

## **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 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 Wyoming Program and the effectiveness of the Wyoming program in meeting the applicable purposes of SMCRA as specified in section 102. The report covers the period of October 1, 2000 to September 30, 2001. Detailed background information and comprehensive reports for the program elements evaluated during the period are available for review and copying at the Casper Field Office.

The following list of acronyms is used in this report:

ACHP	Advisory Council on Historic Preservation
AQD	Air Quality Division
BLM	Bureau of Land Management
CFO	Casper Field Office
DEQ	Department of Environmental Quality
EQC	Environmental Quality Council
EY	Evaluation Year
LQD	Land Quality Division
NOV	Notice of Violation
NO <sub>x</sub>	Nitrogen oxides
NTTP	National Technical Training Program
OSM	Office of Surface Mining Reclamation and Enforcement
OTT	Office of Technical Transfer
PRBRC	Powder River Basin Resource Council
R2P2	Resource Recovery and Protection Plan
RSI	Random Sample Inspection
SHPO	State Historic Preservation Office
SMCRA	Surface Mining Control and Reclamation Act of 1977
TDN	Ten-Day Notice
TIPS	Technical Information Processing Systems
USFS	United States Forest Service
USFWS	United States Fish and Wildlife Service
WQD	Water Quality Division
WRCC	Western Regional Coordinating Center
WOC	Wyoming Outdoor Council
WWF	Wyoming Wildlife Federation

## **II. Overview of the Wyoming Coal Mining Industry**

Over ninety-nine percent of the current coal production in Wyoming is from surface coal mines with 92 percent of the coal currently mined in the Powder River Coal Basin near Gillette, Wyoming. Until 1954, underground mines out-produced surface mines, but in that year surface mines began to dominate production. By the late 1960's, surface coal mining production in the Powder River Basin became a major contributor to the Nation's total coal production. Coal-bearing formations underlie more than 40,000 square miles, or approximately 41 percent of Wyoming's total land area. The coal mining industry directly employs approximately 4,303 people providing substantial income and secondary employment in the State. Approximately 97 percent of coal produced in Wyoming is used for electrical generation in 28 states, Canada and Spain. Coal production increased 6 percent in the last year.

The Wyoming Geological Survey estimates the quantity of Wyoming open pit coal reserves is in excess of 26.3 billion tons; an additional 38.3 billion tons of coal reserves can be recovered by underground mining methods. Coal seams in the Wasatch Formation and the underlying Fort Union Formations can exceed 100 feet in thickness with 30 to 80 foot seams being common; 220 foot thick seams have been uncovered. Wyoming coals range from lignite to high volatile A bituminous in rank with the majority of the coal produced being sub-bituminous. Wyoming has the largest reserves of "compliance coal" in the lower 48 States; that is coal of such high quality that utility companies can burn the coal in power plants without expensive scrubbers to remove sulphur dioxide emissions. Currently, over 7 billion tons of coal is leased and 375,177 acres are permitted (Table 2).

Thirty-six active mining operations are permitted in Wyoming; 32 are surface operations, two (2) are underground operations, one permit for a dragline move from one mine site to another and two in-situ operations. The dragline move and in-situ operations are listed as "other facilities" in Table 2 of this report. Currently, nineteen mines of the thirty-six permitted operations are producing coal. The remaining mines are either in temporary cessation, or conducting final reclamation.

Several mines are being combined into one permit. Kennecott's Caballo Rojo and Cordero mines, and P&M's Kemmerer and Skull Point mines are proposing to consolidate permits. The Powder River Coal Company has consolidated the North Antelope and Rochelle permits into the North Antelope – Rochelle Complex mine permit. Also, the Wyodak Resources Corporation has consolidated the East Gillette and Clovis Point permits into the Wyodak mine permit.

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

### **A. OSM Outreach Efforts.**

The Casper Field Office (CFO) actively encourages public involvement in the Wyoming oversight and regulatory program. This includes CFO initiated contacts with citizen

groups and participation in industry activities. Specifically, CFO has visited with citizens representing the Powder River Basin Resource Council (PRBRC), Wyoming Outdoor Council (WOC), Wyoming Wildlife Federation (WWF), and the Wyoming Mining Association (WMA). The purpose of these contacts is to notify these groups of OSM's activities and to provide the opportunity to interested parties to suggest how OSM's oversight role can assist in improving the State's regulatory program. In the past, CFO held public meetings; however, there was very limited public participation.

CFO has a good working relationship with the PRBRC, WOC and WWF. These organizations are actively involved in OSM and State permitting and inspection oversight activities. Such involvement has resulted in helpful changes in the State program, thus improving the overall quality of the program. PRBRC has taken an active part in the oversight process and meets with the CFO several times a year. WOC and WWF have not been as active in recent years, but CFO maintains communications with the groups, informing them of meetings and issues.

#### **B. Wyoming Outreach Efforts**

LQD has an advisory board (Land Quality Division Advisory Board) that provides recommendations to the Land Quality Division through a public forum. The Environmental Quality Council (EQC) rules on regulatory matters for all Divisions within the Department (including LQD), and also serves as the administrative hearings board for all Divisions (i.e., Land Quality, Air Quality and Water Quality Divisions) in DEQ. Wyoming's outreach efforts include, but are not limited to LQD Advisory Board meetings, and Environmental Quality Council hearings and public meetings. LQD has met on several occasions with the special interest groups (PRBRC, WOC, WWF, and WMA) to discuss their concerns. In addition, LQD has hosted several technical forums addressing current issues.

LQD also has public participation during the permitting, bond release, and enforcement processes. During the permitting and bond release processes, notices are published and comments are solicited. Citizen complaints are investigated as part of the enforcement process. Previous oversight reviews have found that LQD is highly receptive to the concerns of public, industry and citizen groups. DEQ also has an internet website at: <http://deq.state.wy.us/> with information for the public on permits, current rules, proposed rule changes and contact information.

CFO monitors DEQ's and LQD's meetings and outreach efforts and believes the State does a good job interacting with citizens.

### **IV. Major Accomplishments/Issues/Innovations in the Wyoming Program**

#### **A. Accomplishments**

Although the State has not addressed all the outstanding regulatory program deficiencies, the State of Wyoming continues to administer an excellent Title V program (See VII. General Oversight Topic Reviews, B. Monitoring, Program Maintenance). Wyoming

actively works to improve its program. Under the State's permitting functions, plans for an intranet system and modifying the format for reporting data in the permit Annual report are examples of these efforts and achievements.

The Wyoming Department of Environmental Quality, Land Quality Division (LQD) has installed a State intranet -- electronic communications system -- to allow ease of simultaneous permit review and data sharing by three geographically separate LQD offices (Lander, Sheridan and Cheyenne). The intranet is comprised of an LQD file directory accessible only to staff, administered through a Windows NT server in Cheyenne. The employees received training and manuals for using the intranet system in October 2000.

The intranet system moves Wyoming one step closer to implementation of electronic permitting. This allows staff in all offices (three districts and technical support) to review simultaneously all electronic documents received from mine operators using one simple interface. Since the system was implemented, improvements have been identified. LQD has contracted the company that designed the intranet system to refine the operating system to be more efficient.

LQD continues to implement its electronic permitting program. In order to assist LQD in its implementation of paperless permitting, OSM provided funds for a HP DesignJet 800PS color printer. This equipment cost \$7,106.05. The equipment has proven essential to LQD's electronic permitting efforts, because it will allow LQD to print results of their technical analyses and integration of submitted electronic maps and data with appropriate LQD data and maps. Decision documents and reports now include relevant, high quality and easily interpreted information.

## **B. Issues**

### **1. Blasting / NOx Gas Issue**

The LQD closely monitors progress the mining industry is taking to protect the public from NOx gas. The mining industry, coordinated through the Wyoming Mining Association (WMA) continues to institute the protocols initiated two years ago to protect the public as well as, test new measures to reduce the generation of NOx gas. During the evaluation period, neither LQD nor OSM received any citizen complaints regarding NOx gas.

Under the leadership of the WMA, the mines involved in the Black Thunder and Powder River Basin studies continue to monitor blasts and collect data for reducing NOx. On September 12, 2001, WMA held a public meeting in Casper, Wyoming to present the status of the Black Thunder and Powder Basin studies, as well as, introduce a guest speaker, specializing in toxicology. The meeting was an open forum where citizen were welcome to ask questions and learn what the mining industry is doing to address the NOx issue.

## **2. Cooperative Agreement**

On December 7, 1999, CFO hosted a forum to discuss Federal land coordination which included participants from four BLM and three LQD offices, the U.S. Forest Service, WRCC, and CFO. A work group was assembled to establish a Working Agreement under the Wyoming Cooperative Agreement.

The working group through conscience decided to prepare three documents outlining the coordination between the LQD and the Federal agencies. Document 1 describes the procedures for coordinating between LQD and BLM as it relates to BLM's resource recovery, production and protection (R2P2) responsibilities and LQD's permitting activities.

In August 2001, the Draft final Working Agreement; comprising three documents, was distributed to the three agencies for comments.

## **3. Contemporaneous Reclamation**

In 1997, CFO and LQD reviewed four mine sites for compliance with contemporaneous reclamation requirements and compared the on-the-ground reclamation with the approved reclamation plan in the permits. CFO and LQD found that the four mine permits did not clearly and concisely set time schedules and requirements for contemporaneous reclamation.

LQD agreed to review the required schedules in all permits. The State further agreed to revise the annual reporting format to include information addressing contemporaneous reclamation progression. During the 2001 evaluation period, contemporaneous reclamation was an oversight topic. (See section VII. General Oversight Topic Reviews, A. Topics, Contemporaneous Reclamation).

### **C. Innovations**

A pilot study indicated a significant decrease in review and issue resolution time as well as the overall time to issue a permit (See A. Accomplishments). Wyoming DEQ-LQD is a pioneer in the development of electronic permitting. Wyoming has developed standard formats for recording and submitting data to LQD for review of permit applications.

## **V. Success in Achieving the Purposes of SMCRA as Determined by Measuring and Reporting End Results**

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, the number of acres that have been mined and reclaimed and 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 the Casper Field Office providing additional details on how the following evaluations and measurements were conducted.

**A. Off-Site Impacts:**

No off-site impacts were observed during RSI inspections in Wyoming during EY-2001.

**B. Bond Release**

Wyoming LQD completed 2 bond release actions during this evaluation period. There was one phase I release of 3.4 acres, and one phase II release of 1,544.5 acres (Table 5).

**C. Reclamation Success**

Approximately 335,177 acres are currently bonded (Table 5). By end of the evaluation period, approximately 3,295 acres were permanently reclaimed with a permanent seed mixture and ready for application for phase I and phase II bond release. Table 6 contains data collect from 1986 to 2001, giving a long overview of the mining and reclamation activities in Wyoming.

**Figure 1. Reclamation Ratio**

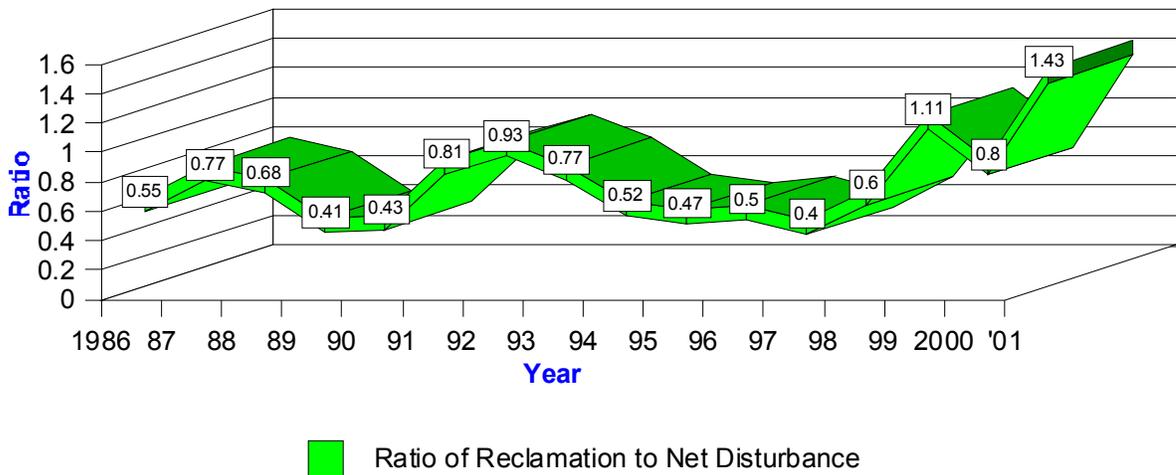


Figure 1. illustrates the ratio of the yearly permanent reclamation compared with the net disturbance found in Table 6. The net disturbance are all areas available for reclamation that are not being used for long-term approved disturbances such as: stockpiles, active pits, access roads, haul roads, railroad right-of-ways, coal preparation and loading sites,

offices, shops, sediment ponds, and other approved uses. The 2001 ratio shows a 4 percent increase of reclamation and a 31 percent decrease of newly disturbed lands. The ratio of reclamation to net disturbance for EY 2001 is 1.43. A ratio of 1.0 indicates that the reclamation and net disturbance are equal. A ratio higher than 1.0 indicates that the reclamation is greater than the net disturbance, while a ratio less than 1.0 indicates the opposite.

## **VI. OSM Assistance**

### **A. TRAINING**

OSM offers training courses to State regulatory authority employees at no expense to the State (other than salary and benefits) or the attendee. OSM's technical training program provided a wide range of courses (listed below). Sixteen Wyoming LQD employees received training from OSM's technical training program at a cost of \$ 7,666.97 during EY2001.

The sixteen LQD employees participated in the following National Technical Training Program (NTTP) sponsored training:

Acid-Forming Materials Principles & Process -	1 staff
Effective Writing -	1 staff
Erosion & Sediment Control-	1 staff
Enforcement Procedures -	2 staff
Principles of Inspection -	6 staff
Historical & Archeology Resources -	2 staff
Applied Engineering Principles -	1 staff
Bonding: Cost Estimation -	2 staff

### **B. Office of Technology Transfer (OTT)**

Wyoming Department of Environmental Quality (DEQ), Land Quality Division (LQD) co-sponsored OSM's 2001 Bond Release Forum, August 27-31, 2001, in Gillette, WY. In conjunction with the forum, the DEQ Abandoned Mine Lands Division conducted a field trip to reclaimed bentonite mines to see wetlands constructed for wildlife.

OSM's Technical Librarian filled 4 reference requests and provided 44 journal article reprints to Utah Division of Oil, Gas, and Mining staff members; in addition, the Office of Technology Transfer (OTT) provided four publications and three CD-ROMs to LQD's technical library.

OSM's Bonding Specialist provided technical assistance to LQD staff members on a variety of topics, including public liability insurance, self-bonding regulations, and items

related to surety company certificates of authority issued and listed in the U.S. Treasury Department's "Circular 570."

OSM also provided the opportunity for a LQD staff members to participate in and present a Power Point presentation at OSM's interactive forum on Approaching Bond Release: Wildlife Habitat Construction and Wildlife Use of Reclaimed Lands in the Arid and Semi-Arid West, which was held August 27-31, 2001, in Gillette, Wyoming. Robert Giurgevich, along with six other State regulatory authorities participated in the Bond Release Panel Discussion on How to Assess the Adequacy of Wildlife Success. Tim Richmond prepared a paper for the field trip entitled Abandoned (pre-SMCRA) Bentonite Mine Reclamation.

OTT provided the opportunity for three Wyoming LQD staff to participate in the OTT-sponsored workshops listed below:

Modeling Reconstructed Topography and Relief, and Associated Issues Relating to Approximate Original Contour (AOC), March 1-2, 2001, Denver, CO

1 Wyoming DEQ LQD staff in addition to 10 industry representatives, consultants, and other State/Federal agency staff attended.

Regression, Time Series Analysis of Hydrology and Soils Data Workshop, May 14-15, 2001, Farmington, NM

2 Wyoming DEQ LQD staff in addition to 12 industry representatives, consultants, and other State/Federal agency staff attended.

## **C. COMPUTER SUPPORT (TIPS)**

### **1. TIPS Training Summary:**

Five LQD employees were trained in 5 software packages. The training courses and software package for which training was received included SEDCAD, CAD Applications for Permitting and Reclamation, ArcView, GPS for Reclamation Mapping, SurvCADD for Reclamation and Permitting, and Modeling and Analysis with Groundwater Vistas. Training took place in Denver, Colorado; and, Alton, IL.

### **2. TIPS Software Distribution**

Wyoming has received the TIPS software distribution in December 2000 and the upgrades and new software sent in September 2001. This software includes: Aqtesolv, AquaChem, ArcGIS ArcInfo, ArcView, AutoCAD Map 2000, EarthVision, Galena, Groundwater Modeling System, Groundwater Vistas, HEC-RAS, PathFinder Office, RUSLE, SDPS, SEDCAD, Statgraphics, StratiFact, and SurvCADD 2000. Wyoming is accessing the KeyServer, FlexLM, and ADLM license Servers and Managers.

One copy of Adobe Photoshop was purchased for the Lander office and was delivered in November or December 2000.

### **3. TIPS Hardware**

Wyoming received one GeoExplorer III GPS unit in August 2001.

## **D. CULTURAL RESOURCES**

CFO continues to coordinate the National Historic Preservation Act, Section 106 cultural resource compliance for the State of Wyoming. The CFO cultural resource coordinator works closely with the OSM Archaeologist in WRCC, Wyoming Department of Environmental Quality (DEQ), Bureau of Land Management (BLM), Wyoming State Historic Preservation Office (SHPO), the Advisory Council on Historic Preservation (ACHP), the U.S. Forest Service (USFS) and the affected mining company to process cultural resource clearances on new mining lands and previously permitted areas that have not been surveyed for cultural resources. This detailed involvement is necessary because the Wyoming DEQ does not have a qualified archaeologist on staff and the SHPO will not accept cultural resource work from them. The State has taken the position that, by law, the 106 process is the responsibility of the lead Federal agency and therefore OSM is responsible for this work on any mines under permit. Prior to OSM involvement with a parcel of land, the land managing agency (BLM or USFS) would be the lead federal agency. Therefore, Wyoming has no plans to place an archaeologist on staff since all 106 clearances are covered by Federal agencies. During this reporting period action was taken on 10 projects in Wyoming, which included six Memorandum of Agreements with various agencies mentioned above.

## **E. REVEGETATION SUCCESS STANDARDS**

In March of 2001 Wyoming staff meet with an OSM representative to discuss the use of technical vegetation success standards for demonstrating revegetation success. Specifically, the State wanted to explore the use of baseline vegetation information for evaluating revegetation success and how they should go about developing these standards. OSM worked with State to identify options for analyzing the available baseline vegetation data for the southern Powder River Basin mines and potential alternatives for developing technical standards. OSM representatives also attended a meeting with Wyoming personnel from the three regions within the State to discuss the use of technical standards for evaluating revegetation success. OSM continues to provide technical assistance in this area at the request of the State.

## VII. General Oversight Topic Reviews

This section contains a brief description of the topics reviewed during the evaluation year. Major accomplishments, issues and innovations are addressed in Section IV of this report. The detailed documentation of all reviews are available in the central files at the Casper Field Office.

### TOPICS

#### **A. Program Maintenance (Amendments)**

Wyoming's Coal Regulatory Program contains unresolved program issues identified in OSM's letters issues pursuant to 30 CFR 732.17 and subsequent required program amendments and disapprovals identified under 30 CFR 950. Wyoming and OSM has identified all of the program deficiencies and established a schedule for submitting program amendments to OSM. OSM nation-wide has set a goal to resolve all outstanding program deficiencies by December 31, 2001.

Wyoming has not been successful in meeting its schedule for rule changes. There have been bureaucratic and political barriers within the State's rulemaking process hindering progress in recent years. Many amendments are heard before the Land Quality Advisory Board and Environmental Quality Council several times without passing through to final rulemaking and submission to OSM for review and final decision.

The Casper Field Office continues to work with the LQD to revise schedules and to provide technical assistance. However, the Wyoming rulemaking process is such that it is highly unlikely that all remaining program amendments will be submitted to OSM by December 31, 2001.

CFO and LQD have thoroughly reviewed the outstanding program deficiencies. CFO has concluded, on the basis of its review and field monitoring, that there were no immediate potential environmental problems or threats attributed to the program deficiencies.

Of the original 126 deficient rules identified in 1994; 41 have been approved, 39 are in amendment packages (either being reviewed by OSM or within the LQD's rulemaking process), and 46 remain to be addressed (18 of these are Ownership & Control rules). Wyoming has completed four program amendments since 1995 and submitted them to OSM for approval. There are eight remaining program amendments. One amendment has been submitted to OSM for review, and three amendments are in the State's rulemaking process. The following is the current schedule for submitting amendments to OSM as proposed by LQD and approved by CFO:

Hydrology	Submitted July 20, 2001
Permit Processing and Administration	Feb. 2002
Roads	May 2002
Coal Exploration	Feb. 2003
Non Coal Waste	June 2003
Ownership and Control	Nov. 2003

Bond Release and Vegetation  
Valid Existing Rights

Dec. 2004  
Dec. 2004

In the last year, the LQD has stepped up its efforts to eliminate deficiencies. Two amendment packages were initiated into its rulemaking process. The Wyoming Administrator and Director have discussed the problem of processing amendments with the Advisory Board and Council.

The Casper Field Office continues to support and monitor Wyoming's efforts to eliminate program deficiencies.

## **B. Contemporaneous Reclamation**

In 1997, the Casper Field Office (CFO) and the Wyoming Land Quality Division (LQD) conducted an evaluation of contemporaneous Reclamation. During the evaluation of the four sample mines permitting weaknesses were discovered. In general, the sampled permits did not achieve the requirements of the regulations. The permits did not have the required detailed time schedules for backfilling and grading nor was sufficient information available as supporting analysis to conclude mines were being reclaimed as contemporaneously as practicable.

LQD agreed to update its review procedures and guidance for contemporaneous reclamation (CR) to include separate CR subsections in permits with clear and unambiguous time schedules for each major reclamation milestone.

Contemporaneous reclamation in the Wyoming program is defined for each operation and unique site-specific standards, based on mine conditions, are set for each operation and contained in the approved permit. Each permit must contain a proposed schedule for backfilling and grading with supporting analysis. There are no Wyoming rules regarding specific time and distance standards. Instead, the provisions of the permit for reclamation scheduling are standards for defining "contemporaneous reclamation" for the operation.

The 2001 evaluation of contemporaneous reclamation at four randomly selected mines showed that the reclamation was following the mining disturbance at a reasonable rate. The reclamation rate at all four mines was at least 90 percent for the areas disturbed for the previous twelve months. In addition, the standards for measuring reclamation contained in the four permits were reasonably clear and concise. Based on evaluation of the four mines sampled, it appears the Wyoming has fulfilled its commitment to update the permits with clear and unambiguous time schedules for each major reclamation milestone, however, OSM's oversight inspector found conditions different at other mine sites (See section C. Inspection and Enforcement).

## **C. Inspection and Enforcement**

Four random sample inspections (RSI) were conducted by the Casper Field Office in Wyoming during EY-01. Ten-Day-Notices (TDN) were issued as a result of conditions

observed during RSI's at three mines. All three TDN's were issued for reason to believe violations of the state program occurred. Specifically, blasting flyrock onto a public road, airblast exceedance, weight/distance formula exceedance, and a settlement agreement violation. The States responses to a TDN's were determined appropriate by the CFO Field Office Director, either because no violation existed or because the State took appropriate action to cause the violation to be corrected.

During this evaluation year (EY-2001) it was found that 2 of 4 mines inspected were found to be behind in contemporaneous reclamation. Bridger Mine was found to be more than 1200 acres behind mine wide. A Ten-Day-Notice was issued to the State. The State DEQ-LQD issued an NOV citing violations of contemporaneous reclamation standards.

As a result of on-the-ground conditions observed during a Random Sample Inspection (RSI) at the Belle Ayr Mine, the State was issued a TDN for failure to enforce contemporaneous reclamation standards. One hundred acres of ungraded spoils, which were required to be reclaimed in 1999, were not graded by Fall 2001. In the States response to the TDN, the CFO accepted the States contention that the backfilling and grading map was superseded by another permit map showing a stockpile location. The Belle Ayr permit requirements for contemporaneous reclamation remains unclear for certain areas of the mine.

The North Antelope-Rochelle Complex was found to be in non-compliance with State contemporaneous reclamation standards during an RSI conducted in 2001. A TDN was issued to the state for failure to enforce contemporaneous reclamation standards. The State DEQ-LQD issued an NOV citing a violation of contemporaneous reclamation standards on 500 acres of Federal Lands.

Annual inspections conducted from the air found significant unreclaimed land at Black Butte, Cordero, North Rochelle, and Caballo Rojo Mines. A number of these mines have been found to be behind in reclamation in 5 previous CFO contemporaneous reclamation efforts (1986-1997). State inspection reports indicate the Black Butte Mine to be out of compliance with CR requirements of their permit. A letter was sent by LQD to Black Butte in 2001 outlining their concerns that the mine was not in compliance but no NOV has been issued.

During the 1997 EY the CFO and LQD conducted a contemporaneous reclamation evaluation that found permits lacking in the required LQD Regulations [Chap IV Sec 2 (k)] detailed time schedules and accompanying maps. As a result, the LQD agreed to review all permits and require operators to submit revisions, if necessary, to include separate CR subsections with clear and unambiguous time schedules for each major reclamation milestone. In January 9, 1998 a letter was sent to all permittees outlining the CR permitting requirements. Bridger Coal and Belle Ayr were 2 of the mines that obtained LQD approval of revisions to their permits in response to the LQD letter. This 2001-EY it was found that the Bridger Mine permit did not contain required contemporaneous reclamation provisions. There were no detailed time schedules for any reclamation progression and there are no maps included in the permit which depict any

reclamation sequence. The entire contemporaneous reclamation portion of the permit consists of general statements that rough grading will begin within 4 spoil peaks of the active pit and final grading within 3 years of coal removal. In response to the January 1998 letter from LQD, a revision to the Belle Ayr permit was submitted and approved July 29, 1998. This EY it was found that Belle Ayr permit reclamation maps and charts and narrative are ambiguous and unclear.

These findings may indicate that problems with both State enforcement of contemporaneous reclamation standards, and problems with determination of compliance due to permitting practices, still persist at certain mines.

#### **D. Financial Administration (Grants)**

CFO conducted financial oversight during the evaluation period. CFO visited DEQ offices in Cheyenne, Wyoming and reviewed financial information. Specifically, drawdowns, timeliness of grant applications and reports, audits, accounting, property and travel were reviewed.

A drawdown analysis was conducted for the existing Administration and Enforcement grant. The State had over drawn \$6,500 and held the funds for a period of over 3 months. This was the result of the financial specialist failing to change the indirect cost rate from the previous grant period. DEQ caught the error and corrected the problem.

DEQ continues to report property and transfer property in a timely matter. A new property inventory was taken during the Spring of 2001, meeting Common Rule requirements.

DEQ was timely regarding both reporting financial status of the existing Administrations and enforcement grant and filing their grant applications.

Travel taken by the LQD was reviewed to include Wyoming's travel policies and procedures. Eight person's travel was reviewed. This included over forty trips. Allowable rates for per diem, lodging were correct. Approvals as required by policy were also adequate.

program generated and the accuracy of how the income is to be distributed between the State and OSM. Each year program income amounted to between twenty and nearly thirty thousand dollars. DEQ is distributing the fund properly between OSM and them.

An A-133 Audit was completed during the evaluation period covering the Title V program for one year ending June 30, 2000. There were no findings or questioned costs. A new A-133 Audit will be completed in the spring of CY2001 and will cover one year through June 30, 2001

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

**Appendix B:**  
**State Comments on the Report**



The State  
of Wyoming

~~JAN 23 2002~~  
JAN 24 2002



## Department of Environmental Quality

Jim Geringer, Governor

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January 23, 2002

Guy Padgett, Director  
Casper Field Office  
Office of Surface Mining  
100 East "B" Street  
Casper, Wyoming 82601-1918

**RE: Annual Evaluation Summary Report for EY 2001**

Dear Mr. Padgett:

Thank you for taking time to meet with us on January 10, 2002 to discuss our concerns with the above report.

As agreed in the meeting, we have reviewed the situation at the Belle Aye Mine concerning the area around OB-8. Our inspector has confirmed the area around and under the overburden stockpile was graded prior to the construction of the stockpile. Rough Backfilling was achieved prior to the construction of the stockpile. There is an area west of OB-8 that is in Temporary Cessation of Operations. This may have been the area mentioned by your staff as not being rough backfilled.

As also agreed in the meeting, the language of the report concerning contemporaneous reclamation will be revised indicating two mines were found not meeting contemporaneous reclamation and OSM identified concerns at four other mines.

The questions concerning the number of inspections in Table 10 has been clarified.

Thank you for providing the opportunity of reviewing the report and considering our comments.

Sincerely,

  
Richard A. Chancellor  
Administrator  
Land Quality Division

xc: District 3

**Appendix C:**  
**CFO Response to State Comments**

## **CFO Response to State Comments**

On January 10, 2002, the Administrator for Wyoming Land Quality Division (LQD) met with the Casper Field Office and discussed the Inspection and Enforcement section of the report. As a result of this meeting the Letter in Appendix B was submitted by LQD. As a result of the meeting and the comment letter, the Inspection and Enforcement section of the report has been revised. In addition, the Performance Agreement has incorporated those concerns for further evaluation.