

# Bureau of Land Management Solid Minerals Programs June 12, 2013

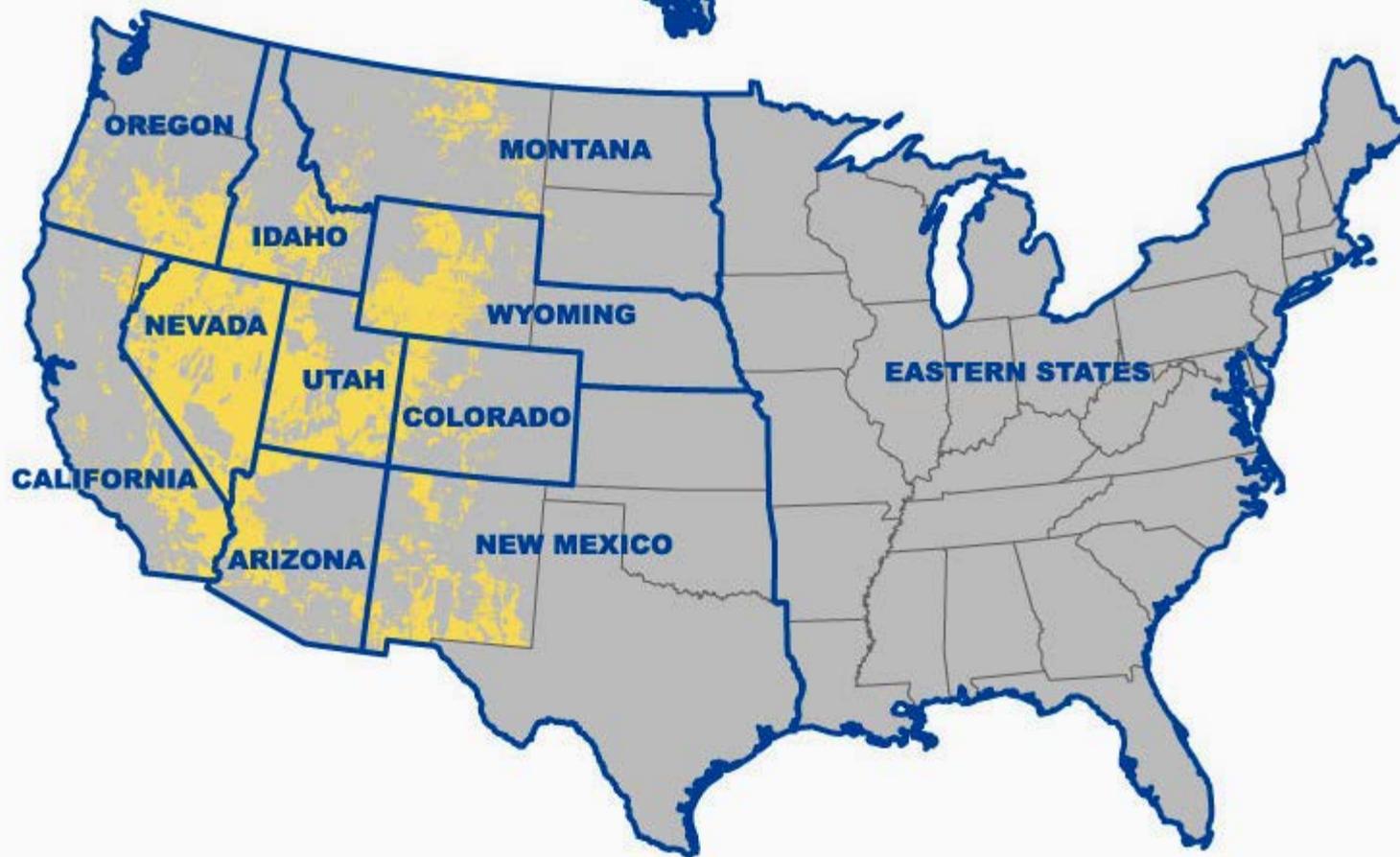




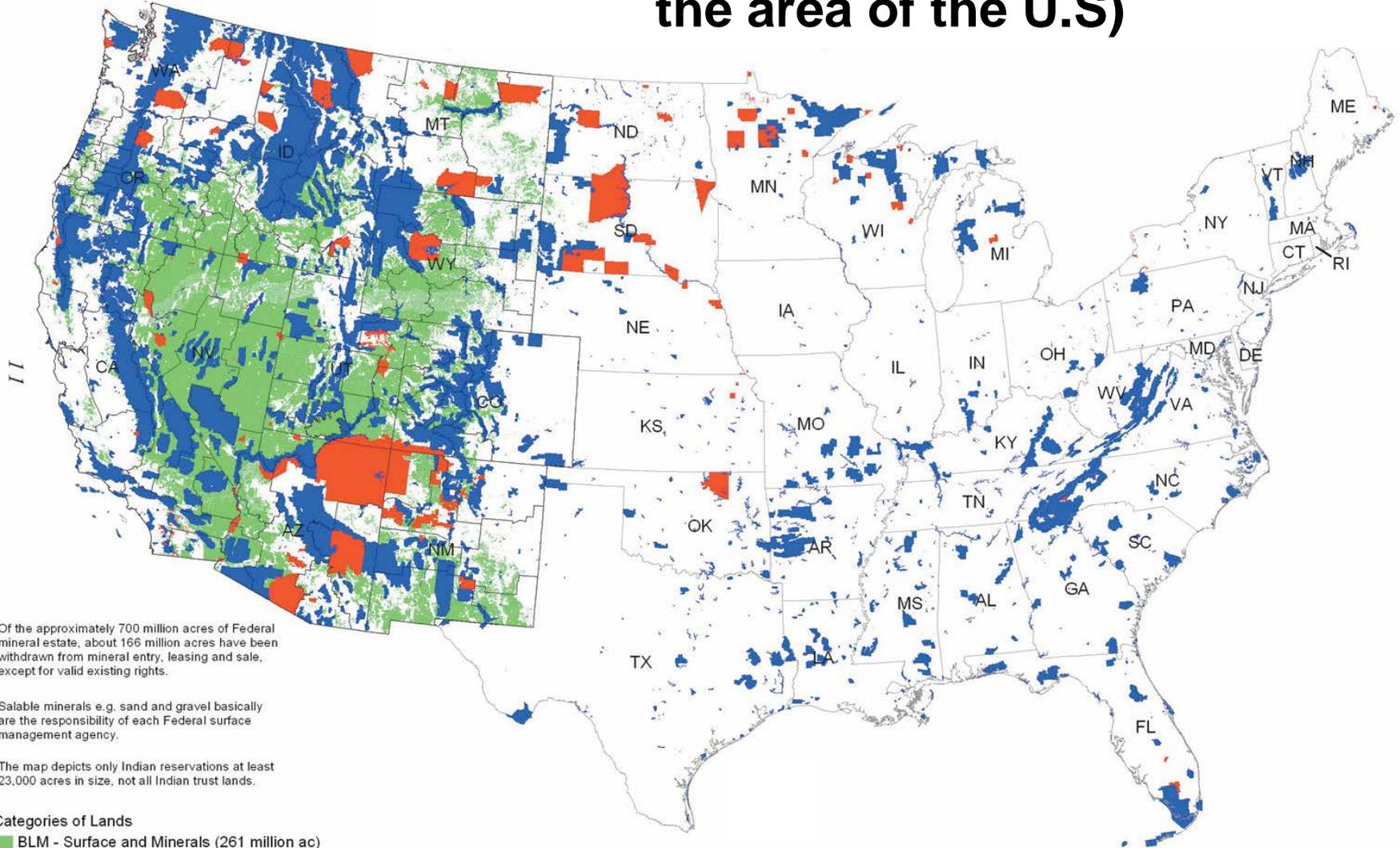
Click on the state jurisdiction to see an enlarged, more detailed jurisdiction map of the state.

For more information on this data, contact Keith Francis at NSTC, [keith\\_francis@blm.gov](mailto:keith_francis@blm.gov) or 303-236-0113.

-  BLM State Jurisdiction
-  BLM-Administered Lands



# BLM Manages more than 700 million acres of Federal mineral estate (29% of the area of the U.S)



- \* Of the approximately 700 million acres of Federal mineral estate, about 166 million acres have been withdrawn from mineral entry, leasing and sale, except for valid existing rights.
- \* Salable minerals e.g. sand and gravel basically are the responsibility of each Federal surface management agency.
- \* The map depicts only Indian reservations at least 23,000 acres in size, not all Indian trust lands.

### Categories of Lands

- BLM - Surface and Minerals (261 million ac)
- Other Federal Lands - Minerals (380 million ac)
- Non-Federal Surface (includes 58 million ac of Split - Estate Federal Minerals)
- Indian Trust Lands (56 million ac) except Mineral Operations for Osage Minerals
- BLM Administration Boundaries

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Produced By :  
 WO-210, Leonard Gore, Jr. (Graphics)  
 WO-300, Sie Ling Chiang (Data)  
 Documentation available in file  
 September 2003

# General Steps for Mineral Authorizations

- Regional Land Use Planning
- Application Submittal
- Environmental Analysis
- Bonding
- Mineral Authorization or Permit
  - Competitive or Non-competitive
- Inspections
- Reclamation



# Mining Law Program



# Mining Law Program Authority

## Mining Law of 1872, as amended

- Allows citizens of the United States and American corporations the opportunity to explore for, discover, and purchase the rights to certain valuable mineral deposits on those Federal lands that are open for mining claim location. (“open to mineral entry”).
- These mineral deposits include the metallic mineral and certain nonmetallic and industrial minerals (“uncommon varieties”).



# Surface Management

## 3809 Regulations

- Effective in 1981
- Revised in 2001

## Three levels of activity:

Casual use

Notice

Plan of Operations

Negligible disturbance

Exploration only; 5 acres or less

All mining operations

Reclamation Bonds required for Notices and Plans

\$2.2 Billion held by BLM and States (June 2013)



# Mining Claim Recordation

- Record new mining claims & sites
  - Lode claims
  - Placer claims
  - Mill sites
  - Tunnel sites
- Adjudicate claim filings, fees, and transfers
- 57,989 New Mining Claims (2012)
- 406,140 active mining claims (2012)

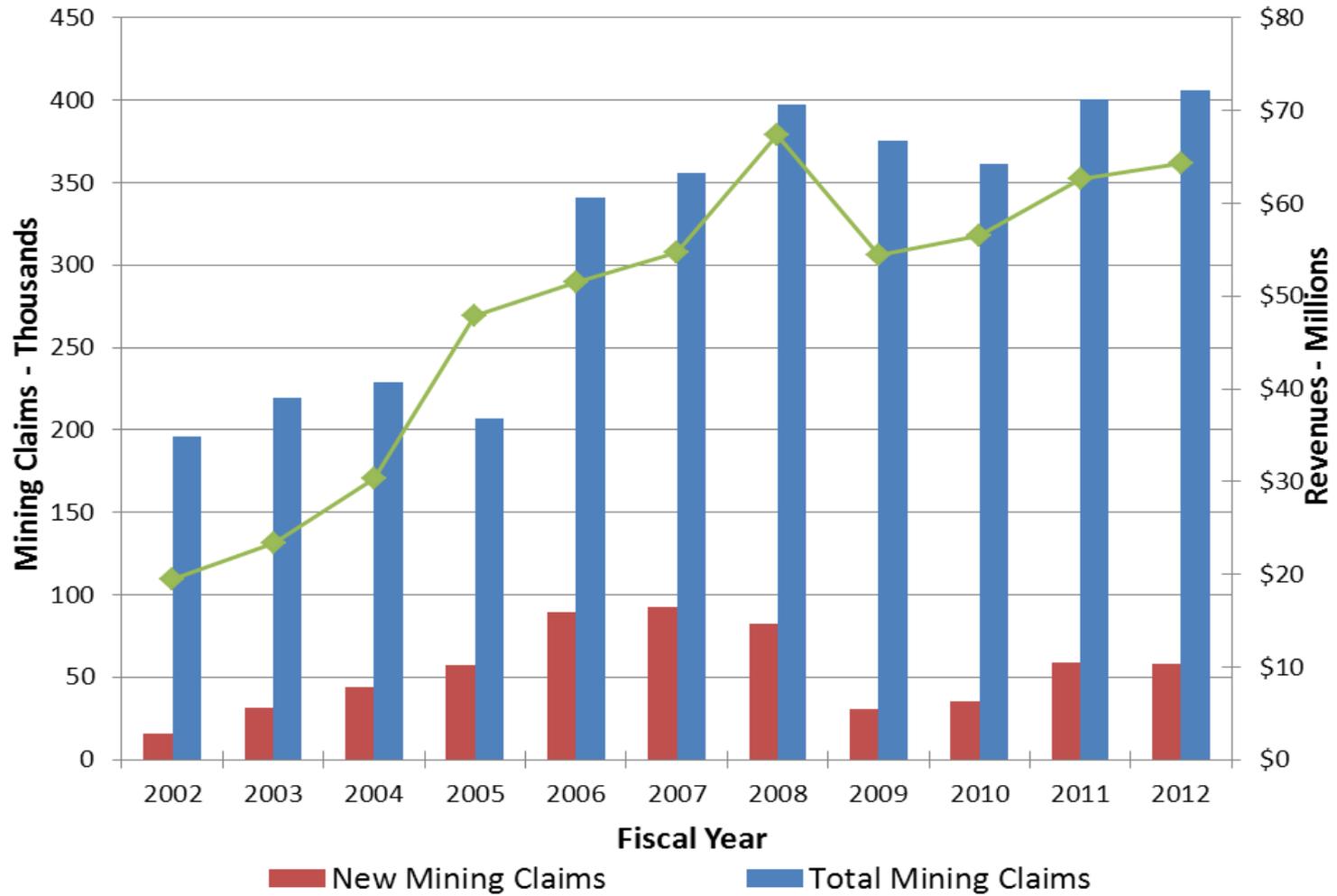


# Mining Claim Recordation

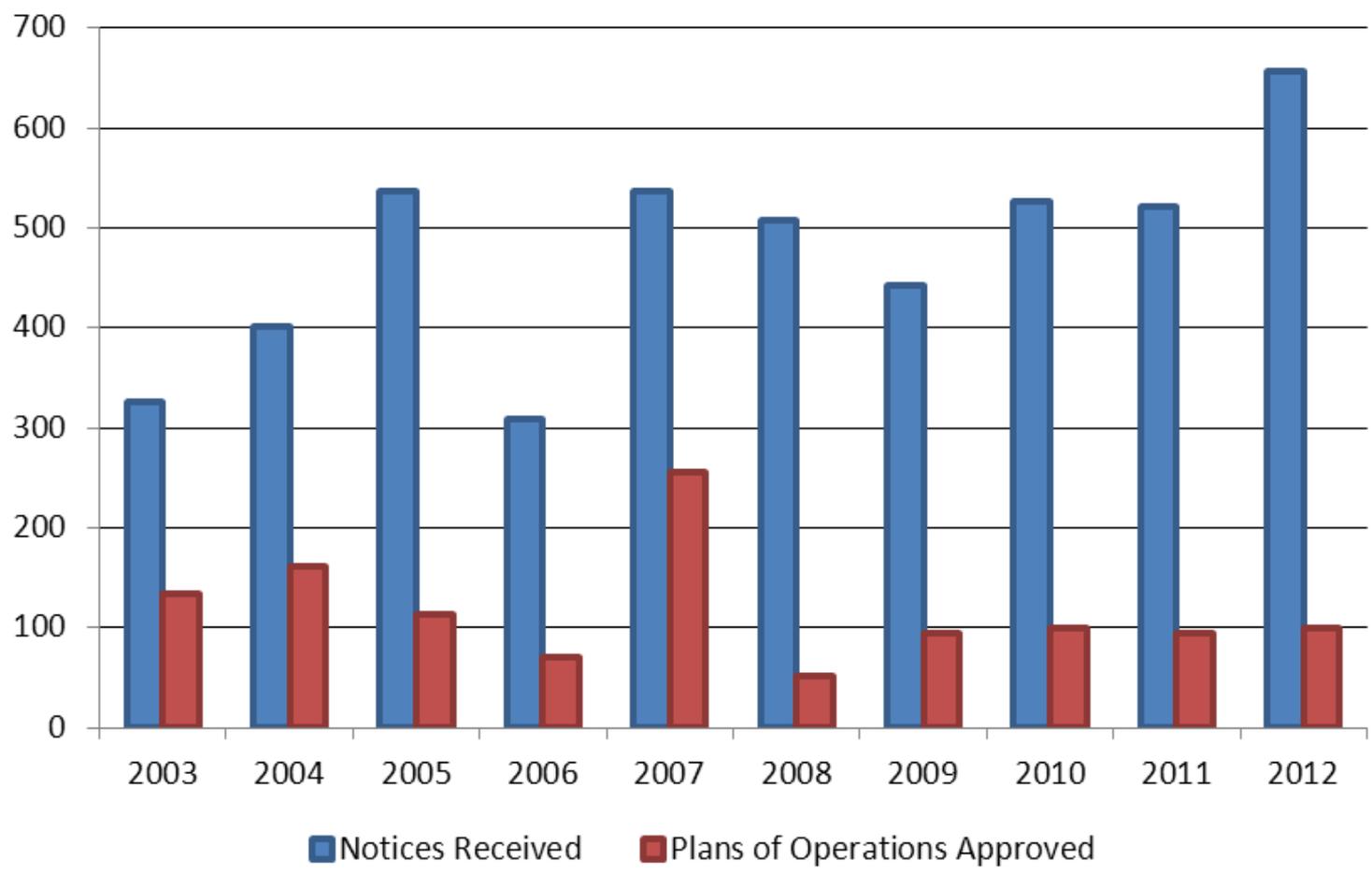
## Location and Annual Maintenance Fees

- Maintenance fee - \$140 per claim
  - New Location fee - \$34 per claim
  - Collected approx. \$64.4 million (2012)
  - BLM collects all payments
  - \$39.7 million appropriated back to BLM for Management of program. Remainder goes to Treasury.
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# Mining Claims and Revenues



# Mining Law Authorizations



# Mineral Patents

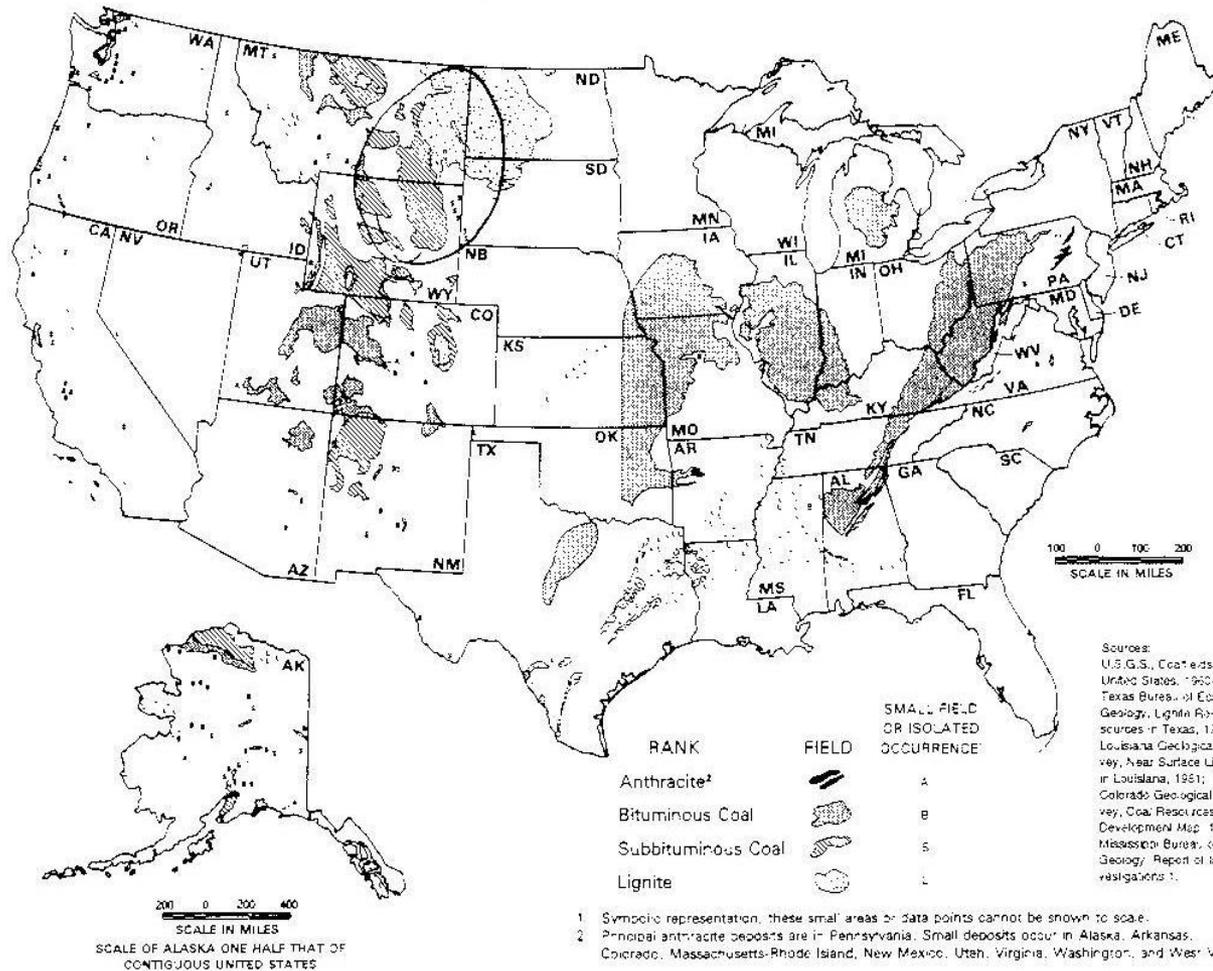
- Moratorium since 1995 on the receipt and processing of mineral patent applications
- 405 applications were grandfathered
  - All but 25 completed
  - 161 pending processing if moratorium is lifted



# Coal Program



# Coal Regions of the United States



# Coal Leasing Authorities

- Mineral Leasing Act (1920)
- Federal Coal Leasing Amendments Act (1976)
- Surface Mining Control and Reclamation Act (SMCRA) (1977)



# Coal Leasing Processes

## Exploration

- Exploration Permit
- Exploration License

## Leasing

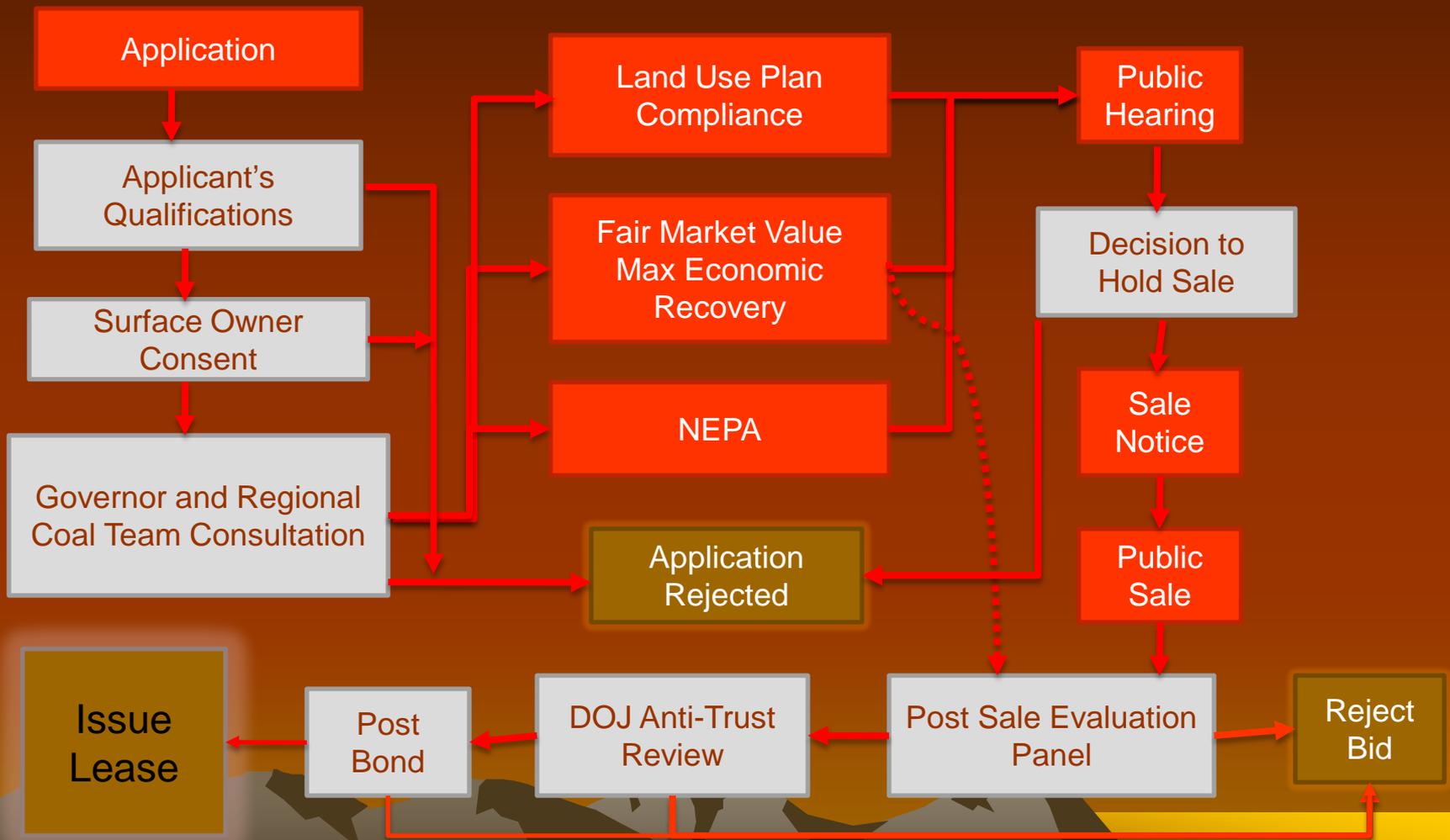
- Establish need for lease (Regional or LBA)
- Environmental Analysis
- Appraisal (Fair Market Value)
- Publication and Competitive Sale
- New Coal Lease Issued

## Other Requirements

- Bonding
- Payments (ONNR)
  - (50% State, 50% Treasury)
- Diligence
- Inspections
- Max Economic Recovery

# Federal Coal Leasing Process

Tan boxes indicate decision point with potential appeal rights



# Fair Market Value

The BLM will establish a pre-sale estimate of the fair market value of the prospective lease prior to the lease sale. The BLM will only accept a complete bid that will meet or exceed the pre-sale fair market value. The fair market value includes rentals, royalties, and bonus. There are two types of analysis completed.

## Income Analysis

- Geologic Analysis and Report
  - Quantity and Quality of coal
  - Other Physical Characteristics
  - Model for Mine Development Analysis
    - Depth of cover
    - Structure of the coal seam
- Engineering Analysis and Report
  - Quantity of resources required to mine the coal
    - Manpower
    - Capital Equipment
  - Anticipated operation and capital costs
- Market Analysis and Report
  - Prospective markets and coal value
- Appraisal
  - Prospective value of the lease
  - Considers :
    - Operation costs
    - Capital costs
    - Revenue
    - Rental and royalty

## Comparable Sales

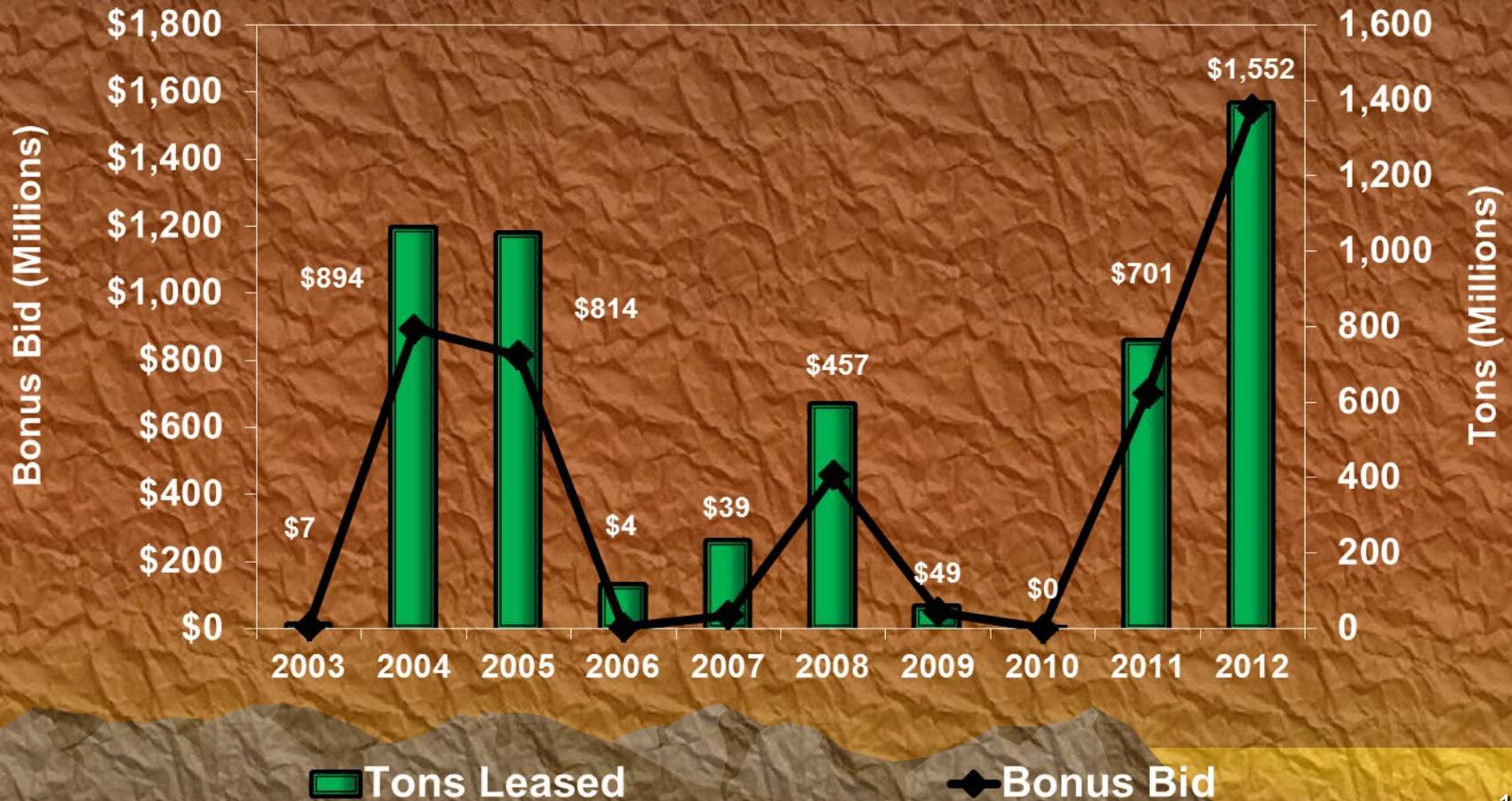
- Appraised value based on other recent prior sales of similar tracts with similar characteristics.
- Value of prior sale can be adjusted to be more comparable.
- Factors considered:
  - Geographic location
  - Mining method
  - Coal quality
  - Stripping ratio
  - Time
  - Quantity of coal
  - Others

# FY 2003-2012 COAL SALE BONUSES

**\$4.5 BILLION BONUS BIDS ACCEPTED**

**4.4 BILLION TONS LEASED**

## FEDERAL LEASE SALES



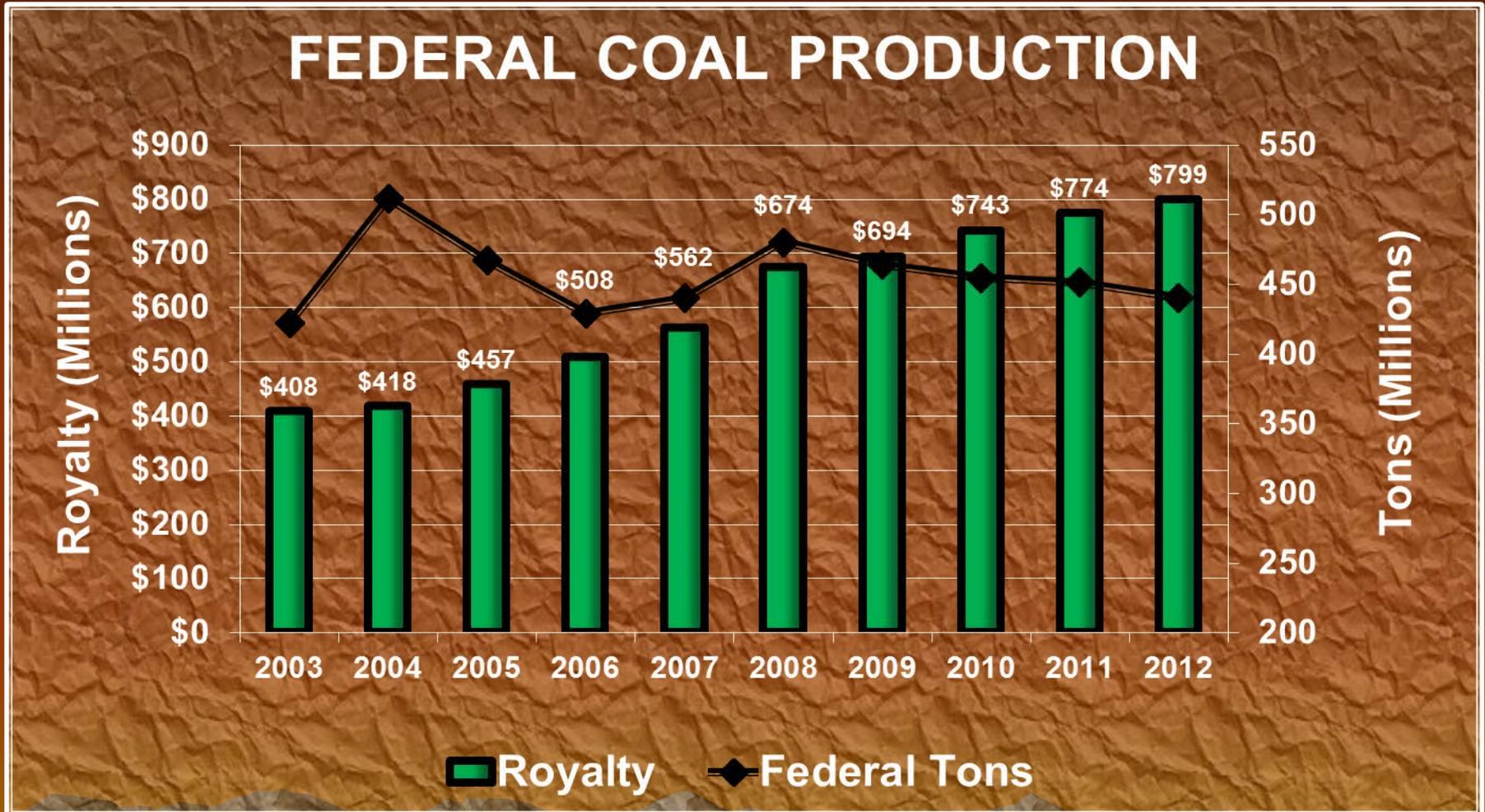
# FY 2003-2012 COAL ROYALTY PAYMENTS

## \$6 BILLION

### Federal Coal Sales / Prod & Funds Collected by ONRR

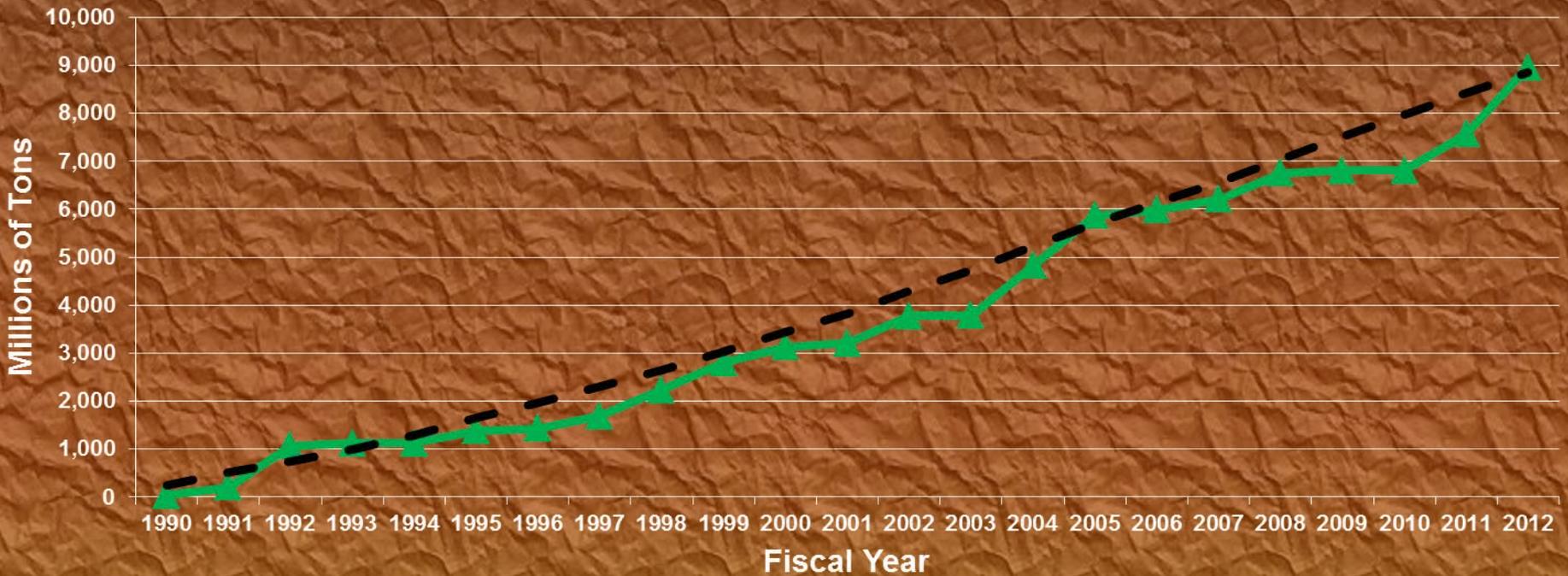
Year	No. of Leases	Federal Tons	Royalty	Gross Value
2003	308	422,326,865	\$407,692,879	\$3,673,528,331
2004	301	511,330,873	\$417,577,131	\$3,916,934,881
2005	295	466,949,162	\$457,494,476	\$4,426,536,111
2006	293	429,370,207	\$508,130,980	\$4,648,597,905
2007	298	439,985,972	\$561,549,252	\$5,167,947,075
2008	300	480,254,684	\$673,981,246	\$6,109,987,638
2009	299	464,053,787	\$693,890,508	\$6,286,373,318
2010	298	454,786,120	\$742,693,852	\$6,696,848,110
2011	306	451,352,837	\$774,185,841	\$6,968,480,607
2012	308	440,462,104	\$799,306,820	\$7,514,755,104
Total	3,006	4,560,872,610	\$6,036,502,985	\$55,409,989,080
Av./Year	301	456,087,261	\$603,650,299	\$5,540,998,908

# FY 2002-2011 COAL ROYALTY PAYMENTS \$6 BILLION



# Cumulative Tons of Federal Coal Leased Compared to Cumulative Tons of Federal Coal Mined (Data from BLM and ONRR)

 Cumulative Tons Leased       Cumulative Tons Mined



# Non-Energy Leasables



# Non-Energy Leasing Authorities

- **Mineral Leasing Act (1920)**
- **Mineral Leasing Act for Acquired Lands (1947)**
- **Reorganization Plan No. 3 (1946)**

**Sodium, Potassium, Phosphate, Potash, Soda Ash, Trona, etc.**



# Non-Energy Leasing Processes

## Exploration

- Prospecting Permit
- Exploration License

## Leasing

- Environmental analysis
- Fair market value
- Noncompetitive leasing
- Competitive leasing

## Other Requirements

- Bonding
- Payments (royalty, rental, bonus) (ONNR)
  - (50% State, 50% Treasury)
- Diligence
- Inspections
- Reclamation



# Non-Energy Leases (2012)

Commodity	# Leases	Prospecting Permits- Exploration Licenses	Preference Right Lease Applications
Phosphate	96	0	2
Potash	207	19	15
Sodium (Trona)	86	1	0
Hardrock leases	55	20	4
Other Minerals	47	0	8
<b>Total</b>	<b>491</b>	<b>40</b>	<b>29</b>

*BLM's Non-Energy Leases and Prospecting Permits (as of September 30, 2012)*

# Non-Energy Lease Revenue

	<b>2009</b>	<b>2010</b>	<b>2011</b>	<b>2012</b>
Market Value	\$2.0 B	\$2.0 B	\$2.2 B	\$2.1 B
Revenue Collected	\$57 M	\$59 M	\$89.5 M	\$100 M



***Solar brine evaporation pond for production of salt at Intrepid Wendover operation, Utah***

# Mineral Materials Program



# Mineral Materials Authority

- **Materials Act as amended (1947)**

(Sand, Gravel, Clay, Stone, Rock, Pumice, Pumicite, Cinders, etc.)



# Mineral Materials Processing

## General Processing

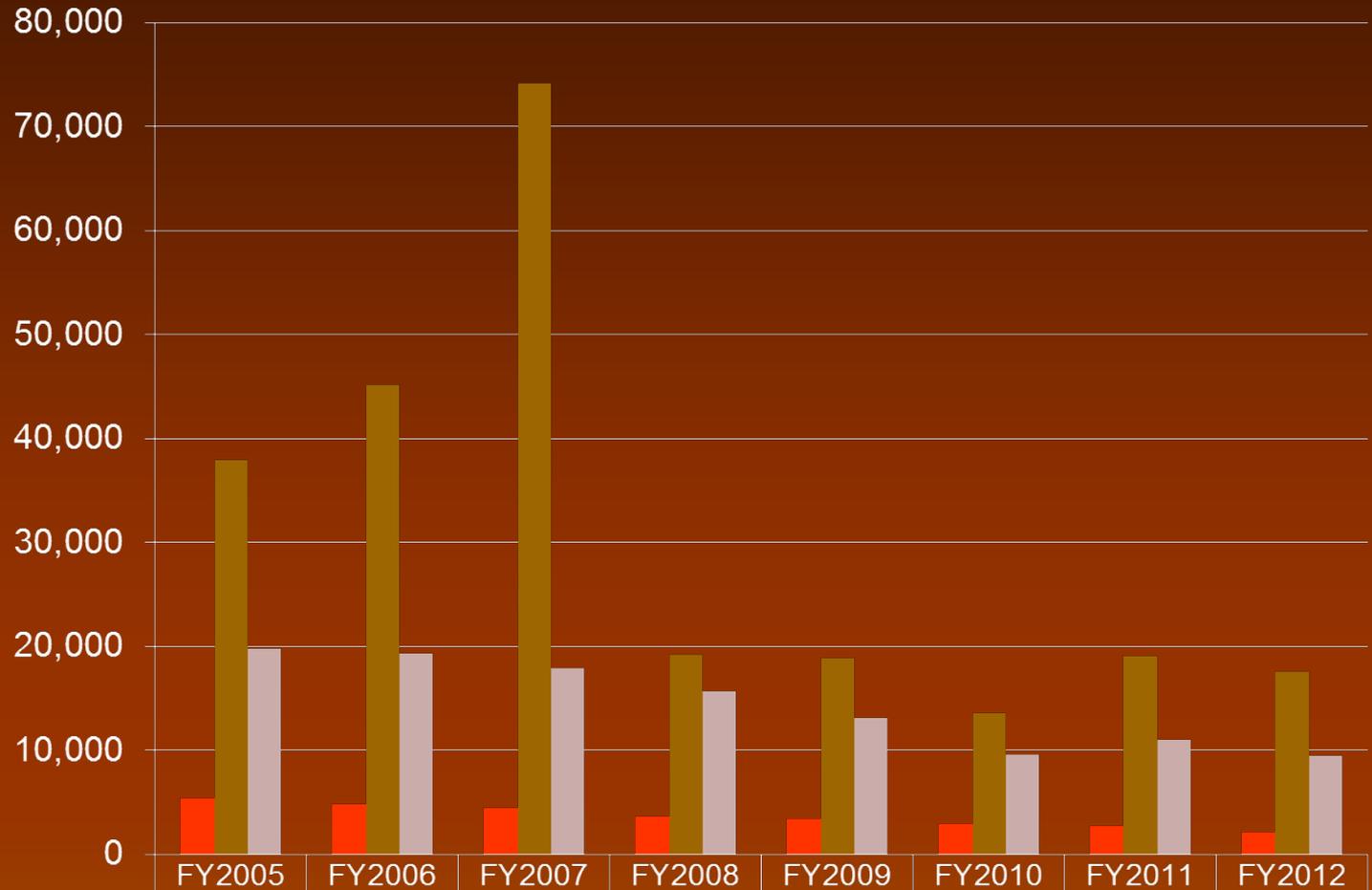
- Mine and Reclamation plan approval
- Appraisal
- Competitive or Non- Competitive Sale
- Permit Issued
- Reclamation

## Requirements

- Environmental analysis
- Bonding
- Royalty Payments (To BLM)
  - 4% State, 20% Treasury, 76% Reclamation Fund)
- Fair market value

# New Mineral Materials Contracts & Permits Totals for 2005-2012

Number Contracts/Permits Issued  
Quantity Issued/Produced (000 CY)



# New Contracts/Permits Issued	5,413	4,888	4,466	3,670	3,387	2,995	2,787	2,201
New Quantity Issued (000 cy)	37,940	45,219	74,207	19,236	18,911	13,625	19,126	17,619
Annual Quantity Produced (000 cy)	19,809	19,370	17,973	15,774	13,156	9,637	10,995	9,548

# Mineral Materials Program (Contracts and Permits)

	<b>2008</b>	<b>2009</b>	<b>2010</b>	<b>2011</b>	<b>2012</b>
Market Value of New Contracts	\$155 M	\$143 M	\$121 M	\$191 M	\$186 M
In-Place Value of New Contracts & Permits	\$ 19.4 M	\$ 17.9 M	\$ 15.1 M	\$23.9 M	\$ 23.2 M
Revenue Collected - Sales	\$ 14.4 M	\$ 10.7 M	\$ 8.3 M	\$12.7 M	\$ 9.3 M
Support of Government Agencies – Free Use Value	\$ 2.1 M	\$ 2.3	\$ 1.3 M	\$ 2.3 M	\$ 2.0 M