

1 PURPOSE OF, AND NEED FOR, THE PROPOSED ACTION

1.1 BACKGROUND

On July 28, 2000, RAG Wyoming Land Company, Inc. (RAG) filed an application with the Bureau of Land Management (BLM) for a maintenance lease by application (LBA) for Federal coal reserves located adjacent to the Belle Ayr Mine. This application was made pursuant to provisions of the Leasing on Application Regulations at 43 Code of Federal Regulations (CFR) 3425.1. The tract applied for, which is referred to as the Belle Ayr 2000 Tract, was assigned case number WYW151133.

The Belle Ayr 2000 Tract is located adjacent to the existing Belle Ayr Mine, approximately 11 miles south of Gillette in Campbell County, Wyoming (Figure 1-1). The tract covers approximately 243.61 acres and contains about 29 million tons of recoverable coal.

The Belle Ayr 2000 Tract is located in the Powder River Federal Coal Region, which was decertified in 1990. RAG applied for a maintenance lease-by-application (LBA) that encompassed the coal resources included in the Belle Ayr 2000 lease application as well as additional coal resources northwest of the Belle Ayr 2000 lease application area on March 20, 1997 (Figure 1-1). This LBA application (referred to as the Belle Ayr 1997 LBA) was reviewed by the Powder River Regional Coal Team (RCT) at their April 23, 1997 public meeting in Casper, Wyoming and at their October 27, 1999 public meeting in Gillette, Wyoming. RAG presented information about the existing mine and pending lease application to the RCT at both meetings. The RCT recommended that the BLM process the LBA application.

On July 28, 2000, RAG filed a request to modify the 1997 Belle Ayr LBA by withdrawing the lands included in the Belle Ayr 2000 application so that the Belle Ayr 2000 application could be considered immediately and the potential that the coal would be bypassed could be reduced. RAG then filed a separate lease application for the lands withdrawn from the original LBA and included in Belle Ayr 2000 Tract. The RCT reviewed the request to modify the Belle Ayr 1997 LBA application and the application for the Belle Ayr 2000 LBA application at their public meeting on October 25, 2000 in Cheyenne, Wyoming. RAG presented information about their request to modify the Belle Ayr 1997 application at that meeting. The RCT recommended that BLM process the Belle Ayr 2000 lease application.

In order to process an LBA, BLM must evaluate the quality, quantity, maximum economic recovery, and fair market value of the Federal coal included in the tract and fulfill the requirements of the National Environmental Policy Act (NEPA). This Environmental Assessment (EA) analyzes the potential environmental impacts of issuing a federal coal lease for the Belle Ayr 2000 Tract as required by NEPA and associated rules and guidelines. BLM will use the analysis in this EA to decide whether or not to hold a public, competitive, sealed-bid coal lease sale for the coal included in this tract and issue a federal coal lease.

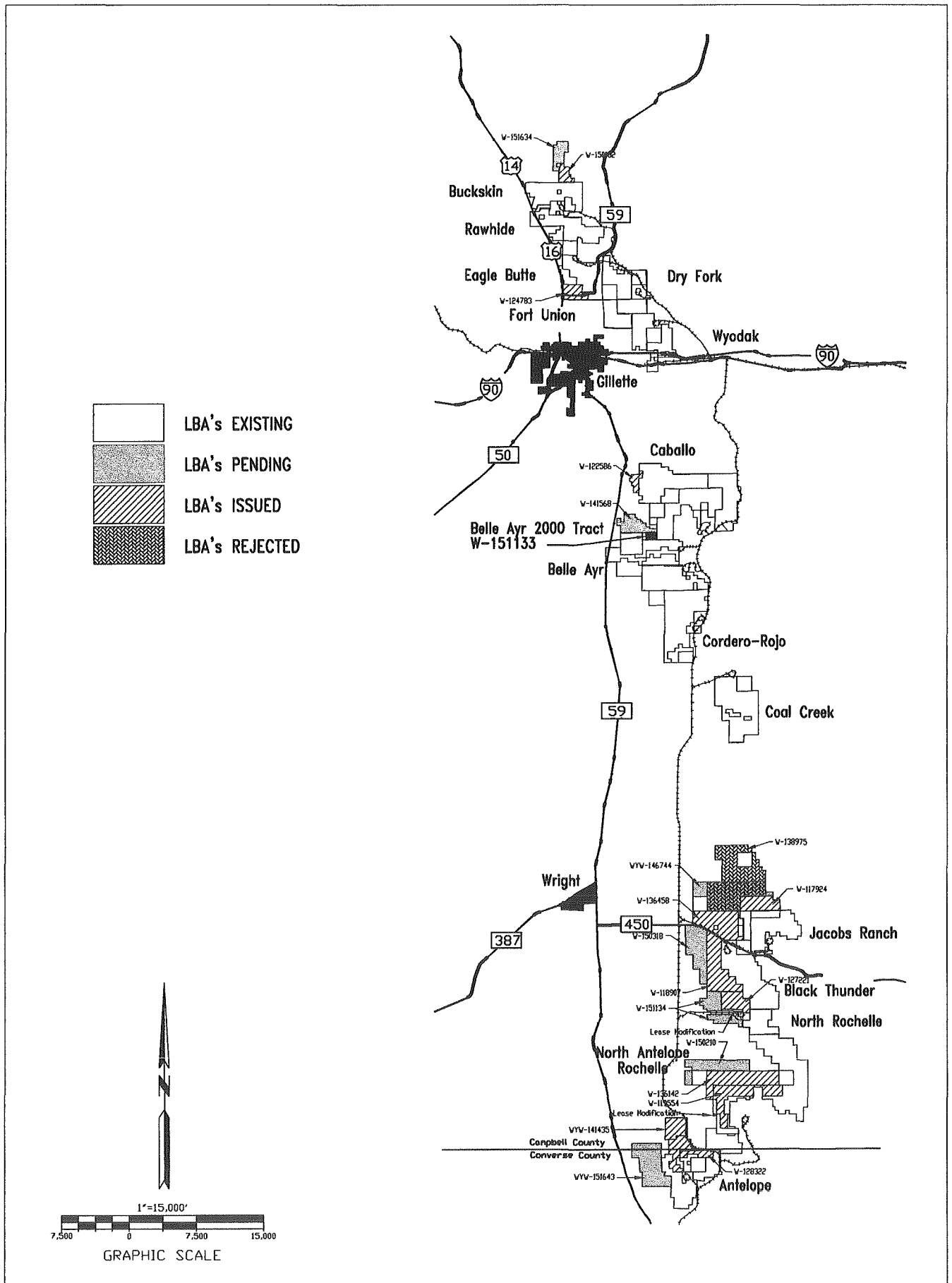


Figure 1-1. General Location Map with Federal Coal Leases and LBA's.

tract, as determined by BLM. If a sale is held, the bidding at the sale will be open to any qualified bidder. The applicant, RAG, may not be the successful bidder.

The Belle Ayr 2000 lease application is contiguous with the existing Belle Ayr Mine, and could be mined as a maintenance lease for that mine. The lease application area is also contiguous with the existing Caballo Mine, operated by the Powder River Coal Company, and could be mined as a maintenance lease for that mine.

The proposed lease area is within a region that has been evaluated by several regional Federal EISs and the 1985 BLM Buffalo Resource Management Plan (RMP). The tract as applied for is bordered on three sides by existing leases at the two adjacent mines (Figure 1-1). Detailed site-specific environmental data have been collected for the lands included in the permit areas for both adjacent mines, and environmental analyses have previously been prepared to secure the existing leases and the necessary mining permits for each mine. Detailed site-specific environmental data have been collected on the lease application area because it is overlapped by the permit areas for both the Belle Ayr and Caballo mines.

Other agencies may use this analysis to make decisions relating to leasing and mining the federal coal in this tract. The Office of Surface Mining Reclamation and Enforcement (OSM), the federal agency responsible for regulating surface coal mining operations, is a cooperating agency on this EA. OSM will use this EA to make decisions related to the approval of the MLA mining plan for this tract, if a lease is issued.

The Belle Ayr 2000 Tract as applied for and the existing federal coal leases in the adjacent Belle Ayr Mine are shown on Figure 1-2. If the applicant, RAG Wyoming Land Company, acquires the Belle Ayr 2000 Tract, the coal would be mined, processed, and distributed as part of the permitted Belle Ayr Mine. The tract would be mined as a maintenance tract using the existing facilities and equipment. The mining method would be truck and shovel, which is the mining method currently in use at the Belle Ayr Mine.

1.2 PURPOSE AND NEED

The Belle Ayr Mine is operated by RAG Coal West, Inc. (RAG). According to the July 28, 2000 application received from RAG, the Belle Ayr 2000 tract is in an area with lower overburden-to-coal ratios than are available for mining in the existing leases at the Belle Ayr Mine and the mine needs this lower strip-ratio coal to remain competitive in today's coal market. The active coal mine pit at Belle Ayr Mine is currently adjacent to the Belle Ayr 2000 Tract. Mining activities at Belle Ayr Mine will bypass the Belle Ayr 2000 Tract within the next two years. The existing mine plan at Belle Ayr Mine calls for mining and/or backfilling adjacent to the Belle Ayr 2000 Tract until the year 2002. By early 2002, the Belle Ayr Mine operation will be advancing west and south, away from the Belle Ayr 2000 Tract. Belle Ayr could enter the Belle Ayr 2000 Tract in 2001, when the Belle Ayr Mine operation is adjacent to it. If the Belle Ayr 2000 Tract is not leased until after the adjacent

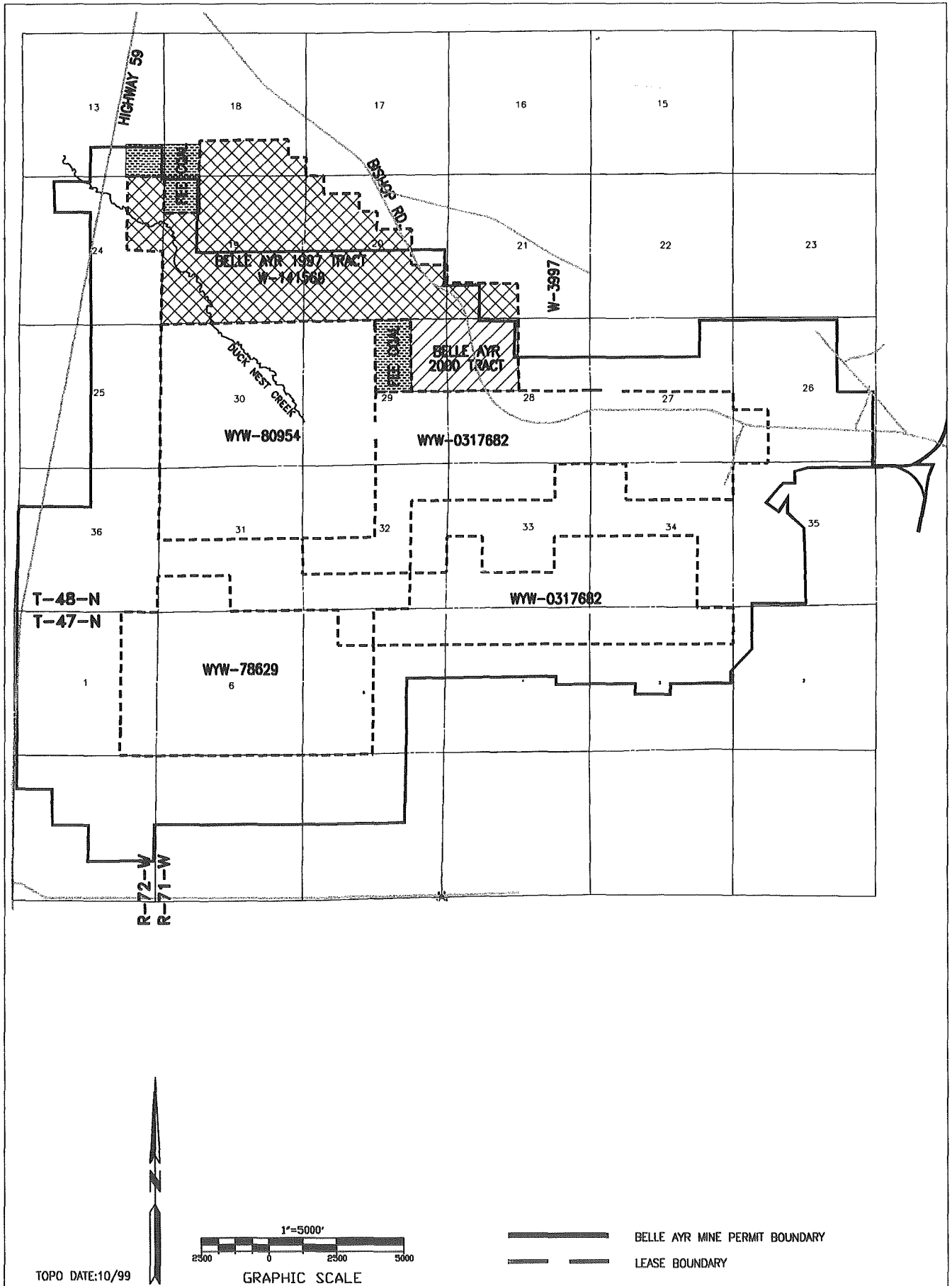


Figure 1-2. Belle Ayr Mine Federal Coal Leases and Belle Ayr 2000 Tract as Applied for.

Belle Ayr lease areas have been mined, the cost to reestablish a pit in the LBA Tract would be high enough to prohibit a return by Belle Ayr to the area in the foreseeable future. According to RAG, with the current coal market conditions, once the adjacent Belle Ayr leases are mined, they would be backfilled to minimize long-term reclamation and bonding obligations and near-term haulage costs.

If the Belle Ayr 2000 Tract is leased to the Belle Ayr Mine as a maintenance tract, the mining and reclamation permit would have to be amended before the coal in the new lease could be mined.

If the coal included in the Belle Ayr 2000 tract is bypassed by the Belle Ayr mining operations, the federal coal resources included in the tract could potentially be leased and recovered by the Caballo Mine when they mine their adjacent federal lease (WYW3397).

1.3 FEDERAL COAL LEASING ACTIVITY

Since decertification of the Powder River Federal Coal Region, ten federal coal leases have been sold in the Wyoming portion of the Powder River Federal Coal Region using the LBA process and one federal coal lease has been exchanged (Table 1-1). As shown in Table 1-2, eight applications, including the Belle Ayr 2000 Tract, are currently pending. One application (State Section) was withdrawn in September, 2000.

1.4 REGULATORY AUTHORITY AND RESPONSIBILITY

The RAG coal lease application was submitted and will be processed and evaluated under the following authorities:

- MLA, as amended;
- the Multiple-Use Sustained Yield Act of 1960;
- NEPA;
- FCLAA;
- FLPMA; and
- SMCRA.

The BLM is the lead agency responsible for leasing federal coal lands under the MLA as amended by FCLAA and is also responsible for preparation of this EA to evaluate the potential environmental impacts of issuing a coal lease. For the Belle Ayr 2000 application, the BLM must decide whether to hold a competitive, sealed-bid lease sale for the tract as applied for, hold a competitive sealed bid lease sale for a modified tract, or reject the current lease application and not offer the tract for sale at this time.

The Belle Ayr 2000 LBA Tract is included in the area covered by the BLM Buffalo Resource Management Plan, (BLM, 1985). There are no federal surface lands managed by the USFS included in the Belle Ayr 2000 LBA Tract. As a result, the USFS is not a cooperating agency on this EA and USFS consent will not be required if a lease sale is held.

**Table 1-1
LEASES ISSUED SINCE DECERTIFICATION, POWDER RIVER BASIN, WYOMING**

LBA/EXCHANGE NAME (LEASE #) APPLICANT or APPLICANT MINE	APPLICATION DATE EFFECTIVE DATE	ACRES*	MINEABLE TONS OF COAL*	SUCCESSFUL BID	SUCCESSFUL BIDDER
Jacobs Ranch LBA (WYW117924) Jacobs Ranch Mine	10/10/89 10/1/92	1,708.620	147,423,560	\$20,114,930.00	Jacobs Ranch Mine
W. Black Thunder LBA (WYW118907) Black Thunder Mine	12/22/89 10/1/92	3,492.495	429,048,216	\$71,909,282.69	Black Thunder Mine
N. Antelope/Rochelle LBA (WYW119554) North Antelope/Rochelle Mine	3/2/90 10/1/92	3,064.040	403,500,000	\$86,987,765.00	North Antelope/ Rochelle Mine
W. Rocky Butte LBA (WYW122586) No Existing Mine**	12/4/90 1/1/93	463.205	56,700,000	\$16,500,000.00	Rocky Butte Mine
Eagle Butte LBA (WYW124783) Eagle Butte Mine	7/25/91 8/1/95	1,059.175	166,400,000	\$18,470,400.00	Eagle Butte Mine
Antelope LBA (WYW128322) Antelope Mine	1/29/92 2/1/97	617.200	60,364,000	\$9,054,600.00	Antelope Mine
North Rochelle LBA (WYW127221) North Rochelle Mine	7/22/92 1/1/98	1,481.930	157,610,000	\$30,576,340.00	North Rochelle Mine
Powder River LBA (WYW136142) North Antelope/Rochelle Mine	3/23/95 9/11/98	4,224.225	532,000,000	\$109,596,500.00	North Antelope/ Rochelle Mine
Thundercloud LBA (WYW136458) Jacobs Ranch Mine	4/14/95 1/1/99	3,545.503	412,000,000	\$158,000,008.50	Black Thunder Mine
EOG (Belco) I-90 Lease Exchange (WYW150152) EOG (formerly Belco)	Issued pursuant to Public Law 95-554, lease effective 4/1/00	599.17	106,000,000	Exchanged for rights to Belco I-90 Lease (WYW0322794)	EOG(Belco)
Horse Creek (WYW141435) Antelope Mine	2/14/97 12/1/00	2,818.695	275,577,000	\$91,220,120.70	Kennecott
TOTALS		23,074.258	2,471,045,776	\$612,429,856.89	

**Table 1-2
LBA'S PENDING, POWDER RIVER BASIN, WYOMING**

LBA (CASE FILE #) APPLICANT MINE	APPLICATION DATE	ACRES	ESTIMATED TONS OF COAL¹	STATUS
Belle Ayr 2000 (WYW151133) Belle Ayr	7/28/00	243.61	29 mm	RCT reviewed 10/25/00
N. Jacobs Ranch ² (WYW146744) Jacobs Ranch	10/2/98	4,821.19	519.0 mm	RCT reviewed 2/23/99 & 10/27/99
State Section ² (WYW149882) New Start Mine	1/31/00			Withdrawn
NARO (WYW150210) North Antelope/ Rochelle	3/10/00	4,501.0 Total N. Parcel = 2,368.3; S. Parcel = 2,132.7	564.0 total N. Parcel = 323.0 mm S. Parcel = 241.0 mm	RCT reviewed 10/25/00
Little Thunder (WYW150318) Black Thunder	3/23/00	2,709.5	About 384 mm	RCT reviewed 10/25/00
West Roundup (WYW151134) North Rochelle	7/28/00	1,868.12	173 mm	RCT reviewed 10/25/00
North Hay Creek (WYW151634) Buckskin	8/31/00	1,015.51	135 mm	RCT reviewed 10/25/00
West Antelope (WYW151643) Antelope	9/12/00	3,500.84	292.5 mm	RCT reviewed on 10/25/00
Belle Ayr 1997 (WYW41568) Belle Ayr	3/20/97	1,335.39	171 mm	RCT reviewed 4/23/97 & 10/27/99
ESTIMATED TOTAL PENDING LBAS		19,995.16	2,267.5 mm	

¹The estimated coal reserves for the N. Jacobs Ranch and West Roundup tracts are the estimated geologically in-place coal reserves included in those tracts. The estimated coal reserves for the Horse Creek, Belle Ayr, NARO, and Little Thunder tracts are the estimated mineable reserves.

²The State Section tract includes all of the New Keeline Tract (WYW138975), which was applied for 1996 and rejected in 1997. The rejection is under appeal to the IBLA. The State Section LBA includes all but 80 acres of the pending N. Jacobs Ranch Tract. The areas of overlap of acres and tons of coal applied for have been estimated so that the overlap between the State Section and N. Jacobs Ranch tracts is not counted twice.

**Table 1-2
MODIFICATIONS PENDING, POWDER RIVER BASIN, WYOMING**

MODIFICATION (CASE FILE #) MINE	APPLICATION DATE	ACRES	ESTIMATED TONS OF COAL*	STATUS
N.Antelope/Rochelle(WYW136142) North Antelope/Rochelle	6/19/00	19.97	2.6 mm	Application in review
North Rochelle (WYW 127221) North Rochelle	7/26/00	116.92	10.69 mm	Application in review
ESTIMATED TOTAL PENDING MODIFICATIONS		136.89	13.29 mm	
EXCHANGES PENDING, POWDER RIVER BASIN, WYOMING				
P&M	Proposed exchange of private surface/minerals for federal coal	Acres offered to be determined by fair market value analysis	Tons of coal offered to be determined by fair market value analysis	Presented to RCT at 10/27/99 meeting

OSM is a cooperating agency on this EA. After a coal lease is issued, SMCRA gives OSM primary responsibility to administer programs that regulate surface coal mining operations and the surface effects of underground coal mining operations. Pursuant to Section 503 of SMCRA, the Wyoming Department of Environmental Quality (WDEQ) developed, and in November 1980 the Secretary of the Interior approved, a permanent program authorizing WDEQ to regulate surface coal mining operations and surface effects of underground mining on nonfederal lands within the state of Wyoming. In January 1987, pursuant to Section 523(c) of SMCRA, WDEQ entered into a cooperative agreement with the Secretary of the Interior authorizing WDEQ to regulate surface coal mining operations and surface effects of underground mining on federal lands within the state.

Pursuant to the cooperative agreement, a federal coal lease holder in Wyoming must submit a permit application package to OSM and the Land Quality Division of WDEQ (WDEQ/LQD) for any proposed coal mining and reclamation operations on federal lands in the state. WDEQ/LQD reviews the permit application package to insure the permit application complies with the permitting requirements and the coal mining operation will meet the performance standards of the approved Wyoming program. OSM, BLM, and other federal agencies review the permit application package to insure it complies with the terms of the coal lease, the MLA, NEPA, and other federal laws and their attendant regulations. If the permit application package does comply, WDEQ issues the applicant a permit to conduct coal mining operations. OSM recommends approval, approval with conditions, or disapproval of the MLA mining plan to the Assistant Secretary of the Interior, Land and Minerals Management. Before the MLA mining plan can be approved, the BLM must concur with this recommendation.

If the proposed LBA Tract is leased to an existing mine, the lessee would be required to revise their coal mining permit prior to mining the coal, following the processes outlined above. As a part of that process, a new mining and reclamation plan would be developed showing how the lands in the LBA Tract would be mined and reclaimed. The revised permit area would be larger than the revised lease area in order to allow for disturbance outside the actual coal removal areas for such purposes as matching to undisturbed topography, constructing flood control and sediment control facilities, and related activities. Specific impacts which would occur during the mining and reclamation of the LBA Tract would be addressed in the mining and reclamation plans, and specific mitigation measures for anticipated impacts would be described in detail at that time.

WDEQ enforces the performance standards and permit requirements for reclamation during a mine's operation and has primary authority in environmental emergencies. OSM retains oversight responsibility for this enforcement. BLM has authority in those emergency situations where WDEQ or OSM cannot act before environmental harm and damage occurs.

BLM also has the responsibility to consult with and obtain the comments of other state or federal agencies which have jurisdiction by law or special expertise with respect to potential environmental impacts. Appendix A presents other federal and state permitting requirements that must be satisfied to mine this LBA Tract.

1.5 CONFORMANCE WITH LAND USE PLAN

The BLM's principal authority to manage public lands is established by the Federal Land Policy and Management Act of 1976 (FLPMA; PL 94-579, 43 USCA §§ 1701-1782 [Supp. 1977]). Under this act, the BLM is responsible for managing resources on public lands in a manner that maintains or improves them. The BLM planning regulations are set forth in 43 CFR 1600.

FCLAA requires that lands considered for coal leasing be included in a comprehensive land use plan and that leasing decisions be compatible with that plan. The Buffalo RMP and its associated EIS is the plan which governs the management of lands and minerals in Campbell County (BLM 1985) as well as Johnson, and Sheridan Counties.

Coal land use planning involves four planning screens to determine whether the subject coal is acceptable for further lease consideration. The four coal screens are:

- development potential of the coal lands;
- unsuitability criteria application;
- multiple land use decisions that eliminate federal coal deposits; and
- surface owner consultation.

Only those federal coal lands that pass these screens are given further consideration for leasing. These coal screens were applied to federal coal lands in Campbell County in the early 1980s by the BLM. The results were published in the Buffalo RMP in 1985. These screens were again applied to federal coal lands in Campbell and Converse Counties by BLM in 1993, and a report was prepared in 1997.

A coal tract that is acceptable for further consideration for leasing must be located within areas that have been determined to have coal development potential. The lands in this coal lease application are within the area identified as having coal development potential by the BLM both the 1985 and 1993 coal screening analyses.

The coal leasing unsuitability criteria listed in the federal coal management regulations (43 CFR 3461) have been applied to the lease application area. Table 1-3 summarizes the unsuitability criteria, describes the general findings for the Buffalo RMP, and presents a validation of these findings for the Belle Ayr 2000 Tract. Criterion 3 pertains to dwellings, roads, cemeteries, and public buildings. Lands within 100 feet of the right-of-way for Bishop Road, a public county road which crosses the tract, were not determined to be unsuitable for mining because the road could be relocated to accommodate mining. As indicated in Table 1-3, none of the lands located on the tract were found unsuitable for leasing, and therefore the tract is available for further consideration for leasing.

Surface owner consultation in the area of high coal development potential was completed during preparation of the 1985 RMP, and qualified private surface owners with land over

<p align="center">Table 1-3 Unsuitability Criteria for the Belle Ayr 2000 Tract</p>		
Unsuitability Criteria	Findings from the BRA RMP^a	Validation for the Belle Ayr 2000 Tract
1. <i>Federal Land Systems.</i> All federal lands included in the following systems are unsuitable for leasing: National parks, National wildlife refuges, National Systems of trails, National wilderness preservation system, National wild and scenic rivers, National recreation lands, lands acquired through the Land and Water Conservation Fund, National forests, and federal lands in incorporated cities and towns.	None of the listed federal land categories are present within the Buffalo coal development review area.	Not applicable to the tract.
2. <i>Rights-of-way (ROW) and Easements.</i> Federal lands that are within ROWs or easements or within surface leases for residential, commercial, industrial, or other public purposes, on federally owned surface are unsuitable for leasing.	The surface lands are entirely owned by RAG Wyoming Land Co. Inc. There is no federal surface on the Belle Ayr 2000 Tract.	No ROWs are on the tract; the area is available for further consideration.
3. <i>Dwellings, Roads, Cemeteries, and Public Buildings.</i> Federal lands within 100 feet of a right-of-way of a public road or a cemetery or within 300 feet of any public building, school, church, community, or institutional building, public park, or an occupied dwelling.	No dwellings, roads, cemeteries, or public buildings located on the Belle Ayr 2000 Tract were determined unsuitable.	There are no buildings or cemeteries that would make the Belle Ayr 2000 Tract unavailable for further consideration. Bishop Road is considered suitable pending development of a plan to move the road prior to mining.
4. <i>Wilderness Study Areas (WSA).</i> Federal lands designated as wilderness study areas are unsuitable while under review for possible wilderness designation.	No lands within the review area are within a wilderness study area.	There are no unsuitable findings; the tract is available for further consideration.
5. <i>Lands with Outstanding Scenic Quality.</i> Scenic federal lands designated by visual resource management analysis Class I (outstanding visual quality or high visual sensitivity) but not currently on the National Register of Natural Landmarks are unsuitable.	No lands in the review area meet the scenic criteria as outlined.	There are no unsuitable findings; the tract is available for further consideration.
6. <i>Land Used for Scientific Study.</i> Federal lands under permit by the surface management agency and being used for scientific studies involving food or fiber production, natural resources, or technology demonstrations are unsuitable for the duration of the study except where mining would not jeopardize the purpose of the study.	No lands in the review area are under permit.	There are no unsuitable findings; the tract is available for further consideration.
7. <i>Historic Lands and Sites.</i> All publicly or privately owned places which are included in or eligible for inclusion in the National Register of Historic Places (NRHP) and an appropriate buffer zone are unsuitable. Sites with potential for listing on the NRHP will be review with the State Historic Preservation Office (SHPO) for acceptability for mining if they are under consideration for leasing.	On the basis of consultation with the SHPO there were no unsuitable findings under this criteria in the review area. No sites in the area are listed on the NRHP.	There are no unsuitable findings; the tract is available for further consideration.
8. <i>Natural Areas.</i> Federal lands designated as natural areas or National Natural Landmarks are unsuitable.	No lands in the Belle Ayr 2000 tract are designated as natural areas or as National Natural Landmarks.	There are no unsuitable findings, and the Belle Ayr tract is not unsuitable for mining.
9. <i>Critical Habitat for Threatened or Endangered (T&E) Plant and Animal Species.</i> Federally designated critical habitat for T&E plant and animal species and scientifically documented essential habitat for T or E species are unsuitable.	There is no habitat meeting federally designated criterion for T&E plant or animal species within the Belle Ayr tract.	There are no unsuitable findings, and the Belle Ayr tract is not unsuitable for mining. See Appendix C for a detailed discussion of T&E Species.
10. <i>State Listed Species.</i> Federal lands containing habitat determined to be critical or essential for plant or animal species listed by a state pursuant to state law as T&E shall be considered unsuitable.	Wyoming does not maintain a state list of T&E species of plants or animals. Therefore, this criterion does not apply.	There are no unsuitable findings, and the Belle Ayr tract is not unsuitable for mining.
11. <i>Bald or Golden Eagle Nests.</i> An active bald or golden eagle nest and appropriate buffer zone are unsuitable unless the lease can be conditioned so that eagles will not be disturbed during breeding season or unless golden eagle nests will be moved.	There are no eagle nests or buffer zones in the Belle Ayr tract.	There are no unsuitable findings, and the Belle Ayr tract is not unsuitable for mining.

Table 1-3 Unsuitability Criteria for the Belle Ayr 2000 Tract		
Unsuitability Criteria	Findings from the BRA RMP^a	Validation for the Belle Ayr 2000 Tract
12. <i>Bald and Golden Eagle Roost and Concentration Areas.</i> Bald and golden eagle roost and concentration areas on federal lands used during migration and wintering are unsuitable unless mining can be conducted in such a way as to ensure that eagles shall not be adversely disturbed.	No bald or golden eagle roost or concentration areas occur on the Belle Ayr tract. Mining planned in the review area is not likely to jeopardize the continued existence of the bald eagle. Coal leasing can occur and adequate protection can be provided.	There are no unsuitable findings, and the Belle Ayr tract is not unsuitable for mining.
13. Federal lands containing active falcon (excluding kestrel) cliff nesting sites and a suitable buffer zone shall be considered unsuitable unless mining can be conducted in such a way as to ensure the falcons will not be adversely affected.	No cliff nesting sites or buffer zones occur in the Belle Ayr tract.	There are no unsuitable findings, and the Belle Ayr tract is not unsuitable for mining.
14. <i>Habitat for Migratory Bird Species.</i> Federal lands which are high priority habitat for migratory bird species of high federal interest shall be considered unsuitable unless mining can be conducted in such a way as to ensure that migratory bird habitat will not be adversely affected during the period it is in use.	No high priority habitat for migratory bird species of high federal interest occurs on the Belle Ayr tract.	There are no unsuitable findings, and the Belle Ayr tract is not unsuitable for mining.
15. <i>Fish and Wildlife Habitat for Resident Species.</i> Federal lands which the surface management agency and state jointly agree are fish and wildlife habitat of resident species of high interest to the state, and which are essential for maintaining these priority wildlife species, shall be considered unsuitable.	No species of high interest to the state have been identified on or near the Belle Ayr 2000 tract.	There are no unsuitable findings, and the Belle Ayr 2000 tract is not unsuitable for mining.
16. <i>Floodplains.</i> Federal lands in riverine, coastal, and special floodplains shall be considered unsuitable unless stipulated methods of mining can be undertaken without substantial threat of loss of life or property.	After consultation with the USGS, it was determined that floodplains can be mined with site-specific stipulations and resource protection safeguards to be developed during mining and reclamation planning. Therefore, all lands within the review area are available for further consideration.	There are no unsuitable findings; the tract is available for further consideration.
17. <i>Municipal Watersheds.</i> Federal lands which have been committed by the surface management agency to use as municipal watersheds shall be considered unsuitable.	There are no municipal watersheds within the review area.	There are no unsuitable findings; the tract is available for further consideration.
18. <i>National Resource Waters.</i> Federal lands with national resource waters, as identified by the states in their water quality management plans, and ¼-mile buffer zones shall be considered unsuitable.	There are no national resource waters within the review area.	There are no unsuitable findings; the tract is available for further consideration.
19. <i>Alluvial Valley Floors.</i> All lands identified by the surface management agency, in consultation with the state, as AVFs where mining would interrupt, discontinue or preclude farming, are unsuitable. Additionally, when mining federal lands outside an AVF would damage the quality or quantity of water in surface or underground systems that would supply AVFs, the land shall be considered unsuitable.	Lands along prominent drainages were considered potential AVFs pending a final determination by the state. These lands are placed in an "available pending further study" category and are not considered unsuitable.	There are no prominent drainages or potential AVFs on the Belle Ayr 2000 tract and there are no unsuitability findings.
20. <i>State or Indian Tribe Criteria.</i> Federal lands to which is applicable a criterion proposed by the state or Indian tribe located in the planning area and adopted by rulemaking by the Secretary are unsuitable.	The state has no applicable criteria and there is no Indian tribe located in or near the planning area. Therefore, there is no unsuitability finding.	There are no unsuitability findings for this criterion on the LBA tract.

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federal coal were provided the opportunity to have their views considered by the BLM during land use planning. The surface on the Belle Ayr 2000 Tract is owned entirely by RAG Wyoming Land Company, Inc.

As part of the coal planning for the Buffalo RMP, a multiple land use conflict analysis was completed to identify and "eliminate additional coal deposits from further consideration for leasing to protect resource values of a locally important or unique nature not included in the unsuitability criteria," in accordance with 43 CFR 3420.1-4e(3). The multiple use conflict evaluation in the Buffalo RMP identified approximately 221,000 acres within Campbell, Converse, and Johnson counties that were potentially affected by multiple use conflicts in four categories (producing oil and gas fields, communities, recreation and public purpose facilities, and cultural resources). None of the multiple use conflict areas identified in the Buffalo RMP are included in the Belle Ayr 2000 LBA Tract.

The 1985 Buffalo RMP addressed coal and oil and gas development conflicts in two planning decisions. Decision MM-4 recommended authorizing oil and gas drilling on coal leases only where drilling would not conflict with coal mining, and Decision MM-5 recommended deferring coal leasing in producing oil and gas fields until coal development would not interfere with economic recovery of the oil and gas resource, as determined on a case by case basis. There are no federal oil and gas leases and no producing oil and gas wells included in the Belle Ayr 2000 Tract.

The potential for conflicts between coal and CBM development was not specifically considered in the 1985 Buffalo RMP, but it was discussed in the 1997 report summarizing the results of the 1993 application of the coal screens in Campbell, Sheridan and Johnson counties. BLM is currently preparing an EIS which will be used to update the Buffalo RMP with respect to coal bed methane (CBM) development.

In summary, all of the lands in the Belle Ayr 2000 coal lease application have been subjected to the four coal planning screens and determined acceptable for further lease consideration. Thus, a decision to lease the federal coal lands in this application would be in conformance with the BLM Buffalo RMP.

1.6 RELATIONSHIP TO STATUTES, REGULATIONS, OR OTHER PLANS

In addition to the federal acts listed under Section 1.2, guidance and regulations for managing and administering public lands, including the federal coal lands in the Belle Ayr 2000 application, are set forth in 40 CFR 1500 (Protection of Environment), 43 CFR 1601 (Planning, Programming, Budgeting), and 43 CFR 3400 (Coal Management).

Specific guidance for processing applications follow BLM Manual 3420 (Competitive Coal Leasing, BLM 1989) and the 1991 Powder River Regional Coal Team Operational Guidelines For Coal Lease-By-Applications (BLM 1991). The National Environmental Policy Act Handbook (BLM 1988) has been followed in developing this EA.

1.7 CONSULTATION AND COORDINATION

BLM received an application for a maintenance LBA that encompassed the coal resources included in the Belle Ayr 2000 Tract as well as additional coal resources northwest of the Belle Ayr 2000 lease application area on March 20, 1997. This LBA application was reviewed by the RCT at their April 23, 1997 public meeting in Casper, Wyoming and at their October 27, 1999 public meeting in Gillette, Wyoming. The RCT recommended that the BLM process the Belle Ayr LBA application.

BLM filed a Notice of Scoping for the Belle Ayr LBA and Jacobs Ranch Coal Company's North Jacobs Ranch LBA in the *Federal Register* on October 7, 1999. A public scoping meeting was held for both applications at 7:00 p.m. on October 19, 1999 at the Best Western Tower West Lodge in Gillette, Wyoming. Six oral comments were received at the scoping meeting. The scoping period extended from October 1 through October 30, 1999, during which time BLM received nine written comments. The majority of both the oral and the written scoping comments were specifically related to the North Jacobs Ranch LBA, however, three of the letters that were received included general scoping comments pertaining to both the Belle Ayr and North Jacobs Ranch LBAs.

On July 28, 2000, RAG Wyoming Land Company, Inc. filed a request to modify the original Belle Ayr LBA to remove the Belle Ayr 2000 Tract. The remaining portion of the original Belle Ayr LBA is now referred to as the Belle Ayr 1997 Tract. A separate lease application for the Belle Ayr 2000 Tract was also submitted. The RCT reviewed the request to modify the original Belle Ayr LBA application and the request for Belle Ayr 2000 Tract application at their October 25, 2000 public meeting in Cheyenne, Wyoming, and recommended that the BLM process it.

Public scoping for the Belle Ayr 2000 application is took place during September, 2000. Four written scoping comments were received during that period.

This draft EA is being mailed to parties on the distribution list, and copies are being made available for review at the BLM offices in Casper and Cheyenne. The BLM will publish a Notice of Availability and Notice of Public Hearing in the *Federal Register*. A 30 day comment period will commence with the publication of the BLM Notice of Availability. A formal public hearing will be held.

All comments received on the draft EA will be included, with responses, in the final EA. Availability of the Final EA will be published in the *Federal Register*. After a 30-day availability period, BLM will make a decision to hold or not to hold a competitive lease sale and issue a lease for the federal coal in this tract. A public decision record will be mailed to parties on the mailing list and others who commented on this LBA during the NEPA process. The public and/or the applicant can appeal the BLM decision to hold or not to hold a competitive sale and issue a lease for the tract. The BLM decision must be appealed within 30 days after it is signed. The decision can be implemented at that time if no appeal is received. If a competitive lease sale is held, the lease sale will follow the

procedures set forth in 43 CFR 3422, 43 CFR 3425, and BLM Handbook H-3420-1 (Competitive Coal Leasing).

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After the competitive coal lease sale, but prior to issuance of the lease, the BLM will solicit the opinion of the Department of Justice on whether the planned lease issuance creates a situation inconsistent with federal anti-trust laws. The Department of Justice is allowed 30 days to make this determination. If the Department of Justice has not responded in writing within the 30 days, the BLM can proceed with issuance of the lease.