



## **DEPARTMENT OF THE INTERIOR**

### **Bureau of Land Management**

**[17XL1109AF-LLUT922300-L13200000-EL0000, UTU-84102 24-1A]**

### **Notice of Federal Competitive Coal Lease Sale, Greens Hollow Tract, Utah (Coal Lease Application UTU-84102)**

**AGENCY:** Bureau of Land Management, Interior.

**ACTION:** Notice.

**SUMMARY:** Notice is hereby given that the United States Department of the Interior, Bureau of Land Management (BLM) Utah State Office, will offer the Federal coal resources described below as the Greens Hollow Tract (UTU-84102) for competitive sale by sealed bid, in accordance with the Mineral Leasing Act of 1920, as amended, and the applicable implementing regulations. The sale tract is located in Sanpete and Sevier Counties, Utah. The Greens Hollow coal lease sale was originally scheduled to be held on September 22, 2016. Due to a Notice of Appeal and Petition for Stay on the BLM's Record of Decision filed with the Interior Board of Land Appeals (IBLA) by four environmental groups, BLM was required to postpone the previous lease sale. Under the Department of the Interior's regulations, when a decision is appealed to the IBLA and a stay is requested, the BLM's decision is stayed while the Board considers the stay request. On October 26, 2016, the IBLA denied the request for a stay, holding that the environmental groups failed to show a likelihood of immediate and irreparable harm resulting from BLM's decision to hold a competitive coal lease sale for the Greens Hollow tract. This notice announces a new date for the previously postponed lease sale.

**DATES:** The lease sale will be held at 1 p.m. Mountain Time, on January 4, 2017. Sealed bids must be sent by certified mail, return receipt requested, to the Collections Officer, BLM, Utah State Office, or be hand-delivered to the BLM public room Contact Representatives, BLM Utah State Office, at the address indicated below, and must be received on or before 10 a.m. Mountain Time, on January 4, 2017. Any bid received after the time specified will not be considered and will be returned. The BLM Contact Representatives will issue a receipt for each hand-delivered, sealed bid. The outside of the sealed envelope containing the bid must clearly state the envelope contains a bid for Coal Lease Sale UTU-84102, and is not to be opened before the date and hour of the sale.

**ADDRESS:** Sealed bids must be mailed to the Collection Officer or hand-delivered to the BLM public room Contact Representative at BLM, Utah State Office, 440 West 200 South, Suite 500, Salt Lake City, Utah 84101-1345. The opening of the sealed bids will take place at the Salt Lake City Public Library, 210 East 400 South, Salt Lake City, Utah at 1 p.m. Mountain Time on January 4, 2017.

**FOR FURTHER INFORMATION CONTACT:** Contact Jeff McKenzie, 440 West 200 South, Suite 500 Salt Lake City, Utah 84101-1345 or telephone 801-539-4038. Persons who use a telecommunications device for the deaf (TDD) may call the Federal Relay Service (FRS) at 1-800-877-8339 to leave a message or question for the above individual. The FRS is available 24 hours a day, 7 days a week. Replies are provided during scheduled business hours.

**SUPPLEMENTAL INFORMATION:** This Competitive Coal Lease Sale is being held in response to a lease by application submitted by Ark Land Company (Ark). That application was assigned by Ark to Canyon Fuel Company, LLC, a subsidiary of

Bowie Resource Partners, LLC. The assignment was effective September 1, 2013, and was approved by the BLM on July 1, 2014. The coal resources to be offered consist of all recoverable reserves available in the lands identified below. These lands are located in Sanpete and Sevier Counties, Utah, approximately 10.5 miles west of Emery, Utah, under surface lands managed by the Manti-La Sal and Fishlake National Forests. Those lands are described as follows:

Salt Lake Meridian, Sevier County, Utah

T. 20 S., R. 4 E.,

sec. 36, lot 4, E1/2NE1/4, NE1/4SE1/4.

T. 21 S., R. 4 E.,

sec. 1;

sec. 2, SE1/4;

sec. 11, E1/2, E1/2W1/2;

sec. 12, NE1/4, W1/2, W1/2SE1/4;

sec. 13, W1/2NE1/4, NW1/4;

sec. 14, NE1/4, E1/2NW1/4.

T. 21 S., R. 5 E.,

sec. 6.

Salt Lake Meridian, Sanpete and Sevier Counties, Utah

T. 20 S., R. 5 E.,

sec. 19, lots 5 thru 8, E1/2SW1/4, SE1/4;

sec. 20, S1/2;

sec. 21, W1/2SW1/4;

sec. 28, W1/2;

sec. 29, 30, and 31;

sec. 32, N1/2, N1/2S1/2;

sec. 33, NW1/4NW1/4.

The area described contains 6,175.39 acres.

The coal in the Greens Hollow Tract has one minable coal bed, which is designated as either the Upper Hiawatha or the Lower Hiawatha seam. These seams are approximately 11 feet in thickness. The coal beds contain approximately 73.4 million in-place tons of coal. However, based on BLM's assessment and mitigation proposed by the Forest Service to address subsidence impacts, the tract being offered for sale is projected to contain approximately 55.7 million tons of technically recoverable high-volatile C bituminous coal. The "as received basis" coal quality in the Upper Hiawatha coal bed is: 11,565 Btu/lb., 7.46 percent moisture, 9.81 percent ash, 36.55 percent volatile matter, 46.1 percent fixed carbon, and 0.55 percent sulfur. The "as received basis" coal quality in the Lower Hiawatha coal bed is: 11,538 Btu/lb., 7.21 percent moisture, 9.69 percent ash, 38.88 percent volatile matter, 43.85 percent fixed carbon, and 1.26 percent sulfur.

Pursuant to the applicable regulations, the Greens Hollow Tract may be leased to the qualified bidder (as established at 43 CFR subpart 3472) that submits the highest cash bonus bid that is equal to or exceeds the Fair Market Value (FMV) for the tract as determined by the authorized officer after the sale. The BLM has prepared its fair market value estimate for the tract, which has been reviewed by the Department of the Interior's Office of Valuation Services.

The Department of the Interior has established a general minimum bid of \$100 per acre or fraction thereof for the tract. The minimum bid is not intended to represent the FMV, and a tract will not be sold unless the bid received meets or exceeds BLM's FMV estimate. The lease that may be issued as a result of this offering will provide for payment of an annual rental of \$3 per acre or fraction thereof, and a royalty of 8 percent of the value of the coal produced by underground mining methods. The value of the coal for royalty purposes will be determined in accordance with 30 CFR Part 1206, subpart F.

This coal lease application (UTU-84102) is not subject to case-by-case processing fees pursuant to 43 CFR 3473.2(f). However, the successful bidder must pay to the BLM the cost BLM incurs for publishing this sale notice. If there is no successful bidder, the applicant will be responsible for all publishing costs.

The required detailed statement under 43 CFR 3422.2 for the offered tract, including bidding instructions and sale procedures under 43 CFR 3422.3-2, and the terms and conditions of the proposed coal lease, is available in the BLM Public Room (Suite 500), Utah State Office, 440 West 200 South, 5<sup>th</sup> Floor, Salt Lake City, Utah 84101-1345. All case file documents and written comments submitted by the public on FMV, except those portions identified as proprietary by the author and meeting exemptions stated in the Freedom of Information Act, are available for public inspection during normal business hours in the BLM Public Room (Suite 500).

The actions announced by this notice are consistent with the Department of the Interior Secretarial Order 3338, which allows for the sale and issuance of a coal lease for a pending application where the environmental analysis under the National Environmental Policy Act had been completed and a Record of Decision or Decision

Record had been issued by the BLM or the applicable surface management agency prior to the issuance of the Order. Here the BLM held a public hearing and requested comments on the Environmental Impact Statement, Maximum Economic Recovery, and the FMV of the Greens Hollow Tract on May 6, 2009. The Governor of the State of Utah recommended proceeding with this lease sale on May 26, 2011.

The United States Forest Service prepared a Final Supplemental Environmental Impact Statement, and signed a Record of Decision consenting to the sale on October 5, 2015, prior to the issuance of Secretarial Order 3338.

AUTHORITY: 43 CFR 3420.1

Edwin L. Roberson

State Director

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