

OFFICE OF SURFACE MINING

Annual Evaluation Summary Report

for the

Regulatory and Abatement Programs

Administered

For

Evaluation Year 2003

(October 1, 2002 to June 30, 2003)

OCTOBER 2003

Table of Contents

I.	INTRODUCTION.....	3
II.	OVERVIEW OF THE VIRGINIA COAL MINING INDUSTRY	3
III.	OVERVIEW OF THE PUBLIC PARTICIPATION	5
IV.	MAJOR ACCOMPLISHMENTS/ISSUES/INNOVATIONS	6
V.	SUCCESS IN ACHIEVING THE PURPOSES OF SMCRA	9
	<i>A. Off-Site Impacts</i>	<i>10</i>
	<i>B. Bond Release</i>	<i>10</i>
	<i>C. Customer Service.....</i>	<i>11</i>
VI.	OSM ASSISTANCE	11
VII.	GENERAL OVERSIGHT TOPIC REVIEWS	12
APPENDIX A TABLES		
	<i>TABLE 1 Coal Production</i>	<i>15</i>
	<i>TABLE 2 Inspectable Units.....</i>	<i>16</i>
	<i>TABLE 3 State Permitting Activity</i>	<i>17</i>
	<i>TABLE 4 Off-Site Impacts.....</i>	<i>18</i>
	<i>TABLE 5 Mining and Reclamation Results</i>	<i>19</i>
	<i>TABLE 6 optional tables not used</i>	<i>20</i>
	<i>TABLE 7 Bond Forfeiture Activity.....</i>	<i>21</i>
	<i>TABLE 8 State Staffing</i>	<i>22</i>
	<i>TABLE 9 Grants.....</i>	<i>23</i>
	<i>TABLE 10 Inspection Activity.....</i>	<i>24</i>
	<i>TABLE 11 State Enforcement Activity</i>	<i>25</i>
	<i>TABLE 12 Lands Unsuitable Activity</i>	<i>26</i>
APPENDIX B: STATE COMMENTS ON THE REPORT AND OSM DISPOSITION		

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, 2002, to June 30, 2003. The evaluation year was shortened by three months to bring the Agency in line with reporting requirements for the Government Performance Results Act (GPRA). 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. Last year's production was a little over 28 million tons. According to 2002 U. S. Department of Energy statistics Virginia's production now ranks eleventh among the coal producing states (<http://www.eia.doe.gov/cneaf/coal/page/acr/table1.html>). In 2000 Virginia ranked eighth in coal production. Approximately 69 percent of the production comes from underground mines and 31 percent from surface mining. Virginia produces higher quality coal with higher BTU's (British Thermal Units) and lower sulfur content than the national average. This has historically made Virginia coal attractive for metallurgical coke production and for the export market. However, foreign competition continues to have a major impact on Virginia's export market.

During 2001, coal accounted for less than one percent (0.18) of Virginia's Gross State Product (Source: U. S. Bureau of Economic Analysis <http://www.bea.doc.gov/bea/regional/gsp/>). 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 \$364,729,000 were derived from the coal industry during 2000 down from 1999 earnings of \$402,340,000 (Source: U. S. Bureau of Economic Analysis). In 2001, approximately 8 percent of the coalfield counties' workforce worked in the mining industry. In 2002, unemployment in the coalfield counties ranged from 4.7 to 14.9 percent (Source: Virginia Employment Commission (VEC) <http://www.vec.state.va.us/vecportal/lbrmkt/lausc/labor.cfm>) and averaged 7 percent. In 2001 unemployment averaged 7.5 percent in the coal counties. The overall State unemployment average was 4.1 during 2002. (Source: VEC).

Of the 622 inspectable mining units in Virginia, 168 are surface mines, 303 are underground mines, 101 are support activities, and 50 are exploration notices. There are 134 producing surface mines and 245 producing underground mines. The average permitted acreage is 339 acres for surface mines, 31 acres for underground mines, and 80 acres for support facilities. For comparative purposes, in 1991, we had 1,130 inspectable units of which 298 were surface mines, 492 underground mines, 163 support facilities, and 177 exploration notices. In 1991, the average permitted acreage was 124 acres for surface mines, 18 acres for underground mines, and 54 acres for support facilities. Although we have seen a reduction in the number of inspectable units during the past 12 years, the trend toward fewer, larger operations is evident.

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 75 miles of streams and reclaimed 944 acres of clogged stream lands; eliminated 24 dangerous impoundments; reclaimed 274 acres of dangerous piles and embankments; sealed 1,134 dangerous mine openings and 119 vertical openings; replaced 2,514 water supplies adversely impacted by mining; and reclaimed over 6 miles of dangerous highwalls. (<http://ismhdqa02.osmre.gov/scripts/OsmWeb.dll>) 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

At the beginning of the 2003 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 or direct mailing.

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

DMLR continues to work with the U. S. Army Corps of Engineers, LENOWISCO 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. DMLR also partnered with local watershed groups to secure non-federal funding to reclaim priority 3 abandoned mine land sites.

State staff has 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 re-mining. DMLR started developing an amendment to the alternative bonding program regulations using public input.

During the year, DMLR staff held meetings, judged contests, or made presentations at different local schools during the Chamber of Commerce’s “Natural Resource Appreciation Days.”

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

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

This year marks the 22nd anniversary of a primacy program in the Commonwealth of Virginia. Implementation of the approved program during the past 22 years has provided increased protection to the public and enhanced environmental protection to the resources located within the Virginia coalfields. DMLR is a highly skilled organization in both surface mine inspection and technical evaluation. DMLR continues as 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 that DMLR is successfully implementing both its regulatory and abandoned mine land programs. A list of the oversight reviews used to reach this conclusion is 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.

Major accomplishments and innovations in the program this year include:

- Assisted the Virginia Department of Environmental Quality in developing Total Maximum Daily Loads (TMDL's) limits for the state's impaired coalfield streams. This includes the Dumps Creek watershed in Russell County, the Black Creek and Guest River watersheds in Wise County, and the Middle Creek watershed in Tazewell County.
- DMLR and the U.S. Army Corps of Engineers (USCOE) continue to study the impacts of acid mine drainage (AMD) in the Powell River watershed. Efforts continue toward a comprehensive construction project, the Powell River Ecosystem Restoration Project, to mitigate acid mine drainage impacts. DMLR assisted the USCOE in acquisition of property on Puckett Creek to facilitate this project.
- Partnered with the Army Corps of Engineers, LENOWISCO, and Lee County for the North Fork Powell River Ecosystem Restoration Project. The first construction project commenced in July 2002 and is planned for completion in the fall of 2003 or early spring of 2004. This project treats a large AMD seep impacting the watershed. Additional projects are being designed and others are being identified and planned.
- Assisting the Upper Tennessee River Roundtable (a 501(c) (3) non-profit) in applying for funding under OSM's Watershed Cooperative Agreement program for AMD projects.
- DMLR is an active participant in the Guest River Restoration Project cooperating with federal, state, and local agencies to restore the Guest River. This year, DMLR partnered with the Guest River Reclamation Project and the Black Diamond RC&D for acid mine drainage remediation at the University of Virginia's College at Wise. Reclamation in these areas would not be possible without the pooled financial resources and expertise of each of the partners.

- Pursued EPA brown fields funding for two mine-scarred lands in southwest Virginia.
- Secured funding from the Tennessee Valley Authority for three reclamation projects in the Clinch/Powell watershed. The largest amount was a \$100,000 contribution for the Ely Creek AMD project.
- Ensured that the Clean Water Act requirements are being met, entering into settlement agreements with several companies to address and abate violations.
- DMLR maintains an inventory of long-term pollutorial discharges from Title V permits in the state of Virginia. This inventory comprises a segment of the inventory for the entire Appalachian region (Pennsylvania, Maryland, Virginia, West Virginia, Ohio, Kentucky, and Tennessee) and is used 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.
- Encouraged industry to use AML no-cost agreements to reclaim abandoned lands. DMLR has 8 active agreements and 3 pending agreements. Primarily no-cost agreements allow mining companies to use excess spoil from permitted mining operations to eliminate abandoned mine highwalls that normally would not be reclaimed. In addition to reclaiming several miles of abandoned mine land highwalls, the practice also minimizes the development of new valley and hollow fills and reduces impacts to coalfield streams.
- Continues to support work on the remining permit in the Black Creek watershed and Black Creek watershed restoration 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.
- As a result of studies into the impacts of approximate original contour variances and post mining land uses in Virginia and the need to limit stream degradation, DMLR has capitalized on the availability of previously mined lands to dispose of excess spoil from mining operations.
- Supports the Interstate Mining Compact Commission and National Association of Abandoned Mine Land Programs efforts to encourage Congressional reauthorization of the AML program.
- Encourages the use of experimental practices to develop industry and commercial sites for the region.
- DMLR continues using multi-interest work teams to address remining and clean streams issues. The ad-hoc teams are comprised of State, Federal, academic, environmental, and industry representatives.
- DMLR's approved program is current. An amendment responsive to a Federal Part 732 Notice on Valid Existing Rights has been developed by DMLR. DMLR is waiting on settlement of Federal litigation on VER before submitting the

amendment. Virginia continues as a leader among primacy states in keeping its program current with Federal regulations.

- DMLR and the Virginia Division of Mineral Resources continued to maintain the coal bed mapping program. This year the Division of Mineral Resources employed a full time geologist at DMLR in support of this effort. This program supports 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.
- DMLR continues to refine electronic permitting capabilities. At present, 88 percent of current permitting activity is in an electronic format. Electronic, and “hard copy,” permitting forms and guides are available via DMLR’s Internet homepage (www.mme.state.va.us.)
- 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.
- For the last several years, DMLR worked with the United States Soccer Federation to secure world-class soccer facilities in a program called “mined fields to soccer fields.” This year DMLR assisted the Buchanan County Board of Supervisors in obtaining a soccer starter kit from the United States Soccer Foundation for a project developed into a recreational area under the AML enhancement rule.
- During the evaluation period the abandoned mine land program completed 7 non-emergency projects, and 13 emergency projects. The AML hazards or features have been effectively abated on these project areas.
- Continues a partnership with the Nature Conservancy promoting carbon sequestration. The agreement provides for a cooperative effort between the two Agencies related to reforestation of selected abandoned mine land sites. There is a high probability that a major eastern utility will fund a project to reforest an abandoned mine site and reclaim abandoned mine lands. The Nature Conservancy will acquire title to the land to ensure long-term success of the reforestation efforts.
- DMLR led development of the DMME University, a computer-based training inventory and training record. Employees can request training events electronically, the supervisor can approve the training request electronically and employees can evaluate the training electronically.
- DMME supported Virginia Tech’s Powell River Project research to determine the cost of mitigation for the effects of hollow fills on aquatic functions and values. This research will help establish in-lieu fee rates whereby permittees may pay a fee instead of completing actual mitigation. The fees would be used by a third party to mitigate other mine related problems.

- DMLR began discussion with the Army Corps of Engineers on the use of in-lieu fees for mitigation of stream impacts. DMLR and The Nature Conservancy (TNC) would partner in use of the fees to reclaim abandoned mine lands directly impacting streams. The TNC would acquire any title or easements to ensure long-term success.
- DMLR used a student worker to scan old Technical Reports of complaint investigation, expanding the digital storage of complaint investigations.
- In cooperation with OSM, DMLR initiated a project with the National Energy Technology Laboratory to advance technology used for locating water filled mine voids. This will promote mine safety by helping identify potential underground mine pool blowout occurrences.
- In its 2003-2004 Operational Plan, DMLR devised new performance measures to better track the attainment of agency goals and objectives. Many of these performance measures are identical to OSM performance measures, which will increase the effectiveness of inter-agency reporting.
- DMLR has developed bond release tracking procedure in its electronic permitting system. This will allow easier tracking of performance related measures.

Virginia and OSM continue to review refuse impoundments to ensure compliance with the new OSM, Mine Safety and Health Administration, and National Academy of Sciences recommended safety standards.

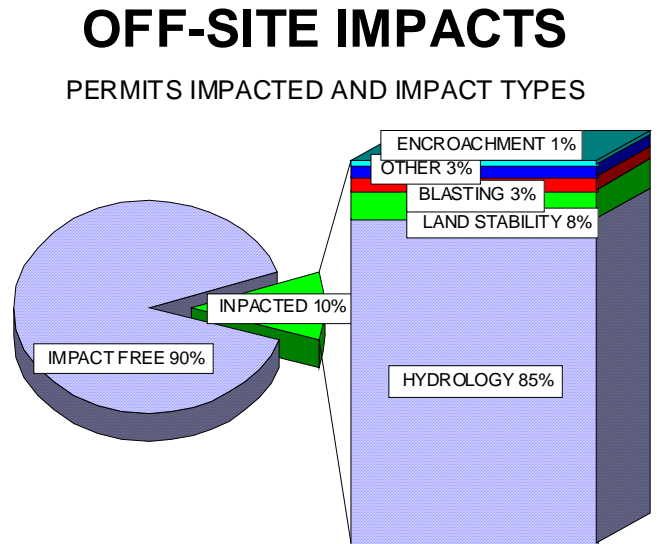
OSM, DMME, and the U. S. Fish and Wildlife Service continue to meet in an effort to work out differences relating to roles each party has in the approved program.

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 4,619 inspections on 622 mines and exploration notices. We analyzed off-site impact data (Table 4) from 2,075 complete (includes 127 complete inspections on exploration notices) and 2,544 partial State inspections. Ninety percent of the mine sites inspected was free of off-site impacts. Fifty-four percent of the 172 violations identified by DMLR resulted in off-site impacts. The number of sites having off-site impacts has decreased by 1 percent since last year. Data indicates that hydrology standards are violated most often (64.5 percent) and result in the most off-site impacts (85 percent) compared to 74 percent and 68 percent last year. Water is the resource impacted most often (66 percent) by violations, a decrease of 13 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 78 percent of the time, a 20 percent decrease from last year.



We inspected 124 sites and gathered data on off-site impacts to verify DMLR findings. Inspectors found that 89.3 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 indicate that the off-site impacts to resources are being minimized.

B. Bond Release:

During the evaluation year, we found that 440 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 767 acres of land were successfully revegetated with surface stability achieved in order to receive a Phase II bond release. This figure is significantly lower than last year’s Phase II bond release acreages.

DMLR records indicate that 1,894 acres of land received Phase III bond release during the evaluation year. As part of a special study, we reviewed 19 of 41 operations that applied for Phase III bond release during the evaluation year. We found on-the-ground reclamation successful on the sampled sites. The post-mining land use was achieved on the sites.

Our review of DMLR's bond release program found again that DMLR was timely in responding to public comments and bond releases were processed in a timely manner.

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 believe that the State is providing the utmost in service to all of its customers. Our review of DMLR's bond release program found that DMLR responded to public comments and concerns in a timely manner.

During the year, DMLR initiated website procurement of contractor services on AML projects. Additionally, they developed and implemented customer satisfaction surveys to measure performance on citizen complaints, electronic permitting and the Client Assistance Center.

VI. OSM Assistance

During the past year we provided technical training to DMLR staff members on 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.

We participated on several ad-hoc committees such as re-mining and the State's AML Advisory Council and assisted the State in implementing its re-mining initiative. We continued to work with DMLR to develop the "mined fields to soccer fields" program and supported state AML enhancement and "no cost" reclamation efforts.

We partnered with DMLR on a remote sensing program this year that if successful would have the potential to improve the safety of impoundments by allowing mapping of previously unknown underground mine voids. OSM continues support for the TIPS workstation applications.

Additionally, we provided the State matching grant funds to operate the regulatory program. 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, 64 active mine sites during the shortened 2003 evaluation year. We focused on compliance with performance standards and assessment of off-site impacts, if applicable. Off-site impacts are discussed in section V. A. of this report.

Additionally, we targeted two areas, acid mine drainage inventory verification, and mitigation plans. The review found that the Division of Mined Land Reclamation (DMLR) successfully implemented the program goals and objectives for mitigation plans and the acid mine drainage inventory. The review of mitigation plans identified only three permits that were in the implementation phase. The team recognizes this is too small a sample to draw any valid conclusions for on-the-ground implementation of mitigation plans. The acid mine drainage review found that all permits with acid mine drainage were on the DMLR Acid Mine Drainage Inventory or DMLR could provide a reasonable rationale for not including the sites on the Inventory. Even though a site is listed on the Acid Mine Drainage Inventory, all sites must meet numerical effluent limitations.

- *Phase III Bond Release Reclamation Success* - Our joint OSM/DMLR team evaluated 27 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. This review found that DMLR is successfully implementing their program to assure reclamation and bond reductions or releases on qualified permits. The bond release decision process was appropriate on all of the sampled sites, including the denial of one bond release, which was pending from our EY 2001 review. All on-the-ground and administrative requirements were met prior to approval of the applicable bond release or reduction. This review found that DMLR is successfully implementing their program to assure reclamation and bond reductions or releases on qualified permits. The bond release decision process was appropriate on all of the sampled sites, including the denial of one bond release, which was pending from our EY 2001 review. All on-the-ground and administrative requirements were met prior to approval of the applicable bond release or reduction.
- *Bond Forfeiture Release Reclamation Success* - Our joint OSM/DMLR team evaluated reclamation on one completed bond forfeiture site. The joint review

team evaluated DMLR's "on-the-ground" reclamation success and performance in releasing bond forfeiture sites, based on approved State program requirements. During this review period, DMLR effectively met program goals for reclaiming and closing out bond forfeiture sites.

- *Public Participation: Coordination with Other Agencies* - A joint oversight evaluation team reviewed the Virginia Division of Mined Land Reclamation's (DMLR) public participation requirements. We found that DMLR was following the approved program and afforded an opportunity for both the public and other governmental agencies to comment on proposed permit actions.
- *Virginia AML Emergency Construction Management* – A joint team evaluated DMLR's performance in managing abandoned mine land emergency construction when implementing the Virginia Coal Surface Mining Reclamation Regulations and Virginia's AML Reclamation Plan. We found that DMLR's reclamation and construction management ensured that goals and objectives of all emergency projects were achieved. Construction was completed in accordance with project designs and technical specifications, was limited to the project work scope, and produced environmentally sound results. In all cases the AML hazards were effectively eliminated. Construction management complied with specific permit requirements or mitigation measures developed during the National Environmental Policy Act (NEPA) consultation process, except for submission of completion certifications required under USCOE regional permits, and satisfying certain applicable USCOE nationwide permit and Virginia Department of Transportation permit requirements.
- *National Environmental Policy Act (NEPA) Compliance Reviews* - During EY 2003, we conducted reviews of environmental documents submitted by DMLR for NEPA compliance and issued authorizations on 13 non-emergency AML sites. We also conducted NEPA reviews and declared emergencies on 12 sites with AML hazards.

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			
2000	9.695	23.415	33.110
2001	10.112	22.193	32.305
2002	9.057	19.629	28.686
Total	28.864	65.237	94.101

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 June 30, 2003													
Coal mines and related facilities	Number and status of permits									Permitted acreage^A (hundreds of acres)			
	Active or temporarily inactive		Inactive Phase II bond release		Abandoned		Totals		Insp. Units^D				
	IP	PP	IP	PP	IP	PP	IP	PP					
	IP	PP	IP	PP	IP	PP	IP	PP		IP	PP	Total	
STATE AND PRIVATE LANDS REGULATORY AUTHORITY: STATE													
Surface mines	0	134	0	34	0	0	0	168	168	0	567.9	567.9	
Underground mines	0	242	0	57	0	1	0	300	300	0	93.4	93.4	
Other facilities	0	93	0	6	0	2	0	101	101	0	81	81	
Subtotals	0	469	0	97	0	3	0	569	569	0	742.3	742.3	
FEDERAL LANDS REGULATORY AUTHORITY: STATE													
Surface mines	0	0	0	0	0	0	0	0	0	0	0	0	
Underground mines	0	3	0	0	0	0	0	3	3	0	0.14	0.14	
Other facilities	0	0	0	0	0	0	0	0	0	0	0	0	
Subtotals	0	3	0	0	0	0	0	3	3	0	0.14	0.14	
ALL LANDS^B													
Surface mines	0	134	0	34	0	0	0	168	168	0	567.9	567.9	
Underground mines	0	245	0	57	0	1	0	303	303	0	93.4	93.4	
Other facilities	0	93	0	6	0	2	0	101	101	0	81	81	
Totals	0	472	0	97	0	3	0	572	572	0	742.3	742.3	
Average number of permits per inspectable unit (excluding exploration sites)									<u>1</u>				
Average number of acres per inspectable unit (excluding exploration sites)									<u>130</u>				
Number of exploration permits on State and private lands:									<u>0</u>		On Federal lands ^C :		<u>0</u>
Number of exploration notices on State and private lands:									<u>50</u>		On Federal lands ^C :		<u>0</u>
IP: Initial regulatory program sites PP: Permanent regulatory program sites ^A When a unit is located on more than one type of land, include 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.													

TABLE 3

STATE PERMITTING ACTIVITY												
As of June 30, 2003												
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	14	20	2,775	5	1	13	1	1	1	20	22	2,789
Renewals	11	16	N/A	18	16	N/A	5	6	N/A	34	38	N/A
Transfers, sales and assignments of permit rights	26	26		45	40		13	10		84	76	
Small operator assistance	0	0		0	0		0	0		0	0	
Exploration permits	0	0		0	0		0	0		0	0	
Exploration notices ^B											0	
Revisions (exclusive of incidental boundary revisions)		112			102			21			235	
Incidental boundary revisions		15	N/A		22	N/A		5	N/A		42	N/A
Totals	51	189	2,775	68	181	13	19	43	1	138	413	2,789
OPTIONAL - Number of midterm permit reviews completed that are not reported as revisions.										<u>N/A</u>		
^A Includes only the number of acres of proposed surface disturbance.												
^B 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														
RESOURCES AFFECTED			People			Land			Water			Structures		
DEGREE OF IMPACT			minor	moderate	major	minor	moderate	major	minor	moderate	major	minor	moderate	major
TYPE OF IMPACT AND TOTAL NUMBER OF EACH TYPE	Blasting	3	0	0	0	1	0	0	2	0	0	0	0	0
	Land Stability	7	0	0	0	5	1	0	1	0	0	0	0	0
	Hydrology	79	4	2	0	14	3	1	46	16	2	1	1	0
	Encroachment	1	0	0	0	1	0	0	0	0	0	0	0	0
	Other	3	0	0	0	1	0	0	2	0	0	0	0	0
	Total	93	4	2	0	22	4	1	51	16	2	1	1	0
Total number of inspectable units:						<u>572</u>								
Inspectable units free of off-site impacts:						<u>514</u>								
OFF-SITE IMPACTS ON BOND FORFEITURE SITES														
RESOURCES AFFECTED			People			Land			Water			Structures		
DEGREE OF IMPACT			minor	moderate	major	minor	moderate	major	minor	moderate	major	minor	moderate	major
TYPE OF IMPACT AND TOTAL NUMBER OF EACH TYPE	Blasting													
	Land Stability													
	Hydrology													
	Encroachment													
	Other													
	Total	0	0	0	0	0	0	0	0	0	0	0	0	0
Total number of inspectable units:						<u>N/A</u>								
Inspectable units free of off-site impacts:						<u>N/A</u>								

Refer to the report narrative for complete explanation and evaluation of the information provided by this table.

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	440.00
Phase II	- Surface stability - Establishment of vegetation	767.00
Phase III	- Post-mining land use/productivity restored - Successful permanent vegetation - Groundwater recharge, quality and quantity restored - Surface water quality and quantity restored	1,894.56
	Bonded Acreage Status^A	Acres
Total number of acres bonded at end of last review period (September 30, 2002) ^B		61,768.18
Total number of acres bonded during this evaluation year (cumulative)		64,599.06
Number of acres bonded during this evaluation year that are considered re-mining. (New acreage bonded during year, not cumulative.)		4,095.00
Number of acres where bond was forfeited during this evaluation year (also report this acreage on Table 7)		0.00

^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).

OPTIONAL TABLE(S) 6

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, 2002 (end of previous evaluation year) ^A	6	74.27
Sites with bonds forfeited and collected during Evaluation Year 2003 (current year)	0	0.00
Sites with bonds forfeited and collected that were re-permitted during Evaluation Year 2003 (current year)	0	0.00
Sites with bonds forfeited and collected that were reclaimed during Evaluation Year 2003 (current year)	3	37.28
Sites with bonds forfeited and collected that were unreclaimed as of June 30, 2003 (end of current year) ^A	3	36.99
Sites with bonds forfeited but uncollected as of June 30, 2003 (end of current year)	0	0.00
Surety/Other Reclamation (In Lieu of Forfeiture)		
Sites being reclaimed by surety/other party as of September 30, 2002 (end of previous evaluation year) ^B	1	96.10
Sites where surety/other party agreed to do reclamation during Evaluation Year 2003 (current year)	0	0.00
Sites being reclaimed by surety/other party that were re-permitted during Evaluation Year 2003 (current year)	0	0.00
Sites with reclamation completed by surety/other party during Evaluation Year 2003 (current year) ^C	0	0.00
Sites being reclaimed by surety/other party as of June 30, 2003 (current evaluation year) ^B	1	96.10
^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

VIRGINIA STAFFING (Full-time equivalents at the end of evaluation year)	
Function	EY 2003
Regulatory Program	
Permit review	24.00
Inspection	26.00
Other (administrative, fiscal, personnel, etc.)	27.00
Regulatory Program Total	77.00
AML Program Total	15.00
TOTAL	92.00

TABLE 9

FUNDS GRANTED TO VIRGINIA BY OSM (Millions of dollars) EY 2003		
Type of Grant	Federal Funds Awarded	Federal Funding as a Percentage of Total Program Costs
Regulatory Program		
Administration and Enforcement	\$3.19	50%
Small Operator Assistance	\$0.00	0
Abandoned Mine Land Program		
Consolidated Grant	\$5.90	100%
Totals	\$9.09	

TABLE 10

STATE OF VIRGINIA INSPECTION ACTIVITY		
PERIOD: OCTOBER 1, 2002 - JUNE 30, 2003		
Inspectable Unit Status	Number of Inspections Conducted	
	Complete	Partial
Active*	1,238	2,401
Inactive*	83	620
Abandoned*	21	16
Total	1,342	3,037
Exploration	127	27

* Use terms as defined by the approved State program.

TABLE 11

STATE OF VIRGINIA ENFORCEMENT ACTIVITY		
PERIOD: OCTOBER 1, 2002 - JUNE 30, 2003		
Type of Enforcement Action	Number of Actions*	Number of Violations*
Notice of Violation	142	154
Failure-to-Abate Cessation Order	1	1
Imminent Harm Cessation Order	4	4

* Does not include those violations that were vacated.

TABLE 12

LANDS UNSUITABLE ACTIVITY			
PERIOD: OCTOBER 1, 2002 - JUNE 30, 2003			
Number of Petitions Received	0		
Number of Petitions Accepted	0		
Number of Petitions Rejected	0		
Number of Decisions Declaring Lands Unsuitable	0	Acreage Declared as Being Unsuitable	0
Number of Decisions Denying Lands Unsuitable	0	Acreage Denied as Being Unsuitable	0

APPENDIX B
STATE COMMENTS ON THE REPORT
OSM DISPOSITION OF STATE COMMENTS

From: "Collins, Gerald D." <gerald.collins@dmme.virginia.gov>
To: "idye@osmre.gov" <idye@osmre.gov>
Date: 9/23/03 4:09PM
Subject: 2003 report

Ian,

I am forwarding a copy of the report back to you with some small grammatical/punctuation changes. I have highlighted these in yellow on the following pages of the document: 5,6,8,11,12.

Other than that it looks good to me.

<<OSMDraft 1 2003 Virginia Annual Report.doc>>

Thanks,

Gerald D. Collins, P.E.
Environmental Manager
Virginia Division of Mined Land Reclamation
P.O. Drawer 900
Big Stone Gap, VA 24219
(276) 523-8166; e-mail: Gerald.Collins@dmme.virginia.gov

Please note the new e-mail address

From: "Williams, Roger" <roger.williams@dmme.virginia.gov>
To: "IAN DYE' (E-mail)" <idyed@OSMRE.GOV>
Date: 9/24/03 10:35AM
Subject: FW: 2003 report

Some minor changes/comments. Sorry your getting this in spurts but hopefully the changes will be minor and few in number.

>
>

Comments on the OSM draft evaluation report

> * I recommend using the current AMLIS data to report accomplishments.
> I have made recent updates but this would be for work that was
> accomplished prior to 6-30-03. Current data show: 944 acres of clogged
> stream lands; 24 dangerous impoundments; 274 dangerous piles and
> embankments; 1134 dangerous mine openings; 119 vertical openings; 2514
> water supplies.

> * The fourth bullet on page 6 reads as if the 501c3 has secured the
> OSM funds. This has not yet happened. DMLR is assisting the Roundtable
> in applying for a Watershed Cooperative Agreement.

> * The fourth bullet on page 8 references the National Soccer
> Foundation. The correct reference should be the United States Soccer
> Foundation.

>

> -----Original Message-----

> From: Williams, Roger
> Sent: Wednesday, September 24, 2003 8:00 AM
> To: Davis, Richard
> Subject: FW: 2003 report

From: "Barker, Ernie" <ernie.barker@dmme.virginia.gov>
To: "DYE, IAN (E-mail)" <IDYE@osmre.gov>
Date: 10/6/03 10:06AM
Subject: FW: Draft 2003 Annual Report

I did not get any further comments.

Thanks!!

Ernie Barker
276 523-8197

-----Original Message-----

From: Vincent, Les
Sent: Monday, October 06, 2003 9:07 AM
To: Ian Dye (E-mail)
Cc: Collins, Gerald; Ernie Barker; Roger Williams
Subject: FW: Draft 2003 Annual Report

Thanks

Les Vincent, PE
Customer Services Unit Manager
Department of Mines, Minerals & Energy
Division of Mined Land Reclamation
P.O. Drawer 900
Big Stone Gap, VA 24219
(276) 523-8156
<mailto:les.vincent@dmme.virginia.gov>

-----Original Message-----

From: Lambert, Butch
Sent: Monday, September 22, 2003 11:21 AM
To: Vincent, Les
Subject: RE: Draft 2003 Annual Report

Looks ok to me. OSM may want to consider adding to section VI (OSM Assistance) their part in reviewing the experimental practice applications. Take credit when they can.

-----Original Message-----

From: Vincent, Les
Sent: Monday, September 22, 2003 10:51 AM
To: Butch Lambert; Debbie Whitt; Gavin Bledsoe; Harve Mooney; James

Rivers; Joey O'Quinn; Marilyn Gates; Sandy Smith; Terry Bates;
Zentmeyer, Jan
Subject: FW: Draft 2003 Annual Report

Thanks

Les Vincent, PE
Customer Services Unit Manager
Department of Mines, Minerals & Energy
Division of Mined Land Reclamation
P.O. Drawer 900
Big Stone Gap, VA 24219
(276) 523-8156
<mailto:lsv@mme.state.va.us>

-----Original Message-----

From: Ian B. Dye Jr. [mailto:IDYE@OSMRE.GOV]
Sent: Thursday, September 18, 2003 2:23 PM
To: ejb@mme.state.va.us; gdc@mme.state.va.us; lsv@mme.state.va.us;
rlw@mme.state.va.us
Cc: Robert A. Penn
Subject: Draft 2003 Annual Report

Gentlemen,

Attached is the draft 2003 annual evaluation report. I am transferring in electronic format to each of you. Please review this document and try and provide consolidated comments to me by Oct. 3, 2003, or sooner. Thank-you!

Ian

CC: "Vincent, Les" <les.vincent@dmme.virginia.gov>

From: "Vincent, Les" <les.vincent@dmme.virginia.gov>
To: "Ian Dye (E-mail)" <idy@osmre.gov>
Date: 10/6/03 10:19AM
Subject: Comments Annual Report

VII. General Oversight Topic Reviews

The acid mine drainage review found that all permits with acid mine drainage were on the DMLR Acid Mine Drainage Inventory or DMLR could provide a reasonable rationale for not including the sites on the Inventory. (Should you note that all sites must meet effluent limits regardless of inclusion or not?)

Thanks

Les Vincent, PE
Customer Services Unit Manager
Department of Mines, Minerals & Energy
Division of Mined Land Reclamation
P.O. Drawer 900
Big Stone Gap, VA 24219
(276) 523-8156
<mailto:les.vincent@dmme.virginia.gov>

CC: "Collins, Gerald" <gerald.collins@dmme.virginia.gov>, Ernie Barker <ernie.barker@dmme.virginia.gov>, Roger Williams roger.williams@dmme.virginia.gov

From: "Vincent, Les" <les.vincent@dmme.virginia.gov>
To: "Ian Dye (E-mail)" <idy@osmre.gov>
Date: 10/6/03 10:20AM
Subject: Annual Report

No further comments

Thanks

Les Vincent, PE
Customer Services Unit Manager
Department of Mines, Minerals & Energy
Division of Mined Land Reclamation
P.O. Drawer 900
Big Stone Gap, VA 24219
(276) 523-8156
<mailto:les.vincent@dmme.virginia.gov>



United States Department of the Interior

OFFICE OF SURFACE MINING

Reclamation and Enforcement
1941 Neeley Road, Suite 201
Big Stone Gap, Virginia 24219

OCT 9 2003

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

Dear Acting Director:

Thank you and your staff for another successful year! We appreciate the assistance and comments that you provide on the annual oversight report. I am enclosing the final draft of the 2003 Annual Evaluation Report for Virginia. The enclosed report reflects the changes recommended by your staff. We will be moving shortly to have the report published and will provide copies to you for distribution. If you have questions, please contact either Ian Dye, Jr. or me on (276) 523-4303.

Sincerely,

Robert A. Penn, Director
Big Stone Gap Field Office

Enclosure