



United States
Department of
Agriculture

Forest
Service

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Dear Interested Party,

The Grand Mesa-Uncompahgre-Gunnison National Forest (GMUG) is inviting public comments on proposals from Bowie Resources, L.L.C., Mountain Coal Company, L.L.C. / Ark Land Company, and Oxbow Mining, L.L.C. regarding exploration drilling on separate coal exploration licenses near Paonia, Colorado.

The GMUG will be conducting analyses in accordance with the National Environmental Policy Act (NEPA) to consider surface and cumulative impacts from the following exploration drilling activities. The specific actions currently being considered are detailed below and shown on attached maps.

Bowie Resources, L.L.C.: Spruce Stomp Coal Exploration License (COC-67644) and Exploration Plan

The Spruce Stomp Coal Exploration License area, approximately 3830.66 acres, lies within portions of T. 12 S., R. 91 & 92 W., 6th P.M. in Delta County, Colorado on the Gunnison National Forest. The proposed exploration area is located approximately eight miles north of Paonia, CO. The moderately rugged terrain of the exploration plan area consists primarily of the East and West Forks of the Terror Creek drainages and the ridges that separate them. Terror Creek reservoir lies northeast of the exploration license area. The Spruce Stomp Exploration License Area is located along the north side of the present Bowie #1 and Bowie # 2 Lease holdings with Stephens Gulch Road passing diagonally through the center of the area. The proposed exploration drilling will evaluate the reserves and quality of coal seams in the lower part of the Williams Fork Formation member of the Upper Cretaceous Mesa Verde Group. This program is in direct support of ongoing mining operations at Bowie and is an integral part of continued operation of the mine.

Bowie Resources, L.L.C. proposes eleven drill sites within the exploration area, *Exploration Drill Holes PRP-SS-2, PRP-SS-3, PRP-SS-4, PRP-SS-5, PRP-SS-8, PRP-SS-9, PRP-SS-10, PRP-SS-11, PRP-SS-12, PRP-SS-13, and PRP-SS-15*. Access for drilling the coal exploration holes is proposed using a combination of existing forest roads and new temporary access roads. This proposal includes reconditioning approximately 6.4 miles of existing roads and construction of approximately 1.0 mile of temporary roads. Reconditioning of an existing road means to improve the road's traveled way surface and drainage to afford drill rig access.



A temporary road is one that is not intended to be part of the forest transportation system and not necessary for long-term resource management. All temporary roads would be obliterated and reclaimed when no longer needed. Drill hole abandonment, and reclamation of pads and temporary roads will commence as soon as practicable following completion of each drill hole.

We believe at this time that an environmental assessment is the appropriate and required level of documentation of the environmental analysis for this proposed action (i.e., exploration as proposed by Bowie Resources, L.L.C.). This is based on consideration of the proposal in the context factors described in Forest Service Handbook 1909.15 for making this determination. We will review this determination following public scoping.

Exploration Drill Hole PRP-SS-2 will be accessed from existing classified National Forest Service Road 701.1A (NFSR 701.1A). The pad would be constructed on the north side of NFSR 701.1A in an existing staging area.

Exploration Drill Hole PRP-SS-3 will be accessed by a new temporary road 0.11 miles in length and 14' wide, south from existing classified National Forest Service Road 701 (NFSR 701), Stevens Gulch Road.

Exploration Drill Hole PRP-SS-4 will be accessed by a new temporary road 0.36 miles in length and 14' wide, south from existing classified National Forest Service Road 701 (NFSR 701), Stevens Gulch Road. Oak brush will be left on both sides of the road to provide a view shed buffer.

Exploration Drill Hole PRP-SS-5 will be accessed by a new temporary road 0.02 miles in length and 14' wide, from existing non-system road U803. The pad would be constructed on the west side of U803 in an open area.

Exploration Drill Hole PRP-SS-8 will be accessed by a new temporary road 0.15 miles in length and 14' wide, from existing non-system road U803. The pad would be constructed east of U803 in an open area. The pad will be cleared with a minimum amount of topsoil disturbance to aid in reclamation. Oak brush will be left on sides of the road to provide a view shed buffer.

Exploration Drill Hole PRP-SS-9 will be accessed by a new temporary road crossing private land with 0.15 miles on National Forest administered land. The access road begins from a private road and travels up the east side of the ridge toward National Forest administered land.

Exploration Drill Hole PRP-SS-10 will be accessed from existing non-system road U803. The pad would be constructed on the west side of U803.

Exploration Drill Hole PRP-SS-11 will be accessed from existing classified National Forest Service Road 824 (NFSR 824). The pad would be constructed on the west side of NFSR 824.

Exploration Drill Hole PRP-SS-12 will be accessed by a new temporary road 0.01 miles in length and 14' wide, from existing classified National Forest Service Road 824 (NFSR 824). The pad would be constructed on the east side of NFSR 824.

Exploration Drill Hole PRP-SS-13 will be accessed by a new temporary road 50' in length and 14' wide, from existing classified National Forest Service Roads 703 (NFSR 703) and 703.2B (NFSR 703.2B). The pad would be constructed on the curve of NFSR 703.2B. A zone of trees will be left to provide a view shed buffer.

Exploration Drill Hole PRP-SS-15 will be accessed by a new temporary road 0.20 miles in length and 14' wide, east from existing classified National Forest Service Road 703.2B (NFSR 703.2B). Oak brush will be left on both sides of the road to provide a view shed buffer.

Construction of each pad will proceed in a similar manner, with reclamation in mind, by clearing brush carefully, and disturbing a minimum amount of topsoil to aid in reclamation. Drill pad sizes will vary from a maximum of 200'X200' to a minimum of 75'X150'. Average pad size will be approximately 100'X100'.

Water will be delivered to each drill site via one (1.0) inch high-pressure hose laid alongside the access road and/or with a four thousand gallon (4,000) water truck. Three pump locations will be used. Self-contained pumps will sit in a sheet metal trough capable of containing full volume of both the engine oil and fuel supply in case of a leak.

Total surface disturbance for drill pad and temporary road construction is 6.35 acres in the Spruce Stomp CEL. Drilling is planned to span two, nominal four-month long, field seasons commencing on June 1, 2005 and completing approximately November 1, 2006. Once a hole has been started, drilling will be continuous, twenty-four (24) hours per day seven (7) days per week. Periodic five to six day work breaks will be taken every fifteen days (approximately) during each field season.

Oxbow Mining, L.L.C. (OMLLC): NE Elk Creek Coal Exploration License (COC-67643) and Exploration Plan

The NE Elk Creek Coal Exploration License area, approximately 2016.42 acres, lies within portions of T. 12 S., R. 90 W., 6th P.M. in Gunnison County, Colorado on the Gunnison National Forest. The proposed exploration area includes portions of the Elk Creek, Sanborn Creek, and Hawksnest drainages located north of the North Fork of the Gunnison River, east of OMLLC's Elk Creek Coal lease (COC-61357) and north of the Southeast Elk Creek Exploration License Area (COC-67112). Exploration of this area is needed to provide data on the potential D-seam reserves. The geology and coal character are anticipated to be similar to the Elk Creek Federal Coal Lease (COC-61357) located to the west of this exploration license area and the reserves of the former Sanborn Creek Mine which is located to the southeast.

Oxbow Mining, L.L.C. (OMLLC) proposes four drill sites within the exploration area, ***Exploration Drill Holes ECM-06-30, ECM-05-28, ECM-05-24, and ECM-06-32.***

Access for drilling the coal exploration holes is proposed using a combination of existing forest trails and new temporary access roads.

This proposal includes temporary road construction on approximately 0.17 miles of existing trail and construction of approximately 0.89 miles of new temporary roads. A temporary road is one that is not intended to be part of the forest transportation system and not necessary for long-term resource management. Most existing road alignments will not require modification, but required road maintenance may include grading the road to provide a smooth operating surface, clean-out and repair of any existing drainage ditches and application of temporary drainage control measures such as berms, straw bales, silt fences, and gravel surfacing, as necessary. Following the conclusion of drilling activities, the temporary roads will be obliterated by grading to approximate original contour. Obliteration of the temporary roads will also include replacing removed boulders, seeding, and placing tree and brush materials across the recontoured areas.

We believe at this time that an environmental assessment is the appropriate and required level of documentation of the environmental analysis for this proposed action (i.e., exploration as proposed by Oxbow Mining, L.L.C.). This is based on consideration of the proposal in the context factors described in Forest Service Handbook 1909.15 for making this determination. We will review this determination following public scoping.

Exploration Drill Holes ECM-05-24, ECM-05-28 and ECM-06-30 will be accessed from the south by first crossing OMLLC fee lands, and public lands managed by the Bureau of Land Management. Approximately 900 feet of road construction is proposed on National Forest Service Trail 806 (NFST 806) to access the location of the new temporary constructed road. Approximately 4,700 feet of new temporary road will be constructed to access these three sites. NFST 806 will be placed back into its approximate original condition, with water bars replaced and the trail reseeded. The intent is to return the trail back to its original, pre-project function and configuration suitable for continued use as a forest system trail.

Exploration Drill Hole ECM-06-32 will be accessed from the north using existing classified National Forest Service Road 704.4D (NFSR 704.4D). A 50 foot section of new temporary road will be constructed to access this site.

Drilling can be conducted with minimal site preparation, since the drill rig can be set-up and leveled using self-contained hydraulic jacks. Where site preparation is necessary due to the need to utilize drilling fluids, a pad having maximum dimensions of approximately 80 feet in width and 130 feet in length will be established. Pad preparation will involve the use of a tracked dozer or backhoe to establish a level drill site. If topsoil exists, up to 12" will be salvaged and stored in a stockpile along one side of the pad and marked with a "topsoil" sign. Drill holes will be drilled using rotary or auger drilling methods to the depth of the desired coring interval. In order to avoid potential sample contamination, drill holes will be completed to the extent possible with air, air-foam, or water as the circulation medium. If drilling muds are necessary to maintain circulation and drill hole integrity, polymer muds that are free of metallic compounds will be utilized. If feasible, a portable drill mud pit will be utilized to mix and contain necessary drilling fluids. If greater pit capacity is required than would be feasible using a portable mud pit, drill mud pits for the containment of drilling fluids and cuttings will be excavated with a backhoe within the pad area. The pit will be a maximum of 20 feet in length, 4 feet in width and 8 feet deep (23.7 cubic yards each).

The maximum disturbance area for the drill site is expected to be approximately 0.24 acres. All drilling and related operations will be conducted by experienced exploration drillers in such a way as to minimize potential environmental impacts, and will be supervised by a qualified geologist or engineer. During drilling operations, water levels and flows in the drill holes (if any) will be closely monitored in order to characterize hydrologic conditions in the D-seam. The interval to be drilled above the D-seam contains no aquifer. Samples of immediate roof and floor rock materials and D-seam coal will be logged and may be collected during drilling for subsequent analysis. During drilling, OMLLC will control dust from drilling and related activities, divert and control both natural runoff from disturbed areas and fluid loss from drilling, and will clean-up any trash or debris. If air is utilized as the circulation medium, dust from drilling will be controlled by a flexible shroud at the drill collar. Drill cuttings and portable pits or excavated mud pits will effectively contain drilling fluids as discussed above. All water used in the drilling program will come from water sources available at OMLLC's mine site.

The proposed four drill sites and temporary access roads lie within the Springhouse Creek Roadless Area (IRA). The GMUG Forest Plan allows for road building in this IRA and did not identify it as a further planning area. According to Forest Service Interim Directive 1920-2004-1 the Regional Forester will be the Deciding Official on this project. Total surface disturbance for drill pad and temporary road construction is 4.82 acres in the NE Elk Creek CEL. Exploration drilling activities will be short-term and will be conducted for less than a year. Exploration mobilization will not begin until mid-2005 and will be completed by mid-2006.

Mountain Coal Company (MCC), L.L.C. / Ark Land Company: Dry Fork Coal Exploration License (COC-67231) and Exploration Plan

The Dry Fork Coal Exploration License area, approximately 1358.75 acres, lies within portions of T. 14 S., R. 90 W., 6th P.M. in Gunnison County, Colorado on the Gunnison National Forest. The proposed exploration area is located approximately eleven miles east of Paonia, CO and six miles southeast of the town of Somerset, CO. The proposed exploration drilling will evaluate the reserves and quality of coal seams within the Mesa Verde Formation.

Mountain Coal Company (MCC) proposes five drill sites within the exploration area, ***Exploration Drill Holes CCC, FFF, DDD, OO, and EEE***. Access for drilling the coal exploration holes is proposed using a combination of existing forest roads and new temporary access roads. This proposal includes reconditioning approximately 1.90 miles of existing roads and construction of approximately 0.23 miles of temporary roads. Reconditioning of an existing road means to improve the road's traveled way surface and drainage to afford drill rig access. A temporary road is one that is not intended to be part of the forest transportation system and not necessary for long-term resource management. The existing classified National Forest Service Road 711 (NFSR 711) would access the project area. MCC holds a current Road Use Permit for the 9.5 miles of road from the lower corrals on Minnesota Creek to the Deep Creek Crossing. The drill site access, construction, reclamation, water sources, and other descriptive elements are provided individually below.

The pre-drilling activities will include all necessary resource surveys, acquiring a special use road permit, and merchantable timber purchase. A GD2500 or equivalent truck mounted drill rig

would be utilized to drill the proposed holes. Drilling would utilize an air-mist system for rotary and spot core drilling.

All proposed locations would be provided sediment control measures to capture precipitation runoff and containment of drilling fluids. A total of 1.1 acre-feet of water would be pumped from the Minnesota Creek Ditch for drilling under Mountain Coal Company's existing water rights. Reconditioning will be required on NFSR 711 for 1.4 miles east of Deep Creek and on NFSR 711-3B for 0.5 miles to return the road to a serviceable conditions for full size vehicle access. The 0.23 miles of temporary new road construction would be obliterated and reclaimed when no longer needed.

We believe at this time that this proposed action (i.e., exploration as proposed by Mountain Coal Company, L.L.C. / Ark Land Company) falls within a category of actions which may be excluded from the preparation of either an EIS or and EA. This is based on consideration of the proposal in the context factors described in Forest Service Handbook 1909.15 for making this determination. We will review this determination following public scoping.

Exploration Drill Hole CCC will be accessed from NFSR 711 by an existing 700' road utilized by the Minnesota Reservoir and Canal Company for access to their cabin and irrigation ditch. The road would require upgrading to 14' wide and with either a culvert or geotextile fabric and gravel at the intersection with NFSR 711. Upon completion of drilling, the road would have the rolling dips recontoured and edges pulled in to an approximate 10' running surface. The pad would be constructed southwest of the ditch rider's cabin in an approximate 100'X135' footprint leaving a minimum 50' buffer of existing aspen and understory for a visual screen from the cabin. The pad will be brushed and cleared with a minimum amount of topsoil disturbed to aid in reclamation. At the completion of drilling the pad would be contoured back to approximate original elevation, seeded, mulched, and fertilized with the removed brush and timber pulled back onto the pad. Water for the drilling activities would be provided to the drill site from the Minnesota Creek Ditch via a 1" hose along the existing ATV trail for an estimated length of 600'. Total water usage is projected at 0.22 acre-feet.

Exploration Drill Hole FFF will be accessed from NFSR 711 approximately 0.6 miles east of the Deep Creek Crossing via a 100' temporary road along an existing ATV route. The existing corrugated metal culvert would be removed and replaced with a temporary 20' long 12" HDPE culvert. At the completion of drilling the HDPE culvert would be removed and the corrugated metal culvert re-installed. The pad would be constructed south side of NFSR 711 in an approximate trapezoidal shape of 100'X90'X135'. Vigilance and every precaution will be taken to prevent any un-natural material from escaping the drill site including temporary berms and additional sediment control devices. At the completion of drilling the pad would be contoured back to approximate original elevation, seeded, mulched, and fertilized with the removed brush and timber pulled back onto the pad. Water for the drilling activities would be provided to the drill site from the Minnesota Creek Ditch via a 1" hose along the existing ATV route for an estimated length of 400'. Total water usage is projected at 0.22 acre-feet.

Exploration Drill Hole DDD will be accessed from NFSR 711 approximately 1.1 miles east of the Deep Creek Crossing. The pad would be constructed on the north side of NFSR 711 in an approximate rectangular shape of 100'X135'. The site is on an ancient slump block bench. A

zone of trees and understory will be left where possible to provide a view shed buffer. The pad will be brushed and cleared with a minimum amount of topsoil disturbed to aid in reclamation. At the completion of drilling the pad would be contoured back to approximate original elevation, seeded, mulched, and fertilized with the removed brush and timber pulled back onto the pad. Exploration Drill Hole DDD does coincide with potential lynx habitat. Water for the drilling activities would be provided to the drill site from the Minnesota Creek Ditch via a 1" hose along NFSR 711 to drill site for an estimated length of 500'. Total water usage is projected at 0.22 acre-feet.

Exploration Drill Hole OO will be accessed from NFSR 711-3B approximately 0.4 miles north of the junction with NFSR 711. The pad would be constructed on the west side of NFSR 711-3B in an approximate rectangular shape of 100'X175'. A zone of brush may be may be left to provide a view shed buffer.

The pad will be brushed and cleared with a minimum amount of topsoil disturbed to aid in reclamation. At the completion of drilling the pad would be contoured back to approximate original elevation, seeded, mulched, and fertilized with the removed brush and timber pulled back onto the pad. Water for the drilling activities would be provided to the drill site from the Minnesota Creek Ditch via a 1" hose along NFSR 711-3B to drill site for an estimated length of 700'. Total water usage is projected at 0.22 acre-feet.

Exploration Drill Hole EEE will be accessed from NFSR 711-3B approximately 0.5 miles north of the junction with NFSR 711 and a new temporary road 0.2 miles in length and 14' wide. The new temporary road would run west off of NFSR 711-3B toward the edge of Coal Creek Mesa terminating at the drill site. The pad would be constructed approximately 300' east of the initial contour break of Coal Creek Mesa in an approximate rectangular shape of 100'X175'. A wide zone of trees and understory will provide a view shed buffer to the west. The pad will be brushed and cleared with a minimum amount of topsoil disturbed to aid in reclamation. At the completion of drilling the pad would be contoured back to approximate original elevation, seeded, mulched, and fertilized with the removed brush and timber pulled back onto the pad. The temporary access road will be reclaimed and obliterated. Water for the drilling activities would be provided to the drill site from the Minnesota Creek Ditch via a 1" hose along NFSR 711-3B and the temporary access road to drill site for an estimated length of 2400'. Total water usage is projected at 0.22 acre-feet.

Two of the five proposed sites, OO and EEE, lie within the West Elk Inventoried Roadless Area (IRA). The GMUG Forest Plan allows for road building in this IRA and did not identify it as a further planning area. According to Forest Service Interim Directive 1920-2004-1 the Regional Forester will be the Deciding Official on this project. Cumulative disturbance within the IRA includes 0.6 miles of classified road reconditioning, 0.23 miles of temporary road construction, and 1.68 acres of temporary pad construction. Total surface disturbance for drill pad and temporary road construction is 2.51 acres in the Dry Fork CEL.

Each drill hole is estimated to require one week to drill and abandon working 24 hours per day with mobilization, demobilization, and site reclamation adding an additional two weeks. The drilling and reclamation activities for a three hole program in 2005 would require five weeks which could be accomplished in the months of August and September. If the two remaining

were to be drilled in 2006, the work would require four weeks, which could be accomplished during June and July. The total cumulative running time would be less than one year. The estimated project time is nine weeks.

The GMUG is inviting your comments on this proposal. A copy of this notice and associated maps are available on the web at <http://www.fs.fed.us/r2/gmug/policy/index.shtml#coal>. Comments should be sent to the Paonia District Ranger, Post Office Box 1030, Paonia, CO 81428, or via electronic mail to llanham@fs.fed.us. Questions may be directed to Linda Lanham at (970)-874-6633. All comments must be received by August 26, 2004.

Sincerely,

/s/ Carol McKenzie for
LEVI K. BROYLES
District Ranger