OFFICE OF SURFACE MINING

Annual Evaluation Summary Report

for the

Regulatory and Abandoned Mine Land Programs

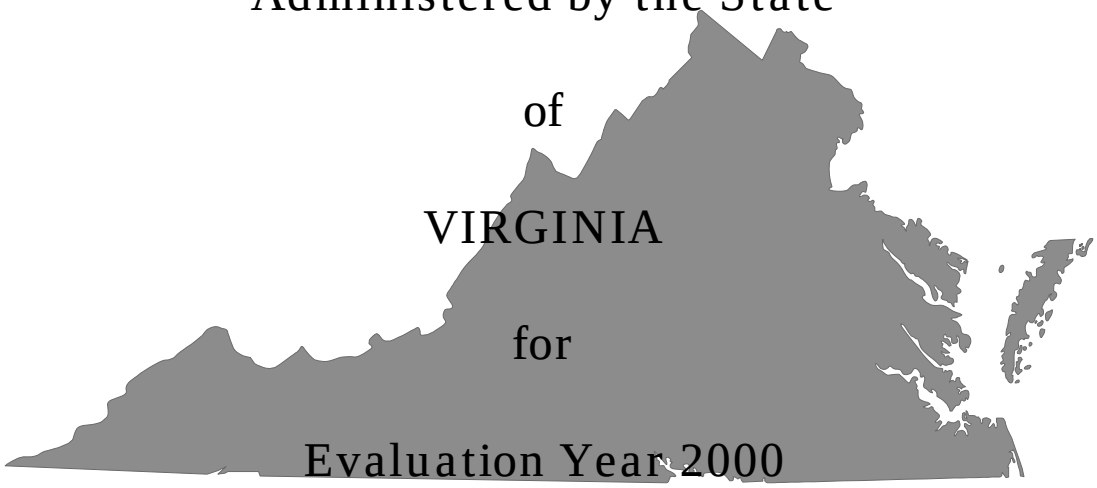
Administered by the State

of

VIRGINIA

for

Evaluation Year 2000



(October 1, 1999 to September 30, 2000)

December 2000

Table of Contents

I. Introduction

The Surface Mining Control and Reclamation Act of 1977 (SMCRA) created the Office of Surface Mining Reclamation and Enforcement (OSM) in the Department of the Interior. SMCRA provides authority to us to oversee the implementation of and provide Federal funding for State regulatory and abandoned mine land programs that have been approved by us as meeting the minimum standards specified by SMCRA. This report contains summary information regarding the Virginia program and its effectiveness in meeting the applicable purposes of SMCRA as specified in section 102. This report covers the period of October 1, 1999, to September 30, 2000. Detailed background information and comprehensive reports for the program elements evaluated during the period are available for review and copying at the Big Stone Gap OSM Office.

The following list contains acronyms used in this report:

AML	Abandoned Mine Land
DMLR	Division of Mined Land Reclamation
EY	Evaluation Year
NEPA	National Environmental Policy Act
SMCRA	Surface Mining Control and Reclamation Act

II. Overview of the Virginia Coal Mining Industry

Coal is Virginia's most abundant indigenous energy resource and has been important to the State's development since the colonial period. The first commercial production of coal in the United States was in 1748 from the Richmond Coalfield just west of Richmond, Virginia. This coalfield flourished until the Civil War which destroyed much of Virginia's coal fueled industry. In 1883, the Norfolk and Western Railway opened the first major production mine in Southwestern Virginia at Pocahontas in Tazewell County. Since that time, the seven counties comprising the Southwestern Virginia Coalfields: Wise, Buchanan, Dickenson, Tazewell, Lee, Russell and Scott (in descending order based on 1998 production) have dominated Virginia coal production, accounting for 100 percent of Virginia's production.

The Southwestern Virginia Coalfield is part of the Central Appalachian Coalfield that includes Eastern Kentucky and Southern West Virginia. In Virginia, the bituminous coal is produced from over two dozen Pennsylvanian age coal seams that vary in thickness from under one foot to occasionally over six feet. The coalfield area is characterized by steep slopes and narrow valleys with some local areas having a less rugged, rolling topography. Due to steep topography, Virginia mines are predominantly drift mouth underground and contour surface operations. There are a limited number of mountaintop removal, deep shaft, and area-type operations.

Since the effective date of SMCRA, Virginia coal production increased from 29 million tons in 1978 to a high of 47 million tons in 1990. In the past few years coal production has been declining. According to 1998 U. S. Department of Energy statistics Virginia's 33 million tons of production ranked eighth among the coal producing states. In 1999, Virginia's production had decreased to 27 million tons. Approximately 70-75 percent of the production comes from underground mines and 25-30 percent from surface mining. Virginia produces higher quality coal with higher BTU's (British Thermal Units) and a lower sulfur content than the national average. This has historically made Virginia coal attractive for metallurgical coke production and for the export market. However, recently foreign competition has had a major impact on Virginia's export market.

During 1998, coal accounted for less than one percent (0.28) of Virginia's Gross State Product (Source: U. S. Bureau of Economic Analysis). Coal production and related industries have a significant economic impact in Southwest Virginia. In the seven coal producing counties, coal mining is one of the major industries. Total earnings of $405,993,000 were derived from the coal industry during 1998 up from 1997 earnings of $360,565,000 (Source: U. S. Bureau of Economic Analysis). In 2000, approximately 8 percent of the coalfield counties' workforce worked in the mining industry. In 1999 unemployment in the coalfield counties ranged from 4.1 to 13.9 percent (Source: U.S. Bureau of Labor Statistics) and averaged 8.6 percent. In 1998 unemployment in the area averaged 11 percent. The overall State unemployment average was 2.9 and 2.8 percent for 1998 and 1999. (Source: GeoStat).

Of the 761 inspectable mining units in Virginia, 191 are surface mines, 366 are underground mines, 132 are support activities, and 72 are exploration notices. There are 153 producing surface mines and 288 producing underground mines. The average permitted acreage is 260 acres for surface mines, 27 acres for underground mines, and 65 acres for support facilities.

Since the 1950's, Virginia has documented twelve deaths associated with coalfield abandoned mine land hazards. Five deaths were drowning, three were falls from highwalls, two were burning refuse suffocations, one was caused by a gob waste landslide into a residence, and one was caused by a rock slide associated with abandoned underground mine subsidence. Two injuries have been documented from a collapsing refuse pile and one injury is documented from a slumping underground face-up area that slid into a residence. A large number of AML related hazards are still present in the coalfields and are being addressed on a priority basis.

The abandoned mine land program has had a significant impact in Virginia. The following is just a sampling of the many accomplishments that the abandoned mine reclamation program has had in Virginia. Since 1978, Virginia has restored 69 miles of streams and reclaimed 881 acres of contributing stream lands; eliminated 20 dangerous impoundments; reclaimed 267 acres of dangerous piles and embankments; sealed 1,072 dangerous mine openings and 110 vertical openings; and reclaimed over 6 miles of dangerous highwalls. Funding for this program will expire in 2004 without Congressional extension.

III. Overview of the Public Participation Opportunities in the Oversight Process and the State Program

Prior to the beginning of the 2000 oversight year, OSM and DMLR developed an annual oversight plan. During the process of developing this plan, we published an announcement in newspapers of general circulation in the coalfields soliciting input into the plan. We also mailed notices to interested citizen, industry and environmental groups. We did not receive any comments as a result of the advertisement but received comments from one individual as a result of our direct mailing. The comments received were used in formulating this year's annual workplan.

We also met with citizens, industry, and agencies on numerous occasions during the year to discuss issues such as remining, experimental practices, and Clean Streams. The Field Office participated in or assisted on advisory and/or ad-hoc committees for remining, AML, American Heritage Rivers (New River Community Partners), the Powell River Ecosystem Study, and the Big Sandy watershed protection conference.

DMLR continues to work with the U. S. Army Corp of Engineers, LENWISCO Planning District, and Black Diamond Resource Conservation and Development, Inc. to plan and conduct stream restoration projects related to acid mine drainage in the Powell River. They also participated in numerous meetings of the Upper Tennessee River Watershed Roundtable to address mining related issues in the Clinch and Powell Rivers in Virginia.

State staff have met with citizens on numerous occasions to discuss citizen concerns. Additionally, several other meetings were held addressing agency permitting initiatives, informational exchange on "mined fields to soccer fields," electronic permitting initiatives, and remining. DMLR asked for comments on redefining "approximate original contour," and defining what should be included as "need/market data" for mountaintop removal mining operations. Also, DMLR developed five program amendments this year with public participation.

During the year, DMLR staff held meetings, judged contests, or made presentations at different local schools during the Chamber of Commerce's "Coal Appreciation Days."

DMLR staff also conducted other public meetings, made presentations, and taught classes benefitting other local schools, other educational facilities, and government agencies.

IV. Major Accomplishments/Issues/Innovation in the Virginia Program

This year marks the 19th anniversary of a primacy program in the Commonwealth of Virginia. DMLR's implementation of its approved program during the past 19 years has provided increased protection to the public and enhanced environmental protection to the resources located within the Virginia coalfields. DMLR has established itself as a highly skilled organization in both surface mine inspection and technical evaluation. DMLR is a leader in annual strategic planning, continually evaluating its plan in order to improve the

quality of its services. Over the past year, we have monitored DMLR's performance in meeting the goals and objectives of the approved State program. We found, except as noted herein, that DMLR is successfully implementing both its regulatory and abandoned mine land programs. A list of the oversight reviews used to reach this conclusion are included in section VII of this report. We expect DMLR to continue to provide leadership to industry and citizens during the coming year. We look forward to working cooperatively with Virginia during the next year.

DMLR continues using multi-interest work teams to address remining, mountaintop mining, and clean streams issues. The ad-hoc teams are comprised of State, Federal, academic, environmental, and industry representatives. Work continues on the remining permit in the Black Creek watershed and Black Creek watershed reforestation Clean Streams Project in Wise County, Virginia. When completed, some 1,940 acres of previously mined land will be reclaimed and eight miles of acid mine drainage impacted stream will be revitalized. Additionally, DMLR is using a grant from the U. S. Environmental Protection Agency and other Federal and State funds to revitalize approximately three miles of impacted streams in the Ely Creek watershed in Lee County, Virginia.

DMLR in collaboration with us completed the development of an inventory of long term pollutional discharges from Title V permit in the state of Virginia. With funding appropriated by us and manpower from DMLR, the state agency identified and catalogued potential long-term pollutional discharges in the state. On March 6, 2000, we entered into a cooperative agreement to compile a computerized inventory of long term pollutional mine discharges in Virginia. This inventory comprises a segment of the inventory for the entire Appalachian region (Pennsylvania, Maryland, Virginia, West Virginia, Ohio, Kentucky, and Tennessee). We and the states will use the inventory to pinpoint the geographic location where coal mine drainage problems occur, to characterize the extent of water pollution problems for defined geographic areas, and to establish strategies for addressing the impacts of actual and defined discharges.

As a result of a study last year into the impacts of approximate original contour variances and post mining land uses in Virginia, DMLR developed guidance for evaluating the approximate original contour, establishing "need/market" data for variances, and documenting permit findings. All of these activities were completed and implemented prior to the end of the evaluation year.

DMLR and the U.S. Army Corp of Engineers continue to study the impacts and eventual construction efforts on acid mine drainage in the Powell River with the Powell River Ecosystem Restoration Project.

DMLR is an active participant of the Guest River Restoration Committee cooperating with federal, state, and local agencies to restore the Guest River. During EY 1999, OSM provided $80,000 and technical support through the Appalachian Clean Streams initiative to assist the restoration effort. This year a plan was developed and rights of entry are

currently being secured, in an effort to begin this project by December 2000 with an anticipated completion date of June 1, 2001.

DMLR maintains an up-to-date approved program. Amendments approved this year included: 1) updating regulations for consistency with our AML enhancement rule; 2) an amendment that defines and clarifies incidental boundary revisions; 3) an amendment to update Virginia's small operator assistance program and redefine the term "government financed construction;" and 4) a notice clarifying that § 4 VAC 25-130-816/817.76 allows reclamation through "no-cost contracts." Revisions pending our approval include: 1) a proposal to update Virginia's subsidence regulations for consistency with Federal court rulings; and 2) a required amendment dealing with bonding requirements for accepting letters of credit as a performance bond.

DMLR and the Virginia Division of Mineral Resources continued to develop the coal bed mapping program. This effort, partially funded with Federal grant monies, has resulted in a geographic information system data base of all known mining within the Virginia coalfields. This information aids permit reviews and decisions, and complaint investigations. This information is available to the public. This is the 10th and final year of special Federal funding for this project.

DMLR is a leader in developing electronic permitting capabilities. Industry and the public have access to digitized 7.5 minute topographic maps and permit boundaries of the Virginia coalfields because of this effort. DMLR developed, with our assistance and industry input, an electronic permit application. Electronic permit applications are being distributed to industry. Most of this information, as well as, permitting forms and guides are available via DMLR's Internet homepage. Training of the staff and testing of the system is currently underway with an anticipated start date of January 1, 2001.

The U. S. Environmental Protection Agency has delegated their Clean Water Act responsibilities for regulating mine discharges directly to the DMLR. DMLR issues joint mining and National Pollutant Discharge Elimination Systems permits. Jointly issued National Pollutant Discharge Elimination Systems and SMCRA permits are convenient for both permitting and regulatory purposes.

DMLR and the Interstate Mining Compact Commission remining task force continue to discuss incentives that would encourage remining and reclamation of abandoned mine lands. We and the Environmental Protection Agency participated in this effort. As a result of these efforts the use of best management practices may be used in lieu of numeric limits on sites with pre-existing acid mine drainage. Experimental National Pollutant Discharge Elimination System permits are now being implemented until December 2000 or until the Environmental Protection Agency develops new rules governing water monitoring on remining sites.

The Virginia Remining Ad Hoc Advisory Group continues to meet and discuss various incentives to advance the remining of abandoned mine lands. The group determined during EY 1999, that the use of "reasonably available spoil" from active mining operations

should be considered as a means of reclaiming abandoned mine land. We determined that the use of reasonably available spoil could be addressed by the experimental practice provisions of the regulations. Two experimental practice sites have been approved that, when completed, will stabilize old highwalls, reclaim toxic or acid producing benches and outslopes, and fill depressions left by past mining practices.

Additionally, DMLR is partnering with the National Soccer Federation to secure world class soccer facilities in a program called "mined fields to soccer fields." One potential site for this initiative also utilizes the newly approved "AML enhancement rule," which allows limited mining to off-set the cost of the AML project.

Hydrology continues to be a high profile topic with the coalfield residents in Virginia. Past oversight reviews focused upon the weaker aspects of hydrology elements in the permitting process. DMLR has significantly strengthened this part of the program and citizen's complaints related to hydrology have declined. DMLR continues to implement its counterpart provisions to the Federal Energy Policy Act. An oversight study during EY 1998 found that permits contain minimal baseline data relative to water users, and quantity and quality of ground water. A follow-up to this study has found that some but not all of the changes we recommended in the 1998 study have been implemented. They will continue to work during 2000 to address the need for increased baseline data.

DMLR nominated and Virginia Energy Company won a national award in the Agencies 2000 OSM Excellence in Surface Coal Mining and Reclamation Award program. The award winning site is Virginia Energy Company's Twin Star mine #2, Permit Numbers 1101400 and 1101550.

During the evaluation period the abandoned mine land program completed 23 non-emergency projects and 12 emergency projects. The AML hazards or features have been effectively abated on these project areas. AML continued construction on five water projects that will supply potable drinking water to selected coalfield communities.

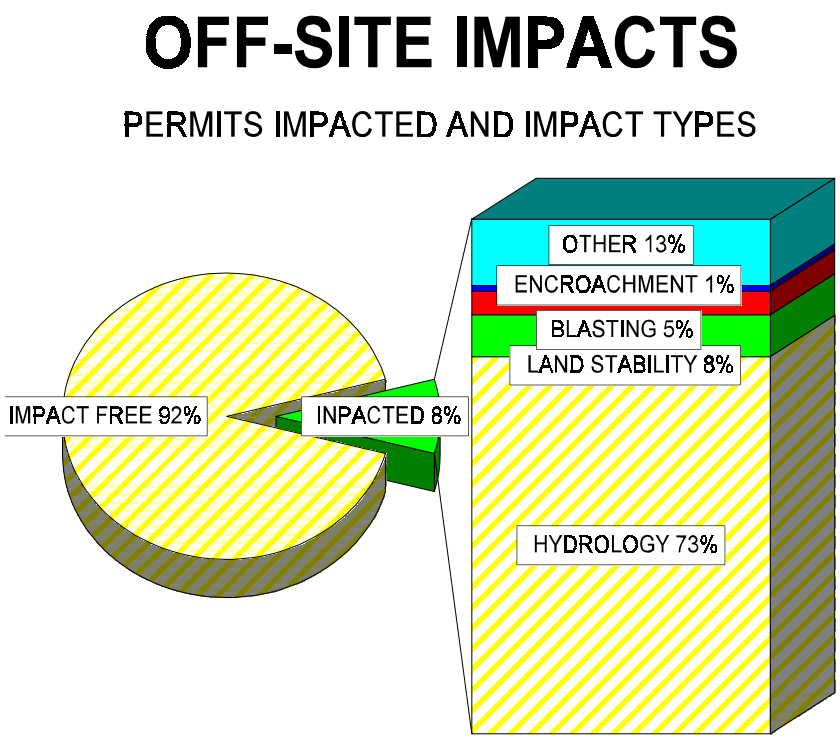
This year DMLR signed a Memorandum of Agreement with the Nature Conservancy for carbon sequestration. The agreement provides for a cooperative effort between the two Agencies related to reforestation of selected abandoned mine land sites.

V. Success in Achieving the Purposes of SMCRA as Measured by the Number of Observed Off-Site Impacts and the Number of Acres Meeting the Performance Standards at the Time of Bond Release

To further the concept of reporting end results, the findings from performance standard evaluations are being reported nationally in terms of the number and extent of observed off-site impacts and the number of acres that have been mined and reclaimed and which meet the bond release requirements for the various phases of reclamation. Individual topic reports are available in the Big Stone Gap OSM Office. These reports provide additional details on how the following evaluations and measurements were conducted.

A. Off-Site Impacts:

During the evaluation year DMLR inspectors conducted 7,078 inspections on 761 mines and exploration notices. We analyzed off-site impact data (Table 4) from 3,841 complete and 3,237 partial State inspections. Ninety two percent of the mine sites inspected were free of off-site impacts. Thirty-three percent of the 258 (excludes failure to abate violations) violations identified by DMLR resulted in off-site impacts. The number of sites having off-site impacts has decreased by three percent since last year. Data indicates that hydrology standards are violated most often (48 percent) and result in the most off-site impacts (73 percent) compared to 48 percent and 70 percent last year. Water is the resource impacted most often (58 percent) by violations, an increase of eleven percent since last year. Other reasons for off-site impacts included land stability violations, blasting, encroachment, and "other" violations. DMLR considered the impacts to resources as moderate or minor 91 percent of the time, an decrease of 7 percent since last year.



We inspected 152 sites and gathered data on off-site impacts to verify DMLR findings. Inspectors found that 94 percent of the sites visited were free of off-site impacts. The data collected by us shows trends similar to those found by DMLR in the larger population. Both DMLR and our data indicates that the off-site impacts to people and structure resources are being minimized.

B. Bond Release:

During the evaluation year, we found that 212 acres of land were reclaimed to Phase I bond release standards. This implies that only this amount of acreage was reclaimed to approximate original contour and topsoil replaced. This is misleading because a Phase I

release depends on the permittee applying for the Phase I reduction. In reality, most permittees do not apply for a Phase I bond reduction and often do not apply for Phase II reductions, opting to apply for a Phase III (final) bond release only.

We found that 281 acres of land were successfully revegetated with surface stability achieved in order to receive a Phase II bond release. Again, this figure does not reflect the actual acreage that was successfully reclaimed during the year, due to many permittees not applying for Phase II bond reductions.

DMLR records indicate that 249.6 acres of land received Phase III bond release during the evaluation year. As part of a special study, we reviewed 8 of 19 operations that applied for Phase III bond release between September 1, 1999, and August 31, 2000. With minor exceptions, we found on-the-ground reclamation successful on the sampled sites. The post-mining land use was achieved on the sites.

DMLR implemented a new program amendment requiring permittees to include notarized statements, in bond release applications, certifying that all required reclamation has been completed. DMLR took measures to ensure that all public notices were complete and the releases timely. Management has reminded field inspectors to make sure that public notices are complete and in accordance with the regulations. Inspectors have also been reminded to accept final bond release applications only if related revisions are approved, such as, water monitoring cessation and outcrop barrier studies, and all temporary items or structures have been removed from the site, such as, piezometers and equipment.

To improve the timeliness of hydrologic findings and verify hydologic reclamation success, DMLR now requires technical reviews at permit mid-term, renewal, and revisions requesting the cessation of water monitoring. They have also re-evaluated what written documentation is needed for hydrologic findings. As a result, DMLR is adjusting procedures and is requiring a permit revision to cease water monitoring. The revision must include all the necessary hydrologic data, be submitted after the site is reclaimed and ready for phase II or equivalent bond release and before final bond release. During EY 2001, we will determine the need for technical assistance in verifying Virginia's success in hydrologic reclamation.

C. Customer Service:

The DMLR is customer service oriented. Customer service is an integral part of the States strategic planning. The Department of Mines, Minerals and Energy maintains a "client assistance center" in its office in Big Stone Gap to better serve its customers. We have no reason to believe that the State is not providing the utmost in service to all of its customers. This year we looked at customer service standards during our review of DMLR's bond release program. DMLR was timely in reponding to public comments and bond releases were processed in a timely manner.

VI. OSM Assistance

During the past year we provided technical training to DMLR staff members a variety of subjects through OSM's Technical Training and Tips staffs. Technical staff assisted DMLR investigations of both AML and Regulatory technical issues by providing engineering, geologic and hydrologic expertise. The technical staff also processed a number of experimental practice applications.

During the year OSM assisted DMLR in developing internal guidance or policies for defining the approximate original contour, establishing "need/market" requirements for granting approximate original contour variances, and for documenting permit findings.

We participated on several ad-hoc committees such as remining and the State's AML Advisory Council.

We assisted the State in implementing its remining initiative.

We provide computer support for the TIPS workstation. Along with industry, we have assisted in DMLR's development of electronic permitting.

Additionally, we provided the State matching grant funds to operate the regulatory and coal bed mapping programs. We also provided 100 percent funding for the abandoned mine land and emergency programs.

VII. General Oversight Topic Reviews

During the evaluation year we and/or DMLR evaluated the following oversight topics. Unless otherwise noted, copies of the detailed reports for these topics are available at our office in Big Stone Gap, Virginia.

- *Active/reclamation active permit inspections* - We inspected, jointly with DMLR, 92 active mine sites during the 2000 evaluation year. We focused on compliance with performance standards and assessment of off-site impacts, if applicable. Findings for this topic are discussed in section V. A. of this report.

  Additionally, we targeted four areas, special spoil handling requirements, refuse fill plans, acid-mine drainage, and non-coal waste disposal for evaluation/data gathering purposes. We are currently analyzing the data for trends. If any of these areas was in violation during the inspection, immediate action was taken to correct the problem. A report on our findings is expected during January 2001.

- *Phase III Bond Release Reclamation Success* - Our joint OSM/DMLR team evaluated eight Phase III bond release applicants to: 1) determine if public notice

was provided for all bond release applications and all interested parties were properly notified of the intent to release the bond, 2) determine "on-the-ground" reclamation success, and 3) document that all applicable bond release standards had been achieved before complete bond release was granted. The draft report on this topic did not identify any significant problems with this item. A final report will be available by December 31, 2000.

- *Bond Forfeiture Release Reclamation Success* - Our joint OSM/DMLR team evaluated reclamation on completed bond forfeiture sites to determine DMLR's adherence to program procedural requirements in: 1) collecting forfeited bonds, 2) pursuing and completing any attendant litigation, and 3) initiating and completing forfeited site reclamation. The draft report on this topic did not identify any significant problems with this item. A final report will be available by December 31, 2000.

- *Refuse Impoundments* - This review is a follow-up to the EY98 DMLR/OSM/MSHA impoundment review conducted to identify any structure that may leak or pose a risk of failure. OSM and DMLR conducted permit file reviews and joint partial site inspections to determine fill impoundment compliance with:

  - the Virginia permanent regulatory program related to refuse impoundments,
  - the approved mining and reclamation plans related to the refuse impoundments, and
  - the approved revisions, permit terms and conditions related to the EY98 Review.

  Preliminary review of the inspection reports didn't identify problems with any of the Virginia impoundments.

  Because of the recent impoundment failure in Kentucky and our initiative to inspect all impoundments nationwide, we will extend the study in order to comply with the new Agency initiatives on impoundments.

- *Temporary Cessation of Operations* - We conducted file reviews and gathered information on permits in temporary cessation (TC) related to a national initiative on this subject. This information has been forwarded to Washington for inclusion in their analysis. This effort replaced the study included in our EY 2000 Work Plan.

- *Blasting* - We also collected information regarding blasting complaints in the state from 7/1/1998 through 6/30/1999. This information was forwarded to the Appalachain Regional Coordinating Center for inclusion in a regional blasting study.

- *Non Emergency Construction Management* - During EY 2000, a joint OSM/DMLR team reviewed ten AML non-emergency projects to determine on-the-ground abatement success of the projects. We determined that DMLR is effectively managing the non-emergency program. Construction is performed according to project designs and the projects are designed to protect property and the health, safety, and general welfare of the public.

- *National Environmental Policy Act (NEPA) Compliance Reviews* - During EY 2000, we conducted reviews of environmental documents submitted by DMLR for NEPA compliance and issued authorizations to proceed with construction on 11 sites to abate non-emergency AML hazards or maintain previously completed projects. Our authorizations included two water supply projects that will, upon completion, provide potable water for domestic use in selected coalfield communities. We also conducted NEPA reviews and declared emergencies on 14 sites with AML hazards.

- *Drawdowns and Disbursements of OSM Grant Funding* - A review of this subject found that DMLR is properly administering grant funding.

APPENDIX A

Appendix A:Tabular Summary of Core Data to Characterize the Program

TABLE 1

COAL PRODUCTION (Millions of short tons)			
Period	**Surface mines**	**Underground mines**	**Total**
Coal production[A] for entire State:			
Annual Period			
1997	**9.1**	**26.3**	**35.0**
1998	**8.4**	**24.5**	**32.9**
1999	**8.3**	**19.0**	**27.3**
	25.8	**69.8**	**95.6**

[A] **Coal production as reported in this table is the gross tonnage which includes coal that is sold, used or transferred as reported to OSM by each mining company on form OSM-1 line 8(a). Gross tonnage does not provide for a moisture reduction. OSM verifies tonnage reported through routine auditing of mining companies. This production may vary from that reported by States or other sources due to varying methods of determining and reporting coal production.**

TABLE 2

INSPECTABLE UNITS
As of September 30, 2000

Coal mines and related facilities	Number and status of permits								Insp. Unit[D]	Permitted acreage[A] (hundreds of acres)		
	Active or temporarily inactive		Inactive Phase II bond release		Abandoned		Totals					
	IP	PP	IP	PP	IP[E]	PP	IP	PP		IP	PP	Total
STATE and PRIVATE LANDS	**REGULATORY AUTHORITY: STATE**											
Surface mines		153		24	6	8	6	185		5.3	492.5	497.8
Underground mines		288	3	54	1	17	4	359		0.1	97.6	97.7
Other facilities		112	1	13		6	1	131			85.5	85.5
Subtotals	0	553	4	91	7	31	11	675	0	5.4	675.6	681
FEDERAL LANDS	**REGULATORY AUTHORITY: STATE**											
Surface mines							0	0				0
Underground mines		3					0	3			.1	0
Other facilities							0	0				0
Subtotals	0	3	0	0	0	0	0	3	0	0	0	0
ALL LANDS[B]												
Surface mines	0	153	0	24	6	8	6	185	0	5	493	498
Underground mines	0	291	3	54	1	17	4	362	0	0	98	98
Other facilities	0	112	1	13	0	6	1	131	0	0	86	86
Totals	0	556	4	91	7	31	11	678	0	5	677	682

Average number of permits per inspectable unit (excluding exploration sites) 1

Average number of acres per inspectable unit (excluding exploration sites) 98.9

Number of exploration permits on State and private lands: . . . . . _____

On Federal lands: _____ [C]

Number of exploration notices on State and private lands: 72

On Federal lands: _____ [C]

IP: Initial regulatory program sites.
PP: Permanent regulatory program sites.

[A] When a unit is located on more than one type of land, includes only the acreage located on the indicated type of land.

[B] Numbers of units may not equal the sum of the three preceding categories because a single inspectable unit may include lands in more than one of the preceding categories.

[C] Includes only exploration activities regulated by the State pursuant to a cooperative agreement with OSM or by OSM pursuant to a Federal lands program. Excludes exploration regulated by the Bureau of Land Management.

[D] Inspectable Units includes multiple permits that have been grouped together as one unit for inspection frequency purposes by some State programs.

[E] Seven interim bond forfeiture sites returned to the IUL as a result of settlement agreements.

TABLE 3

STATE PERMITTING ACTIVITY
As of September 30, 2000

Type of application	Surface mines			Underground mines			Other facilities			Totals		
	App. Rec.	Issued	Acres	App. Rec.	Issued	Acres[A]	App. Rec.	Issued	Acres	App. Rec.	Issued	Acres
New permits[B]	11	26	6449	9	12	145	0	3	139	20	41	6,733
Renewals	13	16	4562	30	31	669	6	4	104	49	51	5,335
Transfers, sales and assignments of permit rights	1	2		7	25		1	9		9	36	
Small operator assistance	0	0		0	0		0	0		0	0	
Exploration permits	0	0		0	0		0	0		0	0	
Exploration notices[C]		50			0			0			50	
Revisions (exclusive of incidental boundary revisions		430			721			240			1,391	
Incidental boundary revisions		29	283		42	199		7	59		78	541
Totals	25	553	11,294	46	831	1,013	7	263	302	78	1,647	12,609

OPTIONAL - Number of midterm permit reviews completed that are not reported as revisions 45

[A] Includes only the number of acres of proposed surface disturbance.
[B] Includes 26 total "new permit revisions," totaling 4,905 acres which were added to existing inspectable units.
[C] State approval not required. Involves removal of less than 250 tons of coal and does not affect lands designated unsuitable for mining.

TABLE 4

OFF-SITE IMPACTS

DEGREE OF IMPACT		RESOURCES AFFECTED												Total Offsite Impacts
		People			Land			Water			Structures			
		minor	moderate	major	minor	moderate	major	minor	moderate	major	minor	moderate	major	
TYPE OF IMPACT	Blasting	0	1	1	1	0	0	1	0	0	1	0	1	4
	Land Stability	3	0	0	2	1	0	2	0	0	1	0	0	7
	Hydrology	2	5	1	8	1	2	47	9	2	3	0	1	63
	Encroachment	0	0	0	1	0	0	0	0	0	0	0	0	1
	Other	0	2	2	5	0	1	5	0	2	1	1	1	11
	Total	5	8	4	17	2	3	55	9	4	6	1	3	86

Total number of inspectable units: 651
Inspectable units free of off-site impacts: 597

One offsite impact may impact more than one resource.

OFF-SITE IMPACTS ON BOND FORFEITURE SITES

DEGREE OF IMPACT		RESOURCES AFFECTED												Total Offsite Impacts
		People			Land			Water			Structures			
		minor	moderate	major	minor	moderate	major	minor	moderate	major	minor	moderate	major	
TYPE OF IMPACT	Blasting	0	0	0	0	0	0	0	0	0	0	0	0	0
	Land Stability	0	0	0	0	0	0	0	0	0	0	0	0	0
	Hydrology	0	0	0	0	0	0	0	0	0	0	0	0	0
	Encroachment	0	0	0	0	0	0	0	0	0	0	0	0	0
	Other	0	0	0	0	0	0	0	0	0	0	0	0	0
	Total	0	0	0	0	0	0	0	0	0	0	0	0	0

Total number of inspectable units: 38
Inspectable units free of off-site impacts: 38

One offsite impact may impact more than one resource.

TABLE 5

ANNUAL STATE MINING AND RECLAMATION RESULTS		
Bond release phase	**Applicable performance standard**	**Acreage released during this evaluation period**
Phase I	●**Approximate original contour restored** ●**Topsoil or approved alternative replaced**	**212.1**
Phase II	●**Surface stability** ●**Establishment of vegetation**	**281.4**
Phase III	●**Post-mining land use/productivity restored** ●**Successful permanent vegetation** ●**Groundwater recharge, quality and quantity restored** ●**Surface water quality and quantity restored**	**249.6**
	Bonded Acreage Status[A]	**Acres**
	Total number of bonded acres at end of last review period (September 30, 1999)[B]	**55,617**
	Total number of bonded acres during this evaluation year	**56,232**
	Number of acres bonded during this evaluation year that are considered remining, if available	**4,371**
	Number of acres where bond was forfeited during this evaluation year (also report this acreage on Table 7)	**43**

[A] Bonded acreage is considered to approximate and represent the number of acres disturbed by surface coal mining and reclamation operations.

[B] Bonded acres in this category are those that have not received a Phase III or other final bond release (State maintains jurisdiction).

Table 6

Optional Table - Not Used

TABLE 7

STATE BOND FORFEITURE ACTIVITY (Permanent Program Permits)		
Bond Forfeiture Reclamation Activity by SRA	**Number of sites**	**Acres**
Sites with bonds forfeited and collected that were unreclaimed as of September 30, 1999[A]	3	29.11
Sites with bonds forfeited and collected during Evaluation Year 2000	2	43.33
Sites with bonds forfeited and collected that were re-permitted during Evaluation Year 2000	1	2.52
Sites with bonds forfeited and collected that were reclaimed during Evaluation Year 2000	3	169.00
Sites with bonds forfeited and collected that were unreclaimed as of September 30, 2000[A]	4	63.51
Sites with bonds forfeited but uncollected as of September 30, 2000	8	206.05
Surety/Other Reclamation (In Lieu of Forfeiture)		
Sites being reclaimed by surety/other party as of September 30, 1999[B]	2	4.31
Sites where surety/other party agreed to do reclamation during Evaluation Year 2000	0	0
Sites being reclaimed by surety/other party that were re-permitted during Evaluation Year 2000	0	0
Sites with reclamation completed by surety/other party during Evaluation Year 2000[C]	0	0
Sites being reclaimed by surety/other party as of September 30, 2000[B]	2	4.31

[A] Includes data only for those forfeiture sites not fully reclaimed as of this date

[B] Includes all sites where surety or other party has agreed to complete reclamation and site is not fully reclaimed as of this date

[C] This number also is reported in Table 5 as Phase III bond release has been granted on these sites

TABLE 8

STATE STAFFING
(Full-time equivalents at end of evaluation year)

Function	EY 2000
Regulatory Program	
Permit review	21.00
Inspection	28.00
Other (administrative, fiscal, personnel, etc.)	35.00
SUB-TOTAL	84.00
AML Program	16.00
TOTAL	100.00

TABLE 9A

FUNDS GRANTED TO VIRGINIA BY OSM
(Millions of dollars)
EY 2000

Type of Grant	Federal Funds Awarded	Federal Funding as a Percentage of Total Program Costs
Administration and Enforcement		
Non-Federal Lands	**$3,078,545.00**	**50%**
Federal Lands	**$4,026.00**	**100%**
Coalbed Mapping (Regulatory)	**$60,800.00**	**50%**
Small operator assistance	**0.00**	**NA**
Totals	**$3,143,371.00**	

TABLE 9B

ABANDONED MINE LAND
FUNDS GRANTED TO VIRGINIA BY OSM
(Millions of dollars)
EY 2000

Type of grant	Federal funds awarded	Federal funding as a percentage of total program costs
AML Consolidated Grant		
Non-Emergency Administration	**716,772**	**100%**
Non-Emergency Construction		
- Water Supply Construction	**1,195,000**	**100%**
- Non-Water Supply Construction	**797,188**	**100%**
- Inspection & Monitoring	**847,543**	**100%**
Emergency Administration	**150,000**	**100%**
Emergency Construction	**1,500,000**	**100%**
Set-Aside Funds	**401,778**	**100%**
Post-Act Reclamation (Civil Penalty Projects)	**8,900**	**100%**
Appalachian Clean Streams Initiative	**274,630**	**100%**
Coalbed Mapping (AML)	**0**	**100%**
Total AML Funding Granted in EY 2000	**$5,891,811**	

APPENDIX B

Appendix B: State Comments on the Report

O. GENE DISHNER
DIRECTOR

CHARLES M. HALE, JR.
CHIEF DEPUTY DIRECTOR

BENNY R. WAMPLER
DEPUTY DIRECTOR

DIVISIONS
ENERGY
GAS AND OIL
MINED LAND RECLAMATION
MINERAL MINING
MINERAL RESOURCES
MINES
ADMINISTRATION

COMMONWEALTH of VIRGINIA

Department of Mines, Minerals and Energy
Division of Mined Land Reclamation
P.O. Drawer 900
Big Stone Gap, VA 24219-0900
(540) 523-8100

December 12, 2000

Mr. Robert A. Penn
Director Big Stone Gap Field Office
Office of Surface Mining
Reclamation and Enforcement
1941 Neeley Road
Suite 201, Compartment 116
Big Stone Gap, VA 24219

Dear Mr. Penn:

Staff members of the Virginia Division of Mined Land Reclamation (DMLR) have reviewed the draft 2000 annual evaluation report for Virginia and offer the following comments:

- **IV. Major Accomplishments/Issues/Innovation in the Virginia Program**

  OSM should include the Memorandum of Agreement signed between the Nature Conservancy and DMLR for carbon sequestration.

  Page 4, first complete paragraph, third sentence – add underlined wording.

  "Work continues on the remining permit in the Black Creek watershed and Black Creek watershed reforestation Clean Streams Project in Wise County, Virginia."

- **Page 8, Fourth Complete Paragraph, Fourth Sentence:**

  DMLR does not know what is referenced in " …….. for approval only at the appropriate time during the liability period."

- **Page T-14** is blank. What should be on this page?

Thank you for providing the Division an opportunity to comment.

Sincerely,

Ronald D. Robinson
Acting Division Director

APPENDIX C:

Appendix C: OSM Response to State Comments

United States Department of the Interior

OFFICE OF SURFACE MINING
Reclamation and Enforcement
Big Stone Gap Field Office
Powell Valley Square Shopping Center
1941 Neeley Road
Suite 201, Compartment 116
Big Stone Gap, Virginia 24219
DEC 19 2000

Division of Mined Land Reclamation
Acting Division Director
P. O. Box 900
Big Stone Gap, Virginia 24219

Dear Acting Division Director:

Thank you for your comments on the 2000 Annual Report on Virginia's performance. I will detail below the disposition of your comments as well as some other minor changes that we made before finalizing the report.

IV. Major Accomplishments/Issues/Innovation in the Virginia Program

Comment: OSM should include the Memorandum of Agreement signed between the Nature Conservancy and DMLR for carbon sequestration.

Response: We have added this at the bottom of page 6.

Comment: Page 4, first complete paragraph, third sentence - add underlined wording.

"Work continues on the remining permit in the Black Creek watershed and Black Creek watershed reforestation Clean Streams Project in Wise County, Virginia."

Response: We have changed this as requested.

Page 8, Fourth Complete Paragraph, Fourth Sentence:

Comment: DMLR does not know what is referenced in "....for approval only at the appropriate time during the liability period.

Response: This simply means that approval is granted after the site is reclaimed and ready for phase II or equivalent bond reduction, and before final bond release. We have clarified this in the narrative.

***V.C.* Success in Achieving the Purposes of SMCRA as Measured by the Number of Observed Off-Site Impacts and the Number of Acres Meeting the Performance Standards at the Time of Bond Release: Customer Service**

We added the following to section V.C: *This year we looked at customer service standards during our review of DMLR's bond release program. DMLR was timely in reponding to public comments and bond releases were processed in a timely manner.*

VI1. General Oversight Topic Reviews

We added the following to the discussion of active/reclamation active inpections: *Additionally, we targeted four areas, special spoil handling requirements, refuse fill plans, acid mine drainage, and non-coal waste disposal for evaluation/data gathering purposes. We are currently analyzing the data for trends. If any of these areas was in violation during the inspection, immediate action was taken to correct the problem. A report on our findings is expected during January 2001.*

Page T-14

Comment: Page T-14 is blank. What should be on this page?

Response: This has been corrected. Changing printer formats caused an extra page to be added.

Once again thank you for providing comments. We will arrange to send the report to the printer shortly and will provide copies to you when we receive them.

Sincerely,

Robert A. Penn, Director
Big Stone Gap Field Office