

DEPARTMENT OF THE INTERIOR**Bureau of Land Management**

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Potential for Oil Shale Development; Call for Nominations—Oil Shale Research, Development, and Demonstration (R, D, and D) Program**AGENCY:** Bureau of Land Management (BLM), Interior.**ACTION:** Notice.

SUMMARY: The BLM solicits the nomination of parcels to be leased for R, D, and D of oil shale recovery technologies in Colorado, Utah, and Wyoming.

DATES: Nominations for oil shale R, D, and D leases can be made January 15, 2009 through March 2, 2009.

ADDRESSES: Please send nominations to the BLM state director for the state in which the parcel you are nominating is located: Sally Wisely, State Director, BLM, Colorado State Office, 2850 Youngfield Street, Lakewood, Colorado, 80215-7076; Selma Sierra, State Director, BLM, Utah State Office, 400 West 200 South, Suite 500, Salt Lake City, Utah, 84145-0155; and Bob Bennett, State Director, BLM, Wyoming State Office, 5353 Yellowstone Road, P.O. Box 1828, Cheyenne, Wyoming, 82003.

FOR FURTHER INFORMATION CONTACT: Charlie Beecham, BLM, Colorado State Office, 303-239-3773; Jeff McKenzie, BLM, Utah State Office, 801-539-4038; and Robert Janssen, BLM, Wyoming State Office, 307-775-6206.

SUPPLEMENTARY INFORMATION: On June 9, 2005, the BLM published in the *Federal Register* a notice entitled "Potential for Oil Shale Development; Call for Nominations-Oil Shale Research, Development, and Demonstration (R, D, and D) Program" (70 FR 33753). As a result of that notice, the BLM issued six R, D, and D leases. Section 369 of the Energy Policy Act of 2005 (EP Act) (42 U.S.C. 15927) addresses oil shale development and directs the Secretary of the Interior to make public lands available for conducting oil shale research and development activities.

In accordance with the EP Act, the BLM is soliciting for nomination parcels to be leased for R, D, and D of oil shale recovery technologies. The lease form for this round of R, D, and D leases has been revised from the one published in the June 9, 2005 notice (see 70 FR 33755) to make it consistent with the oil shale regulations published on November 18, 2008 (see 73 FR 69414),

including changes to the provisions on royalty and lease conversion. As discussed below, the lease form is also revised by increasing the maximum acreage of the R, D, and D lease and by removing the option for additional preference-right acreage. The revised R, D, and D lease form can be found at: http://www.blm.gov/wo/st/en/prog/energy/oilshale_2.html. Please contact Nick Douglas at (202) 557-3377 if you have any questions.

The BLM is soliciting the nomination of parcels, not to exceed 640 acres, for the conduct of oil shale R, D, and D under a 10-year lease agreement. Under the conversion regulations at 43 CFR 3926.10, an R, D, and D lease is eligible for conversion to a 20-year lease after producing commercial quantities of shale oil from the lease and after meeting the other provisions of that section.

The BLM may issue one or more R, D, and D leases in each of the states of Colorado, Utah, and Wyoming based on review of the nominations and analysis under the National Environmental Policy Act (NEPA). The R, D, and D nominations will be reviewed by an interdisciplinary team. The BLM will request the participation of a representative of each of the States of Colorado, Utah, and Wyoming, as appropriate, and the Departments of Defense and Energy. The review will consider the potential of proposals to advance knowledge of effective technology, economic viability, and the means of managing the environmental effects of oil shale development. The review will also consider the potential environmental, social, and economic impacts on the site or the region associated with each nomination.

The interdisciplinary team will rate the nominations based on the team's review. Nominations that the interdisciplinary team rates and recommends for issuance of an R, D, and D lease will be analyzed under NEPA. The NEPA analysis will also document compliance with the National Historic Preservation Act, the Endangered Species Act, and any other applicable Federal statute. At the conclusion of the NEPA analysis, the BLM may issue one or more R, D, and D leases.

If the BLM receives two or more nominations to lease the same lands, the BLM will issue an R, D, and D lease, if at all, to the qualified nominator whose proposal is rated highest by the interdisciplinary team.

The time required for NEPA analysis and documentation may differ depending on: (1) Whether the application is for a tract that has

previously been the subject of NEPA analysis for oil shale operations, (2) the method of shale oil extraction, and (3) whether the application involves mining or in-place shale oil recovery. Accordingly, some R, D, and D leases may be awarded prior to others. Each applicant will be responsible for the costs of NEPA analysis of its nomination.

Lease nominations must, at a minimum, contain the following information:

(1) Name, address, and telephone number of the applicant, and the name, address, and telephone number of the representative of the applicant who will be responsible for conducting the operational activities.

(2) Statement of qualifications to hold a mineral lease under the Mineral Leasing Act (MLA). Qualification requirements can be found in 43 CFR subpart 3902 of the final oil shale regulations (see 73 FR 69414).

(3) Description of the lands, not to exceed 640 acres, in accordance with 43 CFR 3901.10 of the oil shale regulations, together with any rights-of-way required to support the development of the oil shale R, D, and D lease.

(4) A narrative description of the proposed methodology for recovering oil from oil shale, including a description of all equipment and facilities needed to support the proposed technology.

(5) A narrative description of the results of laboratory and/or field tests of the proposed technology.

(6) A schedule of operations for the life of the project and proposed plan for processing, marketing, and delivering the shale oil to the market.

(7) A map of existing land use authorizations on the nominated acreage.

(8) Estimated shale oil and/or oil shale resources within the nominated acreage boundary.

(9) The method of shale oil storage and the method of spent oil shale disposal.

(10) A description of any interim environmental mitigation and reclamation.

(11) The method of final reclamation and abandonment and associated projected costs of final reclamation.

(12) Proof of investment capacity.

(13) A description of the commitments of partners, if any.

(14) A statement from a surety qualified to furnish bonds to the United States Government of the bond amount for which the applicant qualifies under the surety's underwriting criteria.

(15) A non-refundable application fee of \$4,000.00.

The non-refundable application processing fee is increased from \$2,000 to \$4,000 per application based on estimates of costs for processing the previous R, D, and D lease applications and a similar \$4,000 processing fee authorized under the Consolidated Appropriations Act of 2008 (Pub. L. 110-161) for oil and gas activities.

Applications submitted for lands within the multi-mineral leasing zone in Colorado must demonstrate the potential capability to extract shale oil, dawsonite, and nahcolite or demonstrate a potential capability to extract shale oil while preserving the other minerals for future recovery.

An applicant should prominently note and segregate any information submitted with the application that contains proprietary information or trade secrets, if the disclosure of this information to the public would cause commercial or financial injury to the applicant's competitive position. The BLM will protect the confidentiality of such information to the extent permitted by the Freedom of Information Act (FOIA). Any FOIA requests for such information will be handled in accordance with the regulations at 43 CFR 2.23.

The original R, D, and D leases were issued to generate interest in and to encourage research and development of oil shale resources on Federal lands. As an incentive for performing research and development, additional acreage for a preference lease area was made available to the original R, D, and D lessees. There was significant interest in response to the original R, D, and D lease offerings and this interest in research and development of oil shale on Federal lands continues, which suggests that incentives for R, D, and D beyond those conferred by the R, D, and D lease itself, are not needed. Since offering the original R, D, and D leases, and completing an analysis of oil shale potential and availability on public lands, the Department has determined that an R, D, and D lease of 640 acres is likely to provide reserves sufficient to support a commercial operation. For these reasons, the revised R, D, and D leases do not provide additional preference lease areas over and above the R, D, and D acreage of 640 acres. The maximum acreage of the revised lease is increased from 160 acres to 640 acres, which is sufficient to accommodate an R, D, and D project based on public comments to the initial **Federal Register** Notice of November 22, 2004 (69 FR 67935). Public comments received at that time indicated that a reasonable acreage size for an R, D, and D lease ranged from 40 to 640 acres. The BLM

believes that 640 acres is sufficient acreage to support research and development and also to allow for the eventual expansion into commercial operations.

To encourage the use of new technologies, the BLM will only consider applications that demonstrate new technologies not currently being tested on the R, D, and D leases issued as a result of the June 9, 2005, call for nominations. See the **FOR FURTHER INFORMATION CONTACT** section of this Notice if there are questions on technologies currently being tested on the existing R, D, and D leases. Applications must document field demonstration of the feasibility of the proposed oil shale extraction methodology(ies). Entities that currently hold R, D, and D leases on BLM public lands are excluded from submitting additional applications for leases. The BLM will only accept one application per entity.

Henri R. Bisson,

Deputy Director, Operations, Bureau of Land Management.

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DEPARTMENT OF THE INTERIOR

Bureau of Land Management

[CO-921; COC-70538; CO-130; COC 69290]

Notice of Availability of the Draft Environmental Impact Statement for the Proposed Red Cliff Coal Mine and Associated Surface Facilities Including a Railroad Spur Line COC 69290, and Federal Coal Lease by Application COC 70538, in Garfield and Mesa Counties, CO

AGENCY: Bureau of Land Management, Interior.

ACTION: Notice of Availability.

SUMMARY: The Bureau of Land Management (BLM), Colorado State Office, Lakewood, Colorado, hereby gives notice that a public hearing will be held to receive comments on the Draft Environmental Impact Statement (DEIS), Maximum Economic Recovery (MER) and Fair Market Value (FMV) of Federal coal to be offered. An application for coal lease was filed by CAM-Colorado, LLC (CAM) on September 12, 2006. As a result, the BLM offers for competitive lease 14,466 acres of Federal coal in Garfield County, Colorado.

In accordance with the National Environmental Policy Act of 1969 (NEPA) and the Federal Land Policy and Management Act of 1976, the BLM has

prepared a DEIS for the proposed Red Cliff Mine, located near Loma, Colorado. The DEIS responds to Right-of-Way (ROW) Applications for a railroad spur and associated mine facilities on Federal Lands, and an electrical transmission line. In addition, a Federal Coal Lease by Application (LBA) was submitted by CAM-Colorado, on September 12, 2006. The BLM is providing this notice to announce the availability of the Red Cliff Mine DEIS, the proposed LBA, and the public hearing requesting comments on the DEIS, MER and FMV, pursuant to 40 CFR 1503.1 and 43 CFR 3425.4.

The Environmental Impact Statement (EIS) is being prepared in cooperation with the Office of Surface Mining Reclamation and Enforcement (OSM); U.S. Army Corps of Engineers (USACE); the Colorado Department of Natural Resources; the Colorado Division of Reclamation, Mining and Safety (CDRMS); the Colorado Division of Wildlife (CDOW); and Garfield and Mesa counties.

The EIS analyzes the development of surface facilities for coal mining associated with CAM's proposed underground Red Cliff Mine, including roads, a water pipeline, electric transmission line, conveyers, coal stockpile and waste disposal areas, a coal preparation plant, the mine portal, other administrative and operations facilities, and a railroad spur line that will connect to the existing Union Pacific Railroad line near Mack, Colorado. The EIS also considers the effects of extracting coal from CAM's existing Federal coal leases, defined as logical mining unit COC-57198, and issuance of an adjoining Federal coal LBA COC-070538. This notice announces the opening of the public comment period for the DEIS.

DATES: Written comments on the DEIS, MER, and FMV will be accepted for 60 calendar days following the date that the Environmental Protection Agency publishes a NOA in the **Federal Register**. The public hearing will be held at a date, time and location to be announced in the local media, displayed on the Web site <http://www.blm.gov/rmp/co/redcliffmine/>, or obtained by calling the BLM Grand Junction Field Office at 970-244-3000, Monday through Friday between 7:30 a.m. and 4:30 p.m. Mountain Standard Time (MST).

ADDRESSES: You may submit comments by any of the following methods:

- *Web site:* <http://www.blm.gov/rmp/co/redcliffmine/>.
- *E-mail:* RedCliffMineEIS@uscrcorp.com.