agreement if a significant degree of traffic is generated that is not related to their activities.

Stipulation #9

Except at locations specifically approved by the Authorized Officer, with concurrence of the surface management agency, underground mining operations shall be conducted in

such a manner so as to prevent surface subsidence that would: (1) cause the creation of hazardous conditions such as potential escarpment failure and landslides, (2) cause damage to existing surface structures, and (3) damage or alter the flow of perennial streams. The Lessee shall provide specific measures for the protection of escarpments, and determine corrective measures to assure that hazardous conditions are not created, and perennial streams are not damaged.

Mining must be conducted in a manner necessary to prevent subsidence in the Little Bear Canyon area of the lease with overburden less than 600 feet, unless it can be demonstrated to the satisfaction of the Authorized Officer, with concurrence of the surface management agency, that the effects of subsidence to Little Bear Creek and the associated ecosystem would be negligible. This requirement shall apply to each seam mined.

Stipulation #10

In order to avoid surface disturbance on steep canyon slopes and to preclude the need for surface access, all surface breakouts for ventilation tunnels shall be constructed from inside the mine, except at specific approved locations.

Stipulation #11

If removal of timber is required for clearing of construction sites, etc., such timber shall be removed in accordance with the regulations of the surface management agency.

Stipulation #12

The coal contained within, and authorized for mining under this lease shall be extracted only by underground mining methods.

Stipulation #13

Existing Forest Service owned or permitted surface improvements will need to be protected, restored, or replaced to provide for the continuance of current land uses.

Stipulation #14

In order to protect big-game wintering areas, elk calving and deer fawning areas, sagegrouse strutting areas, and other key wildlife habitat and/or activities, specific surface uses outside the mine development area may be curtailed during specified periods of the year.

Stipulation #15

Support facilities, structures, equipment, and similar developments will be removed from the lease area within two years after the final termination of use of such facilities. This provision shall apply unless the requirement of Section 10 of the lease form is applicable. Disturbed areas and those areas previously occupied by such facilities will be stabilized and rehabilitated, drainages re-established, and the areas returned to a premining land use.

Stipulation #16

The Lessee, at the conclusion of the mining operation, or at other times as surface disturbance related to mining may occur, will replace all damaged, disturbed or displaced corner monuments (section corners, 1/4 corners, etc.), their accessories and appendages (witness trees, bearing trees, etc.), or restore them to their original condition and location, or at other locations that meet the requirements of the rectangular surveying system. This work shall be conducted at the expense of the Lessee, by a professional land surveyor registered in the State of Utah, and to the standards and guidelines found in the Manual of Surveying Instructions, United States Department of the Interior.

Stipulation #17

The Lessee, at their expense, will be responsible to replace surface and/or developed groundwater sources identified for protection that may be lost or adversely affected by mining operations, with water from an alternative source in sufficient quantity, flow rate, and quality to maintain existing riparian habitat, fishery habitat, livestock and wildlife use, and other land uses (authorized by 36 CFR 251).

In order to adequately protect flow from Little Bear Spring, the Lessee must enter into a written agreement with the Castle Valley Special Services District (CVSSD) to assure an uninterrupted supply of culinary water equivalent to historical flows from the spring. The agreement must be in place prior to mining.

If the provisions of the agreement are not implemented and/or a replacement water source immediately available, before the Lessee begins mining in the areas described below, they must submit a plan to the Authorized Officer to identify measures to be taken by the Lessee to ensure that potential water sources for Little Bear Spring are not impacted by mining. If necessary, this additional plan will be required for mining in areas described as:

- Mill Fork Graben - Area within 1,000 feet of the southeast corner of the lease in Section 8 (corner of Sections 8, 9, 17, and 16 in T, 16 S., R. 7 E., SLM).
- North of Little Bear Spring (possible water-bearing fracture system) - Area within 1,000 feet of the southern boundary of the lease in Section 9, T. 16 S., R. 7 E., SLM).

Stipulation #18

STIPULATION FOR LANDS OF THE NATIONAL FOREST SYSTEM
UNDER JURISDICTION OF
THE DEPARTMENT OF AGRICULTURE

The licensee/permittee/lessee must comply with all the rules and regulations of the Secretary of Agriculture set forth at Title 36, Chapter II, of the Code of Federal Regulations governing the use and management of the National Forest System (NFS) when not inconsistent with the rights granted by the Secretary of the Interior in the license/permit/lease. The Secretary of Agriculture's rules and regulations must be complied with for (1) all use and occupancy of the NFS prior to approval of a permit/operation plan by the Secretary of Interior, (2) uses of all existing improvements, such as Forest Development Roads, within and outside the area licensed, permitted or leased by the Secretary of Interior, and (3) use and occupancy of the NFS not authorized by a permit/operating plan approved by the Secretary of the Interior.

All matters related to this stipulation are to be addressed to:

Forest Supervisor
Manti-La Sal National Forest
599 West Price River Drive
Price, Utah 84501

Telephone Number: 801-637-2817

who is the authorized representative of the Secretary of Agriculture

Signature
Licensee/Permittee/Lessee

Stipulation #19

ABANDONMENT OF EQUIPMENT:

The lessee/operator is responsible for compliance and reporting regarding toxic and hazardous material and substances under Federal Law and all associated amendments and regulations for the handling of such materials on the land surface and in underground mine workings.

The lessee/operator must remove mine equipment and materials not needed for continued operations, roof support and mine safety from underground workings prior to abandonment of mine sections. Exceptions can be approved by the Authorized Officer (BLM) in consultation with the surface management agency. Any on-site disposal of non-coal waste must comply with 30CFR § 817.89 and must be approved by the regulatory authority responsible for the enforcement of the Surface Mining Control and Reclamation Act (30 U.S.C. 1201, et seq.). Creation of a situation that would prevent removal of such material and equipment by retreat or abandonment of mine sections, without prior authorization would be considered noncompliance with lease terms and

conditions and subject to appropriate penalties under the lease.

All safe and accessible areas shall be inspected prior to being sealed. The lessee shall notify the Authorized Officer in writing 30 days prior to the sealing of any areas in the mine and state the reason for closure. Prior to seals being put into place, the lessee shall inspect the area and certify through documentation any equipment/machinery, hazardous substances, and used oil that is intended to be left underground. The Authorized Officer may participate in this inspection. The purpose of this inspection will be: (1) to provide documentation for compliance with 42 U.S.C. 9620 section 120 (h) and State Management Rule R-315-15, and to assure that certification will be meaningful at the time of lease relinquishment, (2) to document the inspection with a mine map showing location of equipment/machinery (model, type of fluid, amount remaining, batteries, etc.) that is proposed to be left underground. In addition, these items will be photographed at the lessee's expense and shall be submitted to the Authorized Officer as part of the certification.

WASTE CERTIFICATION:

The lessee shall provide on a yearly basis and prior to lease relinquishment, certification to the lessor that, based upon a complete search of all the operator's records for the mine and upon their knowledge of past operations, there has been no hazardous substances defined as per (40 CFR 302.4) or used oil as per Utah State Management Rule R-315-15, deposited within the lease, either on the surface or underground, or that all remedial action necessary has been taken to protect human health and the environment with respect to any such substances remaining on the property. The back-up documentation to be provided shall be described by the lessor prior to the first certification and shall include all documentation applicable to the Emergency Planning and Community Right-to-know Act (EPCRA, Public Law 99-499), Title III of the Superfund Amendments and Reauthorization Act of 1986 or equivalent.