

UNITED STATES DEPARTMENT OF THE INTERIOR
Office of Surface Mining Reclamation and Enforcement
Western Region, Interior Regions 5, 7-11
1 Denver Federal Center Lakewood, CO 80225

FINDING OF NO SIGNIFICANT IMPACT (FONSI)
for

DOI-BLM-MT-0000-2025-0005-EA

Federal Coal Lease NDM-111489

Federal Mining Plan Modification at Falkirk Mine

DOI-Office of Surface Mining Reclamation and Enforcement in Interior Regions 5, 7-11

The U.S. Department of the Interior (DOI) Office of Surface Mining Reclamation and Enforcement (OSM) proposes to recommend that the Assistant Secretary for Land and Minerals Management (ASLM) approve a mining plan modification for the portion of the Federal coal within Federal Coal Lease NDM 111489 that is included in Revision 40 of Falkirk Mining Company's application to modify surface coal mining permit NAFK-9503 with the North Dakota Public Service Commission (PSC), which is the state regulatory authority authorized to regulate surface coal mining operations on Federal lands in North Dakota under the Surface Mining Control and Reclamation Act of 1977 (SMCRA).

In 2025, the OSM and the Bureau of Land Management (BLM) jointly prepared the [*Falkirk Mining Company Proposed Federal Coal Lease-by-Application Serial Number: NDM 111489 McLean County, North Dakota Environmental Assessment DOI-BLM-MT-0000-2025-0005-EA*](#), incorporated herein by reference, pursuant to the National Environmental Policy Act (NEPA; 42 U.S.C. 4321 *et seq.*); DOI's NEPA regulations (43 C.F.R. part 46); the DOI Handbook of National Environmental Policy Act Implementing Procedures (516 DM 1); and other applicable Federal and State laws and regulations. On September 14, 2026, OSM prepared a Determination of NEPA Adequacy (DNA) to confirm that the 2025 EA fully covered and analyzed all actions contained in Revision 40, incorporated herein by reference. OSM is now issuing this FONSI, determining, as detailed herein, that approval of Revision 40 is not a major Federal action that would significantly affect the quality of the human environment.

I. Introduction

The Falkirk Mine is operated by the Falkirk Mining Company and has been producing lignite coal using conventional surface mining methods since 1983. Coal mined at the Falkirk Mine is supplied to Coal Creek Station via a conveyor system or truck loading operations. The Coal Creek Station is permitted to operate through 2040, and the Falkirk Mine is anticipated to operate through the lifetime of the Coal Creek Station.

In August 2025, the BLM and OSM jointly prepared an environmental assessment (EA) that discloses and analyzes the potential effects on the environment of issuing a Federal Coal Lease for the proposed Lease-by-Application NDM 111489 and approval of the federal mining plan modification associated with Federal Coal Lease NDM 111489 by the ASLM. The EA examines a No Action Alternative, the Proposed Action (Alternative B) (referred to herein as "Alternative B" or "the 2025 EA Proposed Action"), and an alternative where the mining plan approval would be conditioned to only allow development of the tracts with split mineral ownership (Alternative

C). BLM selected Alternative B, issued a FONSI, and then issued Federal Coal Lease NDM 111489 to the Falkirk Mining Company on September 10, 2025.

On November 17, 2025, Falkirk submitted a permit application package for Revision 40 to State Permit NAFK-9503 to the North Dakota PSC, which sought to add mining operations for Federal coal in lease NDM 111489. The North Dakota PSC deemed the application administratively complete on January 5, 2026. In consultation with the BLM, on February 11, 2026, OSM determined that Revision 40 constituted a mining plan modification requiring approval from the ASLM. The North Dakota PSC approved Falkirk Mining Company's application for a permit revision to add Federal coal resources from Federal Coal Lease NDM 111489 to the surface coal mining permit NAFK-9503 mining plan through Revision 40 on August 26, 2026, with the condition that mining within Revision 40 may not occur until ASLM's approval of the federal mining plan modification.

The area where the proposed surface mining and reclamation activities will occur is located in the Federal Coal Lease NDM 111489. The areas proposed for mining in Revision 40 are legally described as:

Township 144 North, Range 84 West, Section 12: NW ¼ (160 acres)

An analysis of the potential environmental effects related to Revision 40 are fully examined within the 2025 EA Proposed Action, Alternative B. Alternative B assumes that all of the leased Federal coal in approximately 800 acres, which is the amount of acreage in all of the proposed Federal lease tracts, outlined in Table 4 of the 2025 EA, would be mined. The proposed action here—the approval of Revision 40—only contemplates mining 160 of the approximately 800 acres of leased Federal coal. As mentioned above, OSM prepared a DNA to confirm that the 2025 EA fully covered and analyzed all actions contained in Revision 40.

II. Purpose and Need

The purpose of OSM's federal action is to consider and recommend to ASLM whether to approve, disapprove, or approve with conditions the proposed mining plan modification as required by the Mineral Leasing Act of 1920 (MLA) (30 U.S.C. 207(c)); 30 C.F.R. part 746. The ASLM will consider OSM's recommendation to decide whether the mining plan modification is approved, disapproved, or approved with conditions.

III. Affected Environment

The affected environment is summarized below and discussed in detail in Section 3 of the EA for each of the following resources/issues analyzed in the EA: air quality, greenhouse gas, cultural resources and Native American religious concerns, socioeconomics, threatened and endangered species, water resources, and big game. Analysis in the EA was focused on issues that: are determined to be potentially significant as related to the action alternatives, have a cause-effect relationship with the action alternatives, are within the scope of analysis, and which can be investigated using scientific methods and principles. Because Revision 40 is a subset of the area evaluated in the 2025 EA Proposed Action, the extent of the affected environment evaluated in the EA is overinclusive of the affected environment for Revision 40.

A. Air Quality

The analysis area associated with direct impacts to ambient air quality from mining operations includes the existing permit boundary for the Falkirk Mine with a 1-mile buffer. The analysis area for indirect and aggregate effects to ambient air quality includes the counties that are largely encompassed by the 50-kilometer radii from the mining locations, and the 50-kilometer radii from downstream combustion and processing sites, including the Coal Creek Station. Because air quality related emission data is generally available at a county scale, the analysis area encompasses the entirety of McLean County, where the mine and the Coal Creek Station are located, and Oliver and Mercer Counties.

B. Greenhouse Gas

The climate of North Dakota is characterized by large seasonal temperature variations, light to moderate irregular precipitation, plentiful sunshine, low humidity, and almost continuous wind. The annual average temperature ranges from approximately 37 degrees Fahrenheit in the northeastern part of the state to 44 degrees Fahrenheit along most of the southern border. Annual average precipitation ranges from approximately 14 to 22 inches, and winter snowpack averages 9 to 15 inches, depending on the area of the state. In the western portion of the state, prevailing wind directions are west, northwest, and north during most of the year, although this depends somewhat on the season. In the summer, winds blow from the south. Average wind speeds range from 10 to 13 miles per hour.

The EPA regulates GHG emissions under several initiatives, including the Mandatory Greenhouse Gas Reporting Rule, the Final Greenhouse Gas Tailoring Rule, geologic sequestration requirements, and EPA and National Highway Traffic Safety Administration standards for new motor vehicles. Under the Mandatory Greenhouse Gas Reporting Rule (40 C.F.R. part 98), coal mines subject to the rule are required to report emissions in accordance with the requirements of Subpart FF. Subpart FF is applicable only to underground coal mines and would not apply to the 2025 EA Proposed Action. Because no change to the production levels or annual emissions at the Falkirk Mine would occur under the 2025 EA Proposed Action, no other GHG reporting or permitting requirements would apply.

Surface coal mines in the United States reported emissions of approximately 6.0 million metric tons (MMmt) CO₂e in 2022 (compared to a total of 43.6 MMmt CO₂e emissions from all U.S. coal mining and a total of 6,343.2 MMmt of CO₂e emissions from all sources across the country). The surface coal mine emissions represent approximately 13.8% of all coal mining CO₂e emissions and about 0.09% of all CO₂e emissions in the United States for 2022.

Further insight into trends in GHG emissions in the state of North Dakota can be seen in Figure 16 of the EA. FLIGHT data from 2010 through 2023 show variations in GHG emissions year-over-year, with an overall 2% decrease in emissions in the state of North Dakota from 2010 through 2023. For further context, the Coal Creek Station, for which indirect impacts of the 2025 EA Proposed Action were evaluated, emitted 7.72 MMmt of CO₂e in 2023.

C. Cultural Resources and Native American Religious Concerns

The analysis areas for cultural resources in the affected environment consist of all cultural resources present within the 2025 EA Proposed Action disturbance boundary. These include prehistoric and historic-age archaeological resources, historic-age architectural resources, and tribal resources that may be present on the federal lease tracts. Such resources may include, but are not limited to, buildings, sites, objects, structures, and districts that are at least 50 years of age and represent human social interaction and/or interaction with the natural or built environment as well as cultural landscapes, traditional cultural properties, and cemeteries (National Park Service 1997). A total of 3,680 acres were surveyed, which cover lands identified in Alternatives B (800 acres) and C (320 acres) and an additional 2,880 acres surrounding the lease tracts. The Class III inventories identified 10 prehistoric sites, 12 historic sites, and 20 isolated finds.

D. Socioeconomics

The analysis area for potential socioeconomics effects is McLean County. This analysis area was selected because it is a political boundary for which economic and demographic data are available and includes the communities that could experience impacts from the proposed Federal coal lease and mining operations.

E. Threatened and Endangered Species

The analysis areas used to assess impacts to threatened and endangered species vary based on the species and are described in detail in Section 3.5 of the EA and shown in Figure 17 of the EA.

F. Water Resources

Detailed discussion of the geology and affected environment for water resources can be found in Section 3.6 of the EA. The discussion is broken down by regional geology, local geology, general conditions, surface water, groundwater and water monitoring.

G. Big Game

The analysis area includes 1,075 mi² (688,000 acres) designated for big game species and is within the Northwestern Great plains ecoregion (Level III). This ecoregion is described as a semiarid rolling plain of shale and sandstone derived soils punctuated by occasional buttes and badlands. The elevation of the ecoregion ranges from 1,500 to 3,900 ft. Habitat types for big game in this ecoregion are diverse, ranging from expansive grasslands and mixed- grass prairies to riparian zones along rivers and streams.

IV. Agency, Public and Tribal Coordination and Consultation

Federal, State, and local agencies, Tribes, and the public were provided opportunities for coordination, consultation, and comment, as appropriate, in the development of the EA as summarized below; detailed information on consultation can be found in Section 4 of the EA.

The BLM and OSM initiated a 30-day public scoping period on August 17, 2020, and posted the action alternatives and associated maps to the BLM ePlanning website (NEPA number DOI-BLM-MT-0000- 2020-0008-EA) and the OSM website. The draft EA was available for public comment from June 23, 2025, to July 7, 2025.

On August 17, 2020, the BLM and OSM sent letters to 19 consulting Tribes for a 30-day scoping period, informing them of the 2025 EA Proposed Action. On May 12, 2021, the BLM and OSM received a concurrence letter from the State Historic Preservation Office (SHPO) for the determination of “No Historic Properties Affected” for this project. Subsequently, the BLM and OSM provided follow up information to all Tribes on July 16, 2021. On February 11, 2026, OSM sent additional letters to 19 consulting Tribes informing them that OSM had determined that Revision 40 constituted a mining plan modification requiring approval from the ASLM.

To develop the biological assessment, the BLM and OSM met with the U.S. Fish and Wildlife Service (USFWS) in July 2020 and January 2021 to discuss the project, issues, and potential impacts to listed species. On May 27, 2021, the BLM and OSM requested concurrence from the USFWS about the determination of effects for federally listed species contained in the biological assessment (see Appendix E of the EA). On June 9, 2021, the USFWS concurred that the 2025 EA Proposed Action “may affect but is not likely to adversely affect” the whooping crane, pallid sturgeon, and northern long-eared bat. On April 7, 2025, the BLM and OSM requested concurrence from the USFWS about the determination of effects for federally listed species including the uplisting of the northern long-eared bat, and the nomination of three proposed species (western regal fritillary, Suckley’s cuckoo bumble bee, and the monarch butterfly) since the 2021 concurrence was issued. On April 15, 2025, the USFWS concurred with the BLM and OSM determinations that the 2025 EA Proposed Action “may affect but is not likely to adversely affect” the endangered northern long-eared bat (*Myotis septentrionalis*) and whooping crane (*Grus americana*), and the threatened Dakota skipper (*Hesperia dacotae*), piping plover (*Charadrius melodus*) and rufa red knot (*Calidris canutus rufa*). The USFWS also determined that the 2025 EA Proposed Action is “not likely to jeopardize” the western regal fritillary (*Argynnis idalia occidentalis*), monarch butterfly (*Danaus plexippus*), or Suckley’s cuckoo bumble bee (*Bombus suckleyi*), species proposed for listing but that do not yet have formal status as threatened or endangered under the Endangered Species Act. On September 3, 2026, OSM requested species listed or proposed to be listed that may be present in the area of this proposed action from the USFWS Information for Planning and Consulting database (IPaC) for the Revision 40 mining area and determined that there were no new species listed or habitat identified since the USFWS’s 2025 concurrence.

V. Reasonable Range of Alternatives Evaluated in 2025 EA

The BLM and OSM considered a reasonable range of alternatives to the 2025 EA Proposed Action that are technically and economically feasible and met the purpose and need of the proposal and also included an analysis of reasonably foreseeable effects of not implementing the 2025 EA Proposed Action. Alternatives considered in the NEPA analysis are summarized below and described in detail in Section 2 of the EA. This proposed action is a subset of alternative B, and its effects were therefore fully considered within alternative B.

A. Alternative A (No Action Alternative)

Under the No Action alternative (Alternative A), the 2025 EA Proposed Action (Alternative B) would not be implemented and OSM would not recommend the approval of a federal mining plan and the ASLM would not approve the mining plan. The Federal coal resources contained

within the Federal lease tracts would not be mined. All private coal surrounding the Federal lease tracts located within existing permit boundaries would be mined, leaving the Federal lease tracts undeveloped within a mined and reclaimed landscape.

B. Alternative B (2025 EA Proposed Action)

The 2025 EA Proposed Action evaluated the impacts that might occur if Falkirk were authorized to mine approximately 800 acres, which is the amount of acreage in the proposed Federal lease tracts (see Table 4 of the EA). Under this alternative, the assumption was that OSM would review the mining plan and recommend a decision to approve mining all 800 acres of Federal coal to the ASLM. The Federal coal that makes up Revision 40 was included within the Federal lease tracts evaluated in Alternative B.

C. Alternative C

Alternative C was developed to evaluate the impacts that might occur if the Federal mining plan approval were conditioned to only allow development of the tracts with split mineral ownership. Alternative C would allow for development of the split-mineral ownership coal, so as not to preclude the development of the fractionally, privately owned coal within the Federal nexus.

VI. Analysis of Effects from Revision 40

The proposed action before OSM is whether to recommend ASLM's approval, disapproval, or approval with conditions of the Federal mining plan modification to add Federal coal resources from Federal Coal Lease NDM 111489 to the State Coal Mining Permit NAFK-9503 mining plan, described in Revision 40. The potential effects of Revision 40 are fully evaluated in Alternative B. As demonstrated below, neither Alternative B, nor the smaller disturbance related to Revision 40 included within Alternative B, are anticipated to cause any significant effect on the environment. Because Revision 40 is a component of the larger Proposed Action analyzed in the 2025 EA, that EA fully evaluated and disclosed the environmental effects from approving Revision 40, which are more limited than those disclosed in the 2025 EA. Recommending approval of the mining plan modification to the ASLM meets the purpose and need of OSM, is within OSM's statutory authority, and would meet the goals and objectives of the applicant.

A. Degree of Effects

I have considered the following in my evaluation of the degree of the effects from Revision 40:

i. Short- and long-term effects

This section summarizes the short- and long-term effects of Revision 40 for each resource issue identified for detailed analysis in the EA. Additional analysis of short- and long-term effects of the 2025 EA Proposed Action can be found in the EA Section 3.

Revision 40 would not authorize a change in the current air quality permit or in production levels. Revision 40 would result in criteria pollutants and hazardous air pollutants being emitted but no exceedances or near exceedances of the National Ambient Air Quality Standards (NAAQS) are expected to occur. As of the publication of this FONSI, there are no established thresholds for NEPA analysis to assess the greenhouse gas emissions of an action in terms of the

action's effect on climate, incrementally or otherwise. There is also no scientific data in the record, including scientific data submitted during the comment period, nor are there any established thresholds, tools, or methods that would allow the OSM to conclude that the greenhouse gas emissions associated with this proposed action, or any reasonable alternatives may result in significant environmental effects.

The North Dakota Department of Water Resources regulates the use of surface water and groundwater for North Dakota. The North Dakota Public Service Commission coordinates with the Falkirk Mine for monitoring of surface water reclamation, groundwater recharge, and overall water quality. The OSM does not anticipate any effects on water quantity or quality. Surface water quality impacts are expected to be short-term and negligible.

On May 12, 2021, the BLM and OSM received concurrence from the SHPO for the OSM's determination of "No Historic Properties Affected" for this project.

On May 27, 2021, the USFWS concurred with the BLM and OSM determinations that the 2025 EA Proposed Action "may affect but is not likely to adversely affect" the whooping crane, pallid sturgeon, and northern long-eared bat. On April 15, 2025, the USFWS concurred with the BLM and OSM determinations that the 2025 EA Proposed Action "may affect but is not likely to adversely affect" the endangered northern long-eared bat and whooping crane, and the threatened Dakota skipper, piping plover, and rufa red knot. The USFWS also determined that the 2025 EA Proposed Action is "not likely to jeopardize" the western regal fritillary, monarch butterfly, or Suckley's cuckoo bumble bee. On September 3, 2026, OSM requested species listed or proposed to be listed that may be present in the area of this proposed action from the USFWS IPaC for the Revision 40 mining area and determined that there were no new species listed or habitat identified since the USFWS's 2025 concurrence; therefore, the determinations outlined above are still valid to support the federal mining plan modification approval.

Mining activities would initially eliminate acreage of foraging areas for big game. Successful reclamation will restore big game habitat.

ii. Beneficial and adverse effects

This section summarizes the beneficial and adverse effects of Revision 40 for each resource issue identified for detailed analysis in the EA. Additional analysis of beneficial and adverse effects from the 2025 EA Proposed Action can be found in the EA.

The Falkirk Mine does not meet the applicability requirements of U.S. Environmental Protection Agency Prevention of Significant Degradation (PSD) regulations, and no assessment of impacts to Air Quality Related Values directly related to the actions are required. Air quality effects as a result of Revision 40 are likely to be minor. As of the publication of this FONSI, there are no established thresholds, qualitative or quantitative, for NEPA analysis to assess the impact on climate from the potential greenhouse gas emissions from the proposed action, incrementally or otherwise. There is also no scientific data in the record, including scientific data submitted during the comment period, nor are there any established thresholds, tools or methods that would allow the BLM and OSM to conclude that the greenhouse gas emissions associated with this proposed action, or any reasonable alternatives may result in significant environmental effects.

Surface water quality is protected by required sediment control measures to limit sediment from entering streams and creating impacts outside the permit area. Surface water quality impacts resulting from Revision 40 are expected to be negligible. Some groundwater will be intercepted during mining. Groundwater quantity impacts will be limited to within a mile of the active mine pit area, and groundwater drawdown impacts will recover to approximate pre-mining levels after reclamation. Groundwater quantity impacts are expected to be minor.

On May 12, 2021, the BLM and OSM received concurrence from the SHPO for our determination of “No Historic Properties Affected” for this project.

There would be potential habitat disturbance for piping plover, rufa red knot, whooping crane, northern long-eared bat, Dakota skipper, monarch butterfly, Suckley’s cuckoo bumblebee, and western regal fritillary. However, these impacts are expected to be minor and are not likely to adversely impact these species. For additional discussion, please see the USFWS determinations in the section above titled short- and long-term effects. There would be no direct impacts to the Missouri River or potential habitats for pallid sturgeon. No locations identified as high use pronghorn fawning and foraging habitat will be disturbed. There may be minor effects on mule deer high use fawning and foraging habitat.

iii. Effects on public health and safety

No significant impacts to public health and safety were identified in the EA. Because Revision 40 is only 160 acres within the 800 acres evaluated under the 2025 EA Proposed Action, any impacts identified in the EA are expected to be less for Revision 40. Additional analysis of the effects on public health and safety can be found in the EA Section 3. Neither NAAQS exceedances or near exceedances nor impacts to human health are expected to occur as a result of the ongoing mining operation at the mine, including expansion related to Revision 40. Effects of combusting the mined coal from Revision 40 are not expected to cause NAAQS exceedances or near exceedances, exceed PSD Class I and II increments (including visibility, and acid deposition impacts), or cause increases in cancer risk or health indices (including HAPs impacts). It is not anticipated that the cancer risk and health indices would worsen, therefore, additional effects to human health from air emissions are not anticipated as a result of Revision 40. Approval of the Federal mining plan modification does not authorize occupancy of the surface during mining and reclamation and does not present an issue to public health and safety. The performance measures required by surface coal mining permit NAFK-9503 will minimize any potential impacts to public health and safety of the mining plan.

iv. Economic effects

This section summarizes the economic effects of Revision 40. Additional analysis of economic effects can be found in Section 3.4 of the EA. In the EA, OSM and BLM estimated that the price of coal would be greater than or equal to \$18.20 per ton at the time of sale. At a cost of \$18.20 per ton, the EA estimated that the Federal coal leased and mined under the 2025 EA Proposed Action would sell for approximately \$217.7 million. Under the baseline 12.5% Federal royalty rate, the Federal royalties generated by Alternative B, as analyzed, would contribute an annual average of approximately \$327,000 to McLean County’s general fund for 15 years. The One Big Beautiful Bill Act (OBBB) was signed into law on July 4, 2025, per section 50205 of the OBBB,

(Pub. L. No. 119-21), the royalty rate for coal was reduced to 7% until the Act provision sunsets on September 30, 2034. Any future royalty rate reductions based on the OBBB in the interim period between the signature date of lease NDM 111489 and the end of September 30, 2034 will be applied to the lease without further modification of the lease instrument. The standard statutory royalty rate of 12.5% for coal will apply after the OBBB royalty rate end date of September 30, 2034. Under the 7% Federal royalty rate, the Federal royalties generated by Alternative B, would contribute an annual average of approximately \$183,120 to McLean County's general fund for 15 years. While Revision 40 is a smaller increment of Federal coal than what was analyzed under the Proposed Action, it is expected that it would provide similar, and proportionate, economic benefits to McLean County.

v. Effects on the quality of life of the American people

This section summarizes the effects on the quality of life of the American people of Revision 40. Additional analysis of effects on the quality of life of the American people can be found in the EA, Section 3. Coal mining is a common practice, not limited to Federal lands. There are no unique or unknown risks associated with surface coal mining in southcentral North Dakota. Based on the analysis in the EA, Alternative B is anticipated to bolster domestic energy independence, create jobs, and provide stimulation for local economies. Therefore, while not providing the same level of impact as the larger 2025 EA Proposed Action, it is expected that approval of the Federal mining plan modification to add Federal coal resources from Federal Coal Lease NDM 111489 to the surface coal mining permit NAFK-9503 mining plan through Revision 40 would also bolster domestic energy independence, create jobs, and provide stimulation for local economies through 2045.

B. Summary of Reasonably Foreseeable Effects on the Quality of the Human Environment

Based on the effects analysis provided in the EA, implementation of the 2025 EA Proposed Action, or the approval of mining just 160 acres within this proposed action, would not be anticipated to result in reasonably foreseeable significant effects on the quality of the human environment that are summarized above.

C. Mitigation Authorities and Commitments

Based on the effects analysis provided in the EA, indicating that mitigation would not be needed to avoid significant impact under the 2025 EA Proposed Action of which Revision 40 is part, no mitigation beyond those required under SMCRA in the approved surface coal mining permit NAFK-9503 are required.

VII. Finding of No Significant Impact and Decision

Based on review and evaluation of the attached *Falkirk Mining Company Proposed Federal coal Lease-by-Application Serial Number: NDM 111489 McLean County, North Dakota Environmental Assessment DOI-BLM-MT-0000-2025-0005-EA* and supporting documents, including the DNA issued on September 14, 2026, I have determined that ASLM's approval of the Federal mining plan modification to add Federal coal resources from Federal Coal Lease

NDM 111489 to the surface coal mining permit NAFK-9503 mining plan through Revision 40, is not a major Federal action that would significantly affect the quality of the human environment pursuant to section 102(2) of the NEPA. Accordingly, preparation of an environmental impact statement is not required.

Marcelo Calle, Division Chief
Acting Regional Director
U.S. Department of Interior, Regions 5 & 7-11
Office of Surface Mining Reclamation and Enforcement

[Date]