

Summary: Mining Company Removed Coal From Unleased Land

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The OIG investigated allegations that Bronco Utah Operations, LLC (Bronco), a coal mining company based in Utah, improperly removed Federal coal without a lease.

We determined that Bronco trespassed into unleased Federal coal deposits that resulted in a loss of public revenues. The Bureau of Land Management (BLM) granted Bronco a right-of-way that allowed the company to tunnel through Federal land to continue the company's coal operations designated by its mining plan. As the company tunneled through the right-of-way, it removed Federal coal deposits from areas outside the boundaries of the right-of-way, resulting in the removal of unleased deposits. As a result of the trespass, Bronco paid the Federal Government \$92,099.44, a value based on an estimated bid for the coal removed and the mineral royalties owed if a Federal lease had been issued.

This is a summary of an investigative report we issued to the Directors of the BLM and the Office of Natural Resources Revenue.

