

From: Drysdale.Michael@dorsey.com
To: [FS-r02admin-review](#)
Subject: Lease Modifications COC-1362 and COC-67232; Proposed Decision
Date: Monday, October 23, 2017 2:08:57 PM
Attachments: [USDA ltr 10-23-17.pdf](#)

Enclosed are comments by Mountain Coal Company regarding objections that may be received on the Proposed Decision by Forest Supervisor Scott. G. Armentrout, for proposed federal coal Lease Modifications COC-1362 and COC-67232, in the Grand Mesa, Uncompahgre and Gunnison National Forests (GMUG). Thank you.

Michael R. Drysdale

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October 23, 2017

Via Electronic Mail

Jacqueline Buchanan, Reviewing Officer
U.S.D.A Forest Service
Rocky Mountain Region
1617 Cole Blvd. Building 17
Golden, CO 80401
Email: r02admin-review@fs.fed.us

Re: Proposed Record of Decision, Lease Modifications COC-1362 and COC-67232
(including on-lease exploration plan)

Dear Ms. Buchanan:

On behalf of Mountain Coal Company, LLC (“Mountain Coal”), I write on the subject of any objections received on the proposed decision on the above-referenced Lease Modifications. Mountain Coal is the holder of Lease COC-1362, and its affiliate Ark Land LLC is the holder of Lease COC-67232, and these entities are the applicants for the Lease Modifications. As the Applicant, Mountain Coal has a strong interest in the timely and correct resolution of any objections to the adequacy of the NEPA process and the Record of Decision (“ROD”). Accordingly, Mountain Coal submits the following points related to any objections that may be received.

First, Mountain Coal offers one update/correction to the draft ROD. Pages 9 and 18 of the ROD state that “MCC has also filed an application under Title V of the Clean Air Act (“Tailoring Rule”) as of July 1, 2012.” This is a correct statement of historical fact, but Mountain Coal notes that it withdrew its application following the United States Supreme Court’s remand of the Tailoring Rule in 2014.

Second, Mountain Coal supports the proposed decision – the selection of Alternative 3 as described in the Supplemental Final Environmental Impact Statement and Section III of the Record of Decision. The application for the lease modifications were submitted in compliance with current federal law, including modification of existing leases within acreage limits in accordance with the Energy Policy Act of 2005, which ensures “jobs for the future with secure, affordable and reliable energy.” Although coal’s share of the national energy portfolio has declined since 2012, coal remains a critical element to that portfolio and to the communities of the North Fork Valley. The need to delineate the extent and develop any recoverable reserves within this small portion of the 19,500 acre North Fork Coal Mining Exception Area is especially acute given the effective withdrawal of nearly 36,000 acres of federal coal from the originally proposed North Fork Exception Area and the addition of over 400,000 acres to Colorado

Jacqueline Buchanan, Reviewing Officer
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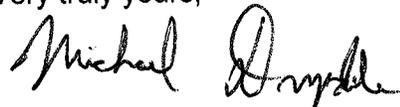
roadless areas during the early negotiations for the Colorado Roadless Rule ("CRR"), that now totals nearly 4.2 million acres of Roadless Areas in Colorado. As frequently stated, Mountain Coal fully supports the Colorado Roadless Rule, but the North Fork Exception Area was a critical element of the policy balancing that accompanied the CRR, and is the only aspect of the CRR that has been delayed and obstructed by litigation. It would be contrary to these many statutory directives and policy decisions to deny or further delay approval of the lease modifications.

Third, Mountain Coal objects to any changes that may be proposed to the ROD in response to objections. Not only is the ROD well supported, changes to the ROD hold the potential to affect Mountain Coal's valid existing rights in its current federal coal leases and adjacent fee leases. For that reason, Mountain Coal requests the opportunity to participate in any meetings, telephone conferences, or formal or informal resolution processes that the Reviewing Officer may conduct with objecting parties or other third parties as part of the review process.

Fourth, Mountain Coal notes that the NEPA process that led to the proposed decision is one of the most exhaustive ever conducted for a decision of this nature. The proposed lease modifications and related plans and proposed consents total only 1,722 acres of Forest Service administered lands, and yet have been under nearly continuous NEPA review and study since 2009. In that vein, Mountain Coal incorporates by reference its prior comment letters submitted during that process.

Finally, Mountain Coal stresses that affirmance of the ROD does not mark the end of Forest Service oversight of activities in the lease modification area. Should exploration verify that recoverable federal coal exists within the lease modification area, no extraction of that coal can occur until approval of an amended Mine Plan of Operations, which will be subject to additional Forest Service review. As part of that process, Mountain Coal will continue, as affirmed by the Colorado Governor Hickenlooper, "to work collaboratively with Gunnison and Delta Counties, the State of Colorado and others to explore and develop a methane capture strategy at the mine, as well as to explore opportunities to put the methane to beneficial use," through Mountain Coal's participation in the North Fork Coal Working Group meetings held to date and going forward.

Very truly yours,



Michael R. Drysdale

MRD:aj