



OFFICE OF SURFACE MINING RECLAMATION AND ENFORCEMENT

Annual Evaluation Report

for the

Regulatory and Abandoned Mine Land Reclamation Programs

Administered by the State

of

Arkansas

for

Evaluation Year 2003

(October 1, 2002, through June 30, 2003)

TABLE OF CONTENTS

I. Introduction..... 1

II. Overview of the Arkansas Coal Mining Industry 2

III. Overview of the Public Participation Opportunities in the Oversight Process and the State Program..... 2

IV. Major Accomplishments/Issues/Innovations in the Arkansas Program..... 2

A. Regulatory Program 2

B. Abandoned Mine Land Reclamation Program 3

C. Program Amendments..... 4

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 4

A. Off-Site Impacts 4

B. Reclamation Success 5

C. Customer Service 5

VI. OSM Assistance..... 5

VII. General Oversight Topic Reviews 5

Appendix A: Tabular Summaries of Data..... 7

Appendix B: State Comments on Report..... 8

I. Introduction

The Surface Mining Control and Reclamation Act of 1977 created the Office of Surface Mining in the Department of the Interior. SMCRA provides authority to OSM to oversee the implementation of and provide Federal funding for State regulatory programs that have been approved by OSM as meeting the minimum standards specified by SMCRA. This report contains summary information regarding the Arkansas program and the effectiveness of the Arkansas program in meeting the applicable purposes of SMCRA as specified in Section 102. The evaluation period covered by this report is October 1, 2002, to June 30, 2003. The period was shortened to 9 months to allow the reporting to coincide with Congressional data needs.

The primary focus of OSM’s oversight policy is an on-the-ground, result-oriented strategy that evaluates the end result of State program implementation, i.e., the success of the State programs in ensuring that areas off the minesite are protected from impacts during mining, and that areas on the minesite are contemporaneously and successfully reclaimed after mining activities are completed. Public participation is encouraged as part of the oversight strategy. Besides the primary focus of evaluating end results, the oversight guidance makes clear OSM’s responsibility to conduct inspections to monitor the State’s effectiveness in ensuring compliance with SMCRA’s environmental protection standards.

OSM’s oversight guidance emphasizes that oversight is a continuous and ongoing process. To further the idea of continuous oversight, this annual report is structured to report on OSM’s and Arkansas’ progress in conducting evaluations and completing oversight activities, and on their accomplishments at the end of the evaluation period. Detailed background information and comprehensive reports for the program elements evaluated during the period are available for review and copying at the Office of Surface Mining, Tulsa Field Office, 5100 East Skelly Drive, Suite 470, Tulsa, Oklahoma 74135-6547.

The following acronyms are used in this report:

ADEQ	Arkansas Department of Environmental Quality
AEA	Alternative Enforcement Action
AMD	Acid Mine Drainage
AML	Abandoned Mine Land
AMLR	Abandoned Mine Land Reclamation
CFR	Code of Federal Regulation
ESA	Endangered Species Act
EY	Evaluation Year
MCRCC	Mid-Continent Regional Coordinating Center
OSM	Office of Surface Mining Reclamation and Enforcement
SMCRA	Surface Mining Control and Reclamation Act of 1977
TFO	Tulsa Field Office
TIPS	Technical Information Processing System

II. Overview of the Arkansas Coal Mining Industry

Arkansas has reserves of bituminous, semianthracite, and lignite coal. The original bituminous and semianthracite coal reserves were estimated at approximately 2.2 billion tons, half of which is recoverable. Prior to the 1950's, much of the coal was mined by underground mining methods. Since then, most of Arkansas coal has been mined by area surface mining methods. Remining, especially surface mining methods to remove coal left in pillars in old underground mines and removing coal from old coal mine waste piles, has been common. Lignite, potentially a major energy resource in Arkansas, was mined in southern Arkansas before the Civil War and used as a fuel by local industries. The Arkansas lignite deposits are estimated as high as 9 billion tons. In 1988, an exploratory operation confirmed that Arkansas lignite could be used in State's coal-fired energy plants. As yet, the lignite field has not been developed. In 2002, the 2 coal-producing operations in the State produced approximately 14,788 tons of bituminous coal using conventional surface mining methods. Permitted acreage was 1,142.8 acres. Total permitted acreage at the end of the evaluation period dropped slightly from 1,144.4 acres a year ago. Because coal operations in Arkansas are small and the demand for coal erratic, the industry employs fewer than 25 people on a daily basis.

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

The State allows public participation in a number of ways including commenting on permit and major revision applications and State rule making. The public can also participate in the formal review process of many State decisions related to permitting and inspection and enforcement matters. The public can further participate in the State inspection and enforcement process through bond releases and citizen's request for inspections. Each public notice of an AML project includes an invitation for members of the public to provide input on the need for the proposed project, how the proposed project should be carried out, what the post reclamation use of the project should be, and suggestions of other possible coal-related reclamation sites in Arkansas.

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

A. Regulatory Program

Using collected reclamation performance bond funds and supplemental ADEQ trust monies, ADEQ completed grading, planted temporary vegetation, and treated the acidic pond at the Scott Branch H.E.S. P423-M-CO site. By the end of the evaluation period, the pH of the water discharging from the site had improved. Additional bond forfeiture work on the Scott Branch site is scheduled for EY 2004. It is hoped that completion of reclamation of the abandoned reprocessing facility and elimination of the recurring low pH discharge will be accomplished

during the next evaluation period. ADEQ completed additional revegetation and erosion control work on the forfeited Great National site.

ADEQ collected the available reclamation bond funds and secured AML funding to cover the remaining reclamation liability at the abandoned Frank E. Sims Construction Company interim program site. Bond forfeiture reclamation work is scheduled for EY 2004.

Although Arkansas, like many other States, faced budget short falls, the Arkansas Coal Program did not have to directly cut its budget. It did however minimize expenditures as much as possible during the last 6 months of the reporting period.

OSM anticipates ADEQ's successful implementation of its approved program throughout EY 2004.

B. Abandoned Mine Land Reclamation Program

ADEQ is the agency designated by the State to administer the AMLR Program. Since program approval, ADEQ has reclaimed 3,060 acres of abandoned mine land. In EY 2003 it operated with a grant of \$1,515,000 and 6.75 staff members. The grant included \$15,000 to fund ADEQ's approved AML emergency program. Project selection is based on a system that considers protection of the public health, safety and general welfare, and property from extreme danger of the adverse affects of coal mining practices. ADEQ solicited citizen input for projects selected for construction. Priority selection complied with Section 403 of SMCRA.

Most planning and design is done with in-house staff. Projects selected for construction met eligibility requirements under the approved AML program. The majority of health and safety features on approved projects were open strip pits with dangerous highwalls and associated water impoundments that are located near the general public. Pits were filled in with mine spoil and the highwalls reclaimed to eliminate the hazard. Some water-filled pits were partially filled with spoil and inslopes reshaped to form lakes with gentle slopes leading to shallow water around the edges of impoundments. ADEQ involved the general public and local citizens in project selection before construction was initiated.

ADEQ followed standard construction practices using State approved contracting procedures. Inspection of projects indicated ADEQ completed projects with no significant problems. Two small projects, a portal closure and an emergency subsidence, were initiated and completed. Both projects addressed one opening each. The bulk of ADEQ's construction efforts during the shortened evaluation period were geared to the ongoing Shady Grove East project. The Shady Grove East AML project is addressing multiple water-filled pits, highwalls, low pH water, acidic spoils, a gob pile, and an underground opening.

C. Program Amendments

AR-33 On January 6, 1997, OSM sent a 30 CFR 732 letter to all States requiring changes in the States' regulatory programs' ownership and control regulations. The requirement was prompted by changes in OSM's ownership and control regulations. Because of pending litigation, OSM is not requiring a submittal of this amendment at this time.

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 standards and public participation evaluations are being collected for a national perspective in terms of the number and extent of observed off-site impacts and the number of acres that have been mined and reclaimed, which meet the bond release requirements for the various phases of reclamation and the effectiveness of customer service provided by the State. Individual topic reports are available in TFO that provide additional details on how the following evaluations and measurements were conducted.

A. Off-Site Impacts

An observation is defined as an inspection, either State or Federal, partial or complete. When a Federal observation leads to a State observation, the observation is counted only once. Using information from State and Federal inspection reports and State inspector statements and civil penalty assessment documents, it was determined one new off-site impact was observed from 131 opportunities for observations. This is down from eight off-site impacts observed for the previous year and the three off-site impacts observed in EY 2001. The new off-site impact was the result of a discharge of low pH water from a sediment pond on Phase I bond release permanent program surface mine. The off-site impact identified for this evaluation period was to hydrology, and judged to be minor.

All eight off-site impacts reported during the previous evaluation period were observations of low pH discharges from a forfeiture site. During EY 2003, ADEQ used funds collected from the reclamation performance bond plus monies from its trust fund for bond forfeiture work at the site.

Off-site impacts from coal mining and reclamation activities in Arkansas continued to be minimal in EY 2003 (See Table 5).

B. Reclamation Success

OSM is evaluating reclamation success by comparing the number of acres released in comparison with acres disturbed. At the end of EY 2002, Arkansas had 1,093.54 disturbed acres. During EY 2003, one Phase III bond release was approved for 44.36 acres with 2 acres of new disturbance occurring. No Phase II bond releases were approved during the evaluation period. A Phase I bond release was approved for 26.64 acres (See Table 5).

C. Customer Service

The Customer Service topic for this year's review was handling of citizen's complaints. As in the last several years, there were no citizen's complaints filed during the evaluation period.

VI. OSM Assistance

In addition to TIPS training, OSM provided ADEQ with training in soils and revegetation, subsidence, acid-forming materials fundamentals and applications, SMRCA and the ESA, underground mining technologies, and AML dangerous openings. OSM provided one half of ADEQ's administrative and enforcement budget for its approved regulatory program. OSM provided 100 percent funding for ADEQ's AMLR program (See Table 8).

VII. General Oversight Topic Reviews

OSM intends the oversight reviews and reports be used as a basis for continuing joint efforts in assisting the State in meeting its regulatory responsibilities. Detailed background information and comprehensive reports for the program elements evaluated during the period are available for review and copying at the Office of Surface Mining, Tulsa Field Office, 5100 East Skelly Drive, Suite 470, Tulsa, Oklahoma 74135-6547.

Mine-Site Evaluation: During EY 2003, TFO conducted five complete oversight and two bond release inspections on Arkansas mines. All inspections were conducted jointly with ADEQ.

Bond Forfeiture Reclamation: The review was completed by a joint ADEQ/OSM team. The team determined the State is making progress in implementing the team's previous recommendations. OSM assisted ADEQ with AEA's for the two forfeited sites where remaining reclamation liability significantly exceeds collected bond forfeiture funds. ADEQ implemented its reclamation plan for the forfeited and collected Scott Branch H.E.S. site. Grading, spreading of available cover material, planting of temporary vegetation, and treatment of acidic water occurred during EY 2003.

Acid Mine Drainage: The AMD project is being addressed by a joint ADEQ/TFO AMD Team that was formed in 1997 in response to an OSM National emphasis on repairing the impacts of past and current AMD and prevention of future AMD occurrences. Six sites were identified as acid producing. MCRCC completed initial sampling in December 2001 with follow-up sampling during December 2002. The current sampling phase is intended to determine the long-term nature of the low pH water previously documented on these sites, develop treatment costs, and provide the basis for adjustments to reclamation performance bonds were applicable.

Appendix A: Tabular Summaries of Data

Appendix B: State Comments on Report

By e-mail communication on September 15, 2003, James Stephens, Chief, Surface Mining & Reclamation Division, Arkansas Department of Environmental Quality, stated that ADEQ had no comments on the EY 2003 annual Evaluation Report.