



4310-05-P

## DEPARTMENT OF THE INTERIOR

### Office of Surface Mining Reclamation and Enforcement

#### Notice of Availability of the Western Energy Company's Rosebud Mine Area F Final Environmental Impact Statement

**S1D1S SS08011000 SX064A000 190S180110;  
S2D2S SS08011000 SX064A000 19XS501520**

**AGENCY:** Office of Surface Mining Reclamation and Enforcement, U.S. Department of the Interior.

**ACTION:** Notice of Availability.

**SUMMARY:** In accordance with the National Environmental Policy Act (NEPA) of 1969, as amended, the Office of Surface Mining Reclamation and Enforcement (OSMRE) has prepared a Final Environmental Impact Statement (EIS) for the Western Energy Company's Rosebud Mine Area F (Project) in southeastern Montana. This notice is announcing its availability. The Montana Department of Environmental Quality (DEQ) is a co-lead on this EIS process.

**DATES:** The OSMRE will not issue a final decision on the Proposed Action and Alternatives for a minimum of 30 days from the date that the U.S. Environmental Protection Agency (USEPA) publishes this notice in the *Federal Register*.

**ADDRESSES:** The Final EIS is available for review at:

<https://www.wrcc.osmre.gov/initiatives/westernEnergy/documentLibrary.shtm>. Paper and computer compact disk (CD) copies of the Final EIS are available for review at the OSMRE Western Region Office, 1999 Broadway Street, Suite 3320, Denver, Colorado,

80202. In addition, a paper and CD copy of the Final EIS are available for review at each of the following locations:

Rosebud County Library  
201 North 9<sup>th</sup> Avenue  
Forsyth, MT 59327

Between the hours of 11:00 AM and 7:00 PM Monday through Thursday; 11:00 AM to 5:00 PM Friday; 10:00 AM to 1:00 PM Saturday (Closed Sunday)

Montana DEQ Headquarters (Lee Metcalf Building)  
1520 East 6<sup>th</sup> Avenue  
Helena, MT 59620

Between the hours of 8:00 AM and 5:00 PM Monday through Friday (Closed Saturday and Sunday)

BLM Miles City Field Office  
111 Garryowen Road  
Miles City, MT 59301

Between the hours of 7:45 AM and 4:30 PM Monday through Friday (Closed Saturday and Sunday)

BLM State Office, Billings, MT  
5001 Southgate Drive  
Billings, MT 59101

Between the hours of 8:00 AM and 4:00 PM Monday through Friday (Closed Saturday and Sunday)

**FOR FURTHER INFORMATION CONTACT:** Logan Sholar, OSMRE Project

Coordinator; Telephone: 303-293-5036; Address: 1999 Broadway Street, Suite 3320, Denver, Colorado 80202-3050; email: [lsholar@osmre.gov](mailto:lsholar@osmre.gov).

**SUPPLEMENTARY INFORMATION:**

**I. Project Purpose**

The purpose of the Project is to consider continued operations at the Rosebud Mine by permitting and developing a new surface mine permit area, known as permit Area F. Western Energy submitted a permit application package to DEQ for the proposed 6,746-acre permit Area F (also referred to as the project area) at the Rosebud Mine,

which is an existing 25,455-acre surface coal mine annually producing 8.0 to 10.25 million tons of low-sulfur subbituminous coal. DEQ is the regulatory authority for permitting actions involving federal coal in Montana. 30 C.F.R. § 926.10. If DEQ approves the permit and a Federal mining plan for the Project is approved as proposed, at the current rate of production, the operational life of the Rosebud Mine would be extended by 8 years. Mining operations in the project area, which would commence after all permits and approvals have been secured and a reclamation and performance bond has been posted, would last 19 years. Western Energy estimates that 70.8 million tons of recoverable coal reserves exist in the project area and would be removed during the 19-year operations period. As with other permit areas of the Rosebud Mine, all coal would be combusted locally at the Colstrip and Rosebud Power Plants.

Western Energy is required to obtain a surface coal mine operating permit from DEQ (pursuant to the Montana Strip and Underground Mine Reclamation Act (MSUMRA), Section 82-4-221 et seq., Montana Code Annotated) and federal approval of the mining plan to mine leased federal coal in accordance with the Mineral Leasing Act of 1920 as Amended for the proposed project area to access additional coal reserves in Federal coal lease M82186 and in privately held leases G-002 and G-002-A. The OSMRE's purpose for the Project is to review the mining plan and make a recommendation to the Assistant Secretary for Land and Minerals Management (ASLM) in the form of a mining plan decision document to approve, disapprove, or approve with conditions, the proposed mining plan for the Project (30 CFR 746). The ASLM will decide whether the mining plan is approved, disapproved, or approved with conditions.

The DEQ's purpose for the Project is to review and make a decision on Western Energy's surface mine operating permit application under MSUMRA and to review and make decisions on the following related permits: 1) an application for a new Montana Pollutant Discharge Elimination System (MPDES) permit, and 2) an application to modify Montana Air Quality Permit #1570\*07 to include the project area. The Bureau of Land Management (BLM) is a cooperating agency on the Final EIS.

The Final EIS considers three alternatives and evaluates the direct, indirect, and cumulative effects of the Proposed Action and the other two alternatives on the environment.

OSMRE is complying with Section 106 of the National Historic Preservation Act (NHPA Section 106)(16 U.S.C. §470f), as provided in 36 CFR 800.2(d)(3), concurrently with the NEPA process, including public involvement requirements and consultation with the State Historic Preservation Officer and Historic Preservation Officers with Tribal nations. Native American Tribal consultations are ongoing and have been conducted in accordance with applicable laws, regulations, and U.S. Department of the Interior (DOI) policy. Federal, Tribal, State, and local agencies, along with other stakeholders that may be interested in or affected by the Federal agencies' decisions on the Project, are invited to submit comments on the Final EIS.

As part of its consideration of the proposed Project's impacts on threatened and endangered species, OSMRE conducted informal consultation as well as streamlined consultation per the final 4(d) rule for the northern long-eared bat with the U.S. Fish and Wildlife Service pursuant to Section 7 of the Endangered Species Act (ESA)(16 U.S.C. §1536), and its implementing regulations, as provided in 50 CFR 400. The Section 7

consultation considered direct and indirect impacts from the proposed Project, including mining and related operations in the project area and continued operation of the Colstrip and Rosebud Power Plants.

In addition to compliance with NEPA, NHPA Section 106, and ESA Section 7, all Federal actions will be in compliance with applicable requirements of the Surface Mining Control and Reclamation Act of 1977 (30 U.S.C. §§1021-1328), the Clean Water Act (33 U.S.C. §§1251-1387), the Clean Air Act (42 U.S.C. §§7401-7671q), and Executive Orders relating to environmental justice, tribal consultation, and other applicable laws and regulations.

## **II. Background on the Rosebud Mine**

Coal has been mined at Colstrip, MT for more than 90 years. The Northern Pacific Railway established the city of Colstrip and its associated mine in the 1920s to access coal from the Fort Union Formation. Coal mining began in 1924, providing fuel for the railway's steam locomotive trains. During the initial 34 years of mining, 44 million tons of coal were mined. By 1958, diesel-powered locomotives replaced steam engines and mining ceased in the Colstrip area.

In 1959, the Montana Power Company purchased rights to the Rosebud Mine in the city of Colstrip with plans to build power generation facilities. The Rosebud Mine operation began production in 1968. In 2001, Westmoreland purchased the Rosebud Mine; its subsidiary, Western Energy, continues to operate the mine today. Although the Rosebud Mine has shipped coal by rail as recently as 2010, all coal currently produced by the mine is consumed locally at the Colstrip and Rosebud Power Plants.

## **III. Background on the Western Energy Proposed Permit Area F**

Western Energy proposes to conduct surface coal mining and reclamation operations within the 6,746-acre proposed permit Area F of the Rosebud Mine. The project area would be adjacent to the western boundary of Area C, 12 miles west of Colstrip. Western Energy proposes to conduct surface coal mining operations on an approximately 2,159-acre portion of the project area, with a total disturbance footprint, including soil storage, scoria pits, and haul roads, of approximately 4,260 acres. The project area would, in conjunction with the mining of any reserves remaining within existing permit areas A, B, and C of the Rosebud Mine, supply low-sulfur coal to the Colstrip Power Plant (Units 3 and 4) at a rate of between 7.7 and 9.95 million tons annually. In addition, coal from the Rosebud Mine with higher sulfur content would be supplied to the Rosebud Power Plant at a rate of approximately 300,000 tons annually.

Approval of the proposed permit Area F is expected to require several other agency actions, including:

- Findings and recommendations by BLM with respect to Western Energy's Resource Recovery and Protection Plan and other requirements of Western Energy's lease.
- Approval by DEQ of Western Energy's Montana Air Quality Permit #1570-07 to allow expansion of the geographic extent of the mine to include the proposed permit Area F; and
- Approval by DEQ of a new MPDES permit.

#### **IV. Alternatives**

Alternatives carried forward in the Final EIS include the No Action Alternative (Alternative 1), the Proposed Action Alternative (Alternative 2), and the Proposed Action

Plus Additional Environmental Protection Measures Alternative (Alternative 3). Several other alternatives were considered but dismissed from further consideration.

## **V. Revisions to the Draft EIS**

In accordance with the CEQ's regulations for implementing NEPA and the DOI's NEPA regulations, OSMRE solicited public comments on the Draft EIS. OSMRE responses to comments are included in Appendix F of the FEIS. The agencies considered comments received from the public on the Draft EIS and incorporated them, as appropriate, into the FEIS. The changes between the Draft EIS and Final EIS are a result of responding to comments received during the public comment period and generally consist of revisions to the text to clarify the analysis of resource-specific potential impacts under each alternative. No new analyses were completed and no new or additional data were used to support the existing analyses.

In addition, the FEIS includes updates based on evolving regulatory guidance and completion of the NHPA Section 106 and ESA Section 7 consultation processes.

Authority: 40 CFR 1506.6, 40 CFR 1506.1

Dated: November 16, 2018.

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David Berry,

Regional Director, Western Region.

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