AGENDA ITEM or FINAL CONTRACT REVIEW SUBMITTAL FORM

Agenda Item: Ratification of Correspondence; USDA Forest Servic

Action Requested:

Parties to the Agreement:

Term Begins: **Term Ends:** **Grant Contract #:**

Summary:

Please see attached correspondence for ratification.

Fiscal Impact:

Submitted by: Josh Ost **Submitter's Email Address:** jost@gunnisoncounty.org

Finance Review: ○ Required ◉ Not Required

Comments:

Reviewed by: Discharge Date:

County Attorney Review: ○ Required ◉ Not Required

Comments:

Reveiwed by: Discharge Date: Certificate of Insurance Required

Yes ○ No ○

County Manager Review:

Comments:

Reveiwed by: GUNCOUNTY1\jost Discharge Date: 7/21/2017

◉ Consent Agenda ○ Regular Agenda ○ Worksession Time Allotted: 0

Agenda Date: 7/25/2017

Revised April 2015

Gunnison County
COLORADO

Gunnison County Board of County Commissioners
Phone: (970) 641–0248 • Fax: (970) 641–3061
Email: bocc@gunnisoncounty.org • www.GunnisonCounty.org

July 21, 2017

Grand Mesa, Uncompahgre and Gunnison National Forest
Attn: Federal Coal Lease Modifications COC-1362 and COC-67232
2250 South Main Street
Delta, Colorado 81416
Email: comments-rocky-mountain-gmug@fs.fed.us
Fax: 970-870-6698

Re: Federal Coal Lease Modifications COC-1362 and COC-67232

The Board of County Commissioners of Gunnison County, Colorado (the "Board") is the local government of general jurisdiction for Gunnison County, Colorado.

The Board formally submits these comments regarding the proposed Federal Coal Lease Modifications COC-1362 and COC-67232 Supplemental Draft Environmental Impact Statement ("SDEIS").

The Board's comments are informed by considerations that include the following:

1. Gunnison County in good faith wants to create a win-win situation for the development of the coal resources within the North Fork area of the county including the capture and utilization of Coal Mine Methane.
2. The Board does support the proposed coal mine expansion and/or lease modifications with the understanding that Arch Coal and Gunnison County will work cooperatively towards a future agreement for methane capture and utilization. Arch Coal has agreed to work with the County to accomplish this. The negotiated agreement should include:
   - -Development of an economic feasibility definition
   - -Analysis of potential infrastructure funding mechanisms
   - -Analysis and support for developing markets
   - -Utilization strategy which should include both sealed and active areas
   - -A timeline for development and implementation

3. The reinstatement of the North Fork Coal Mining Area exception is a provision of the Colorado Roadless Rule that does not authorize or permit coal exploration, mining, or related activities. The exception merely removes the prohibition of temporary road construction so as to not foreclose the option for future Federal coal resource exploration and surface uses related to coal resource development in the North Fork Coal Mining Area (from USFS EIS Colorado Roadless Rule).
4. The exception also provides that such roads may be used for collection/transport of coal mine methane. The exception defines that buried infrastructure, including pipelines, needed for the

capture, collection, and use of coal mine methane could be located within the rights-of-way of temporary roads that are necessary for coal-related surface activities, including the installation and operation of methane venting wells subject to site specific permitting (from USFS EIS Colorado Roadless Rule).

5. "Pursuant to BLM's lease stipulations, the following mitigation measures may be applied if determined to be feasible and economic. Nothing in this analysis would prevent MCC from voluntarily implementing any potential methane control option provided that all regulatory requirements are adhered" (from USFS West Elk Coal Lease Modification Draft EIS). Gunnison County intends to work cooperatively with Arch Coal, State and Federal Agencies and any other interested party to find resources to help create economic feasibility.
6. The USFS EIS states based on the coal mine methane (CMM) being emitted to the atmosphere, the total electric power generating potential for the West Elk Mine would be about 27 MW. Gunnison County will work cooperatively with Arch Coal to find resources to take advantage of the potential CMM power Generation from the West Elk Mine.
7. The 2009 Economic Feasibility Report studied the methane released at the West Elk Mine for potential production of salable gas from CMM drainage wells. This study indicated that the levels of contaminants in the gas (including carbon dioxide, oxygen, and nitrogen) were treatable. Gunnison County will work cooperatively with Arch Coal to explore options for utilization of this resource.
8. The 2009 Economic Feasibility Report also studied the potential for flaring methane from the drainage wells via a centralized collection system. Flaring the methane would convert it to carbon dioxide, and could potentially reduce the total global warming potential of the gas by approximately 87% (on a CO2e basis). Flares can combust methane in air with fluctuating concentrations between 30 to 100 percent by volume. Portable flares are also commercially available, and could provide flexibility to move to different MDW. Gunnison County believes this is also an option assuming mine safety can be maintained and productive use of methane is not feasible.

By this formal submission, and pursuant to USDA, Forest Service, GMUG correspondence dated June 5, 2017; File Code 1950; 2820; signed by Scott Armentrout, Forest Supervisor, the Board obtains standing for all administrative processes and/or objections to future Forest Service discussion (per 36 CFR 2018 Subparts A and B) and to appeal decisions pertinent to the Bureau of Land Management's decisions regarding the SDEIS and the proposed Federal Coal Lease Modifications COC-1362 and COC-67232.

Respectfully,

Phil Chamberland, Chairperson Jonathan Houck, Vice Chair John Messner, Commissioner