

OFFICE OF SURFACE MINING

Annual Evaluation Summary Report

for the

Regulatory and Abandoned Mine Land Programs

Administered by the Commonwealth

of

VIRGINIA

for

Evaluation Year 2001

(October 1, 2000 to September 30, 2001)

December 2001

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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, 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 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. A previous trend of declining coal production has ended and production has stabilized around 32 million ton per year. According to 1999 U. S. Department of Energy statistics Virginia ranked eighth among the coal producing states. Approximately 70-75 percent of the production comes from underground mines and 25-30 percent from surface mining. Virginia produces higher quality coal with higher BTU's (British Thermal Units) and 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 1999, coal accounted for less than one percent (0.23) of Virginia's Gross State Product (Source: U. S. Bureau of Economic Analysis). Coal production and related industries have a significant economic impact in Southwest Virginia. In the seven coal producing counties, coal mining is one of the major industries. Total earnings of \$427,995,000 were derived from the coal industry during 1999 up from 1998 earnings of \$405,993,000 (Source: U. S. Bureau of Economic Analysis). In 2000, approximately 8 percent of the coalfield counties' workforce worked in the mining industry. In 2000 unemployment in the coalfield counties ranged from 4 to 8.6 percent (Source: Virginia Employment Commission (VEC)) and averaged 5.9 percent. In 1999 unemployment in the area averaged 8.6 percent. The overall State unemployment average was 2.8 and 2.2 percent for 1999 and 2000. (Source: VEC & GeoStat).

Of the 752 inspectable mining units in Virginia, 191 are surface mines, 335 are underground mines, 111 are support activities, and 115 are exploration notices. There are 167 producing surface mines and 277 producing underground mines. The average permitted acreage is 295 acres for surface mines, 28 acres for underground mines, and 69 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 ten 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 74 miles of

streams and reclaimed 936 acres of contributing stream lands; eliminated 21 dangerous impoundments; reclaimed 274 acres of dangerous piles and embankments; sealed 1,107 dangerous mine openings and 112 vertical openings; and reclaimed over 7.5 miles of dangerous highwalls. Funding for this program will expire in 2004 without Congressional extension.

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

Prior to the beginning of the 2001 oversight year, OSM and DMLR developed an annual oversight plan. During the process of developing this plan, we published an announcement in newspapers of general circulation in the coalfields soliciting input into the plan. We also mailed notices to interested citizen, industry and environmental groups. We did not receive any comments as a result of the advertisement but received comments from one individual as a result of our direct mailing. The comments received were used in formulating this year's annual workplan.

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

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

State staff 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 remining. Also, DMLR began development of one program amendment this year with public participation.

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

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

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

This year marks the 20th anniversary of a primacy program in the Commonwealth of Virginia. DMLR's implementation of its approved program during the past 20 years has

provided increased protection to the public and enhanced environmental protection to the resources located within the Virginia coalfields. DMLR has established itself as a highly skilled organization in both surface mine inspection and technical evaluation. DMLR is a leader in annual strategic planning, continually evaluating its plan in order to improve the quality of its services. Over the past year, we have monitored DMLR's performance in meeting the goals and objectives of the approved State program. We found, except as noted herein, that DMLR is successfully implementing both its regulatory and abandoned mine land programs. A list of the oversight reviews used to reach this conclusion 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.

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

DMLR and OSM continue to develop an inventory of long-term pollutional 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). We, and the states, will use the inventory to pinpoint the geographic location where coal mine drainage problems occur, to characterize the extent of water pollution problems for defined geographic areas, and to establish strategies for addressing the impacts of actual and defined discharges.

During the year DMLR used innovative approaches to achieve reclamation on abandoned mined lands and to assist in economic development in the region. DMLR entered into several "no cost" reclamation contracts with industry, using excess spoil from permitted mining operations to eliminate several miles of abandoned mine highwalls that normally would not be reclaimed. DMLR used its abandoned mine land enhancement rule to begin the process of removing a dangerous highwall near a recreational area in Buchanan County. Once this project is completed, the park will gain additional space for parking and athletic fields. Additionally, DMLR has encouraged the use of experimental practices to develop several industry and commercial sites for the region.

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. In addition to reclaiming abandoned mine lands, the practice also

minimizes the development of new valley and hollow fills and reduces impacts to coalfield streams.

DMLR and the U.S. Army Corp of Engineers continue to study the impacts of acid mine drainage 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 is an active participant in the Guest River Restoration Committee cooperating with federal, state, and local agencies to restore the Guest River. During 1999, OSM provided \$80,000 and technical support through the Appalachian Clean Streams initiative to assist the restoration effort. The project was successfully completed in August of this year. During EY 2001, they have also partnered with several other environmental and government groups to plan several reclamation projects in the Guest and Powell River watersheds. Reclamation in these areas would not be possible without the pooled financial resources and expertise of each of the partners.

DMLR maintains an up-to-date approved program. Amendments approved this year include two amendments. One amendment allows permittees to use of letters of credit as bonding instruments, and one updates subsidence regulations for consistency with Federal rules. An amendment responsive to a Federal Part 732 Notice on Valid Existing Rights is currently being developed by DMLR. DMLR continues to be a leader among primacy states in keeping their program current with Federal regulations.

DMLR and the Virginia Division of Mineral Resources continued to maintain the coal bed mapping program. This ten year program has resulted in a geographic information system data base of all known mining within the Virginia coalfields. This information aids permit reviews and decisions, and complaint investigations. This information is available to the public.

DMLR is a leader in developing electronic permitting capabilities. This year DMLR successfully implemented its electronic permitting program. Industry and the public have access to digitized 7.5 minute topographic maps and permit boundaries of the Virginia coalfields because of this effort. Most of this information, as well as, permitting forms and guides are available via DMLR's Internet homepage.

During the year DMLR hosted a national computer technology meeting that showcased their electronic permitting capabilities. Attendees gathered to share ideas on electronic permitting and learn techniques from leading edge states like Virginia. Due to the success of the meeting, planning is underway for a second meeting for the western states.

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.

During 1999 and 2000, DMLR worked with the National Soccer Federation to secure world-class soccer facilities in a program called “mined fields to soccer fields.” DMLR and the sponsoring government entities were hopeful for National Soccer Federation funding to develop two such facilities in the coalfield region. Unfortunately, these two sites were not funded during this year’s soccer foundation grants. The National Soccer Foundation encouraged the localities to reapply for funding during next year’s grant cycle. One potential site for this initiative utilized the newly approved “AML enhancement rule,” which allows limited mining to offset the cost of the AML project.

The Department of Mines, Minerals and Energy received the prestigious United States Senate Productivity and Quality Award for 2001. The award is presented to organizations demonstrating “sustained exemplary performance in quality and productivity improvements.”

During the evaluation period the abandoned mine land program completed ten non-emergency projects, ten emergency projects, and one post-Act emergency. The AML hazards or features have been effectively abated on these project areas.

DMLR continues to partner 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. In addition, this year the DMLR is working with the Army Corp of Engineers and private concerns to develop a wetlands bank in the coalfield region.

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:

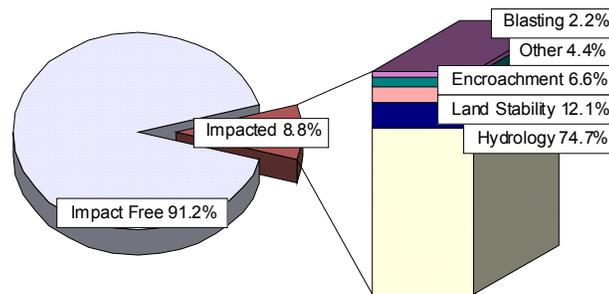
During the evaluation year, DMLR inspectors conducted 6,517 inspections on 728 mines and exploration notices. We analyzed off-site impact data (Table 4) from 3,026 complete and 3,491 partial State inspections. Ninety one percent of the mine sites inspected were free of off-site impacts. Thirty percent of the 301 (excludes failure to abate violations) violations identified by DMLR resulted in off-site impacts. The number of sites having

off-site impacts has decreased by three percent since last year. Data indicates that hydrology standards are violated most often (40 percent) and result in the most off-site impacts (75 percent) compared to 48 percent and 73 percent last year. Water is the resource impacted most often (51 percent) by violations, a decrease of seven 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 90 percent of the time, a decrease of 1 percent since last year.

We inspected 120 sites and gathered data on off-site impacts to verify DMLR findings. Inspectors found that 89 percent of the sites visited were free of off-site impacts. The data collected by us shows trends similar to those found by DMLR in the larger population. Both DMLR and our data indicates that the off-site impacts to resources are being minimized.

OFF-SITE IMPACTS

PERMITS IMPACTED AND IMPACT TYPES



B. Bond Release:

During the evaluation year, we found that 203 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 5,465 acres of land were successfully revegetated with surface stability achieved in order to receive a Phase II bond release. This figure shows a significant increase in Phase II bond release acreages over previous years. This may represent a one-

time effort of several large permittees to reduce bond liability or it may indicate increased outreach by the DMLR to encourage contemporaneous reclamation.

DMLR records indicate that 2,504.6 acres of land received Phase III bond release during the evaluation year. As part of a special study, we reviewed 21 of 51 operations that applied for Phase III bond release between July 1, 2000, and June 30, 2001. With minor exceptions, we found on-the-ground reclamation successful on the sampled sites. The post-mining land use was achieved on the sites.

This year we reviewed DMLR's procedures for evaluating hydrologic reclamation success. The review determined that DMLR is evaluating hydrologic reclamation success. The report included a number of recommendations for improving implementation of the program.

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. This year we looked at customer service standards during our review of DMLR's bond release program. DMLR was timely in responding to public comments and bond releases were processed in a timely manner.

The Department of Mines, Minerals and Energy's nomination and receipt of the prestigious United States Senate Productivity and Quality Award for 2001 is testimony to DMLR's customer service orientation. The award is presented to organizations demonstrating "sustained exemplary performance in quality and productivity improvements."

VI. OSM Assistance

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

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

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

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

VII. General Oversight Topic Reviews

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

- *Active/reclamation active permit inspections* - We inspected, jointly with DMLR, 75 active mine sites during the 2001 evaluation year. We focused on compliance with performance standards and assessment of off-site impacts, if applicable. Findings for this topic are discussed in section V. A. of this report.

Additionally, we targeted three areas, acid mine drainage inventory verification, subsidence control plans, and backfill stability/highwall settlement. If any of these areas was in violation during the inspection, immediate action was taken to correct the problem. One problem noted in a draft report related to our finding several sites that had not been included in the regional acid mine drainage inventory. A final report on our findings is expected mid November 2001.

- *Phase III Bond Release Reclamation Success* - Our joint OSM/DMLR team evaluated eight Phase III bond release applicants to: 1) determine if public notice was provided for all bond release applications and all interested parties were properly notified of the intent to release the bond, 2) determine "on-the-ground" reclamation success, and 3) document that all applicable bond release standards had been achieved before complete bond release was granted. The draft report on this topic did not identify any significant problems. A final report will be available by December 1, 2001.
- *Bond Forfeiture Release Reclamation Success* - Our joint OSM/DMLR team evaluated reclamation on completed bond forfeiture sites to determine DMLR's adherence to program procedural requirements in: 1) collecting forfeited bonds, 2) pursuing and completing any attendant litigation, and 3) initiating and completing forfeited site reclamation. The draft report on this topic did not identify any significant problems. A final report will be available by December 1, 2001.

- *Written Permit Findings, Demonstrations, Determinations, and Approvals* – This review was conducted as a Regional oversight review. The purpose of the review was to determine the adequacy of, and level of documentation included in DMLR’s written permit findings. A draft report did not identify any significant problems. However, a number of recommendations were included to improve the consistency of the findings. A final report is expected by December 1, 2001.
- *Refuse Impoundments* - This review is a follow-up to the EY98 DMLR/OSM/MSHA impoundment review conducted to identify any structure that may leak or pose a risk of failure. The review was also expanded to include items identified in a National impoundment review initiative for 2001. OSM and DMLR conducted permit file reviews and joint partial site inspections to determine fill impoundment compliance with:
 - the Virginia permanent regulatory program related to refuse impoundments,
 - the approved mining and reclamation plans related to the refuse impoundments, and
 - the approved revisions, permit terms and conditions related to the EY98 Review.

Preliminary review of last year’s inspection reports didn’t identify significant problems with most of the Virginia impoundments. Due to a citizen’s complaint this year, questions have been raised on one impoundment because of chronic leakage. Currently DMLR is investigating the allegations.

- *Surface and Ground Water Findings Prior to Bond Release* – A technical specialist from our Appalachian Regional Coordinating Center, working in conjunction with a local joint team, reviewed DMLR’s activities related to restoration of the hydrologic balance prior to bond release. The review generated several recommendations for improvement, but found that DMLR is conducting the required review prior to bond release.
- *AML “No Cost” Remining* - During EY 2001, a joint OSM/DMLR team reviewed one AML “no cost” remining project to determine if DMLR followed NEPA consultation procedures, the approved reclamation agreement, and all other Title IV and V requirements. On the particular project, we found that DMLR had met all of the requirements. DMLR has agreed to make a number of procedural changes, relative to this type of agreement, as recommended by the team. The team has also recommended that the review continue into next year due to the limited number of sites in the sample population (one.) A final report addressing this is expected by December 1, 2001.

- *AML Emergency Construction Management* – A joint team reviewed activities related to DMLR’s performance in managing AML emergency construction. Although, the team generated some recommendations for improving program implementation, DMLR is effectively managing these projects. A final report is expected by December 1, 2001.
- *National Environmental Policy Act (NEPA) Compliance Reviews* - During EY 2001, we conducted reviews of environmental documents submitted by DMLR for NEPA compliance and issued authorizations to proceed with construction on two post-act sites and 12 non-emergency AML sites. We also conducted NEPA reviews and declared emergencies on 13 sites with AML hazards.
- *Drawdowns and Disbursements of OSM Grant Funding* - A review of this subject found that DMLR is properly administering grant funding

APPENDIX A

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

TABLE 1

COAL PRODUCTION (Millions of short tons)			
Annual Evaluation Period	Surface mines	Underground mines	Total
Coal production ^A for entire State:			
1998	8.400	24.500	32.900
1999	9.472	21.800	31.272
2000	9.695	23.415	33.110
Total	27.567	69.715	97.282

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

TABLE 2

INSPECTABLE UNITS													
As of September 30, 2001													
Coal mines and related facilities	Number and status of permits									Insp. Units^D	Permitted acreage^A (hundreds of acres)		
	Active or temporarily inactive		Inactive		Abandoned		Totals						
	IP	PP	Phase II bond release										
			IP	PP	IP	PP	IP	PP	IP		PP	IP	PP
STATE AND PRIVATE LANDS REGULATORY AUTHORITY: STATE													
Surface mines	0	167	0	19	0	4	0	190	0	0	564.38	564.38	
Underground mines	0	277	0	39	1	16	1	332	0	0.08	93.78	93.86	
Other facilities	0	105	0	3	0	3	0	111	0	0	76.40	76.40	
Subtotals	0	549	0	61	1	23	1	633	0	0.08	734.56	734.64	
FEDERAL LANDS REGULATORY AUTHORITY: STATE													
Surface mines	0	1	0	0	0	0	0	1	0	0	0.04	0.04	
Underground mines	0	2	0	0	0	0	0	2	0	0	0.09	0.09	
Other facilities	0	0	0	0	0	0	0	0	0	0	0.00	0.00	
Subtotals	0	3	0	0	0	0	0	3	0	0	0.13	0.13	
ALL LANDS^B													
Surface mines	0	168	0	19	0	4	0	191	0	0	564.42	564.42	
Underground mines	0	279	0	39	1	16	1	334	0	0.08	93.87	93.95	
Other facilities	0	105	0	3	0	3	0	111	0	0	76.40	76.40	
Totals	0	552	0	61	1	23	1	636	0	0.08	734.69	734.77	
Average number of permits per inspectable unit (excluding exploration sites)									<u>1</u>				
Average number of acres per inspectable unit (excluding exploration sites)									<u>115</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>91</u>		On Federal lands ^C :		<u>0</u>
<p>IP: Initial regulatory program sites</p> <p>PP: Permanent regulatory program sites</p> <p>^A When a unit is located on more than one type of land, include only the acreage located on the indicated type of land.</p> <p>^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.</p> <p>^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.</p> <p>^D Inspectable Units includes multiple permits that have been grouped together as one unit for inspection frequency purposes by some State programs.</p>													

TABLE 3

STATE PERMITTING ACTIVITY												
As of September 30, 2001												
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	20	23	7,708	9	8	239	2	3	382	31	34	8,329
Renewals	10	14	3,956	22	28	726	7	8	818	39	50	5,500
Transfers, sales and assignments of permit rights	2	2		2	4		3	1		7	7	
Small operator assistance	0	0		0	0		0	0		0	0	
Exploration permits	0	0		0	0		0	0		0	0	
Exploration notices ^B		75			0			0			75	
Revisions (exclusive of incidental boundary revisions)		470			713			239			1,422	
Incidental boundary revisions		38	-99		10	122		44	56		92	79
Totals	32	622	11,565	33	763	1,087	12	295	1,256	77	1,680	13,908
OPTIONAL - Number of midterm permit reviews completed that are not reported as revisions.										<u>135</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														
DEGREE OF IMPACT		RESOURCES AFFECTED												
		People			Land			Water			Structures			Total
		minor	moderate	major	minor	moderate	major	minor	moderate	major	minor	moderate	major	
TYPE OF IMPACT	Blasting	0	1	0	0	1	0	0	0	0	0	0	0	2
	Land Stability	0	0	0	6	1	1	5	0	0	0	0	0	13
	Hydrology	5	0	3	12	5	2	37	10	3	3	2	1	83
	Encroachment	0	0	0	3	2	1	2	0	0	0	0	0	8
	Other	2	0	0	3	0	0	0	0	0	0	0	0	5
	Total	7	1	3	24	9	4	44	10	3	3	2	1	111
Total number of inspectable units:		637												
Inspectable units free of off-site impacts:		<u>581</u>												
OFF-SITE IMPACTS ON BOND FORFEITURE SITES														
DEGREE OF IMPACT		RESOURCES AFFECTED												
		People			Land			Water			Structures			Total
		minor	moderate	major	minor	moderate	major	minor	moderate	major	minor	moderate	major	
TYPE OF IMPACT	Blasting													0
	Land Stability													0
	Hydrology													0
	Encroachment													0
	Other													0
	Total	0	0	0	0	0	0	0	0	0	0	0	0	0
Total number of inspectable units:		=====												
Inspectable units free of off-site impacts:		<u>=====</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	202.60
Phase II	- Surface stability - Establishment of vegetation	5,465.10
Phase III	- Post-mining land use/productivity restored - Successful permanent vegetation - Groundwater recharge, quality and quantity restored - Surface water quality and quantity restored	2,504.60
	Bonded Acreage Status^A	Acres
Total number of bonded acres at end of last review period (September 30, 2000) ^B		56,232.00
Total number of bonded acres during this evaluation year		62,078.49
Number of acres bonded during this evaluation year that are considered re-mining, if available		
Number of acres where bond was forfeited during this evaluation year (also report this acreage on Table 7)		2.00

^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, 2000 (end of previous evaluation year) ^A	5	72.44
Sites with bonds forfeited and collected during Evaluation Year 2001 (current year)	9	207.88
Sites with bonds forfeited and collected that were re-permitted during Evaluation Year 2001 (current year)	0	0.00
Sites with bonds forfeited and collected that were reclaimed during Evaluation Year 2001 (current year)	2	9.80
Sites with bonds forfeited and collected that were unreclaimed as of September 30, 2001 (end of current year) ^A	12	270.52
Sites with bonds forfeited but uncollected as of September 30, 2001 (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, 2000 (end of previous evaluation year) ^B	0	0.00
Sites where surety/other party agreed to do reclamation during Evaluation Year 2001 (current year)	0	0.00
Sites being reclaimed by surety/other party that were re-permitted during Evaluation Year 2001 (current year)	0	0.00
Sites with reclamation completed by surety/other party during Evaluation Year 2001 (current year) ^C	0	0.00
Sites being reclaimed by surety/other party as of September 30, 2001 (current evaluation year) ^B	0	0.00
^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 2001
Regulatory Program	
Permit review	21.00
Inspection	28.00
Other (administrative, fiscal, personnel, etc.)	31.00
Regulatory Program Total	80.00
AML Program Total	16.00
TOTAL	96.00

TABLE 9

FUNDS GRANTED TO VIRGINIA BY OSM (Millions of dollars) EY 2001		
Type of Grant	Federal Funds Awarded	Federal Funding as a Percentage of Total Program Costs
Administration and Enforcement	\$3,336,526.00	50%
Small Operator Assistance	\$0.00	0%
Abandoned Mine Lands (All programs)	\$6,795,333.00	100%
Totals	\$10,131,859.00	

TABLE 10

STATE OF VIRGINIA INSPECTION ACTIVITY		
PERIOD: OCTOBER 1, 2000 - SEPTEMBER 30, 2001		
Inspectable Unit Status	Number of Inspections Conducted	
	Complete	Partial
Active	1,990	3,369
Inactive	941	104
Abandoned	95	18
Total	3,026	3,491
Exploration	428	8

TABLE 11

**STATE OF VIRGINIA
ENFORCEMENT ACTIVITY**

PERIOD: OCTOBER 1, 2000 - SEPTEMBER 30, 2001

Type of Enforcement Action	Number of Actions*	Number of Violations*
Notice of Violation	232	293
Failure-to-Abate Cessation Order	0	0
Imminent Harm Cessation Order	7	8

* Does not include those violations that were vacated.

TABLE 12

LANDS UNSUITABLE ACTIVITY			
STATE OF VIRGINIA			
PERIOD: OCTOBER 1, 2000 - SEPTEMBER 30, 2001			
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

APPENDIX B: STATE COMMENTS ON THE REPORT

From: "Vincent, Les" <lsv@mme.state.va.us>
To: "Ian Dye (E-mail)" <idy@osmre.gov>
Date: Thu, Dec 6, 2001 8:28 AM
Subject: FW:

Ian

We have no substantial comments on the report. We have the following editorial comments:

We have reviewed the Draft Nov. 8, 2001 EY 2001 Annual oversight report. It contains such remarks as "we found no significant problem" when "no" problem was found. It also refers to OSM recommendations to "improve the program" when the recommendations should have been directed to "improving implementation" of the program. Otherwise, the report appears to be positive and complementary.

Thanks

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

APPENDIX C

APPENDIX C: DISPOSITION OF STATE COMMENTS

From: Ian B. Dye Jr.
To: Vincent, Les
Date: 2/27/02 1:47PM
Subject: Re: FW:

Les,

Thanks for providing comments on our annual evaluation report. While preparing the report for publication, I discovered that we had not notified you with the disposition of your comments.

As requested, we have changed the report to reflect that our recommendations are for improving implementation of the program.

We have not adopted the change you requested related to our statement, on several reviews, that "no significant problems" were identified. We acknowledge that we have not identified systemic problems serious enough to threaten program implementation or approval. However, several instances exist where problems not rising to that level have been identified that we need to address. We feel more comfortable using the existing phrase rather than the phrase that you proposed.

If you have questions, please give me a call.

Thank you,
Ian B. Dye, Jr.

>>> "Vincent, Les" <lsv@mme.state.va.us> 12/06/01 08:38AM >>>
Ian

We have no substantial comments on the report. We have the following editorial comments:

We have reviewed the Draft Nov. 8, 2001 EY 2001 Annual oversight report. It contains such remarks as "we found no significant problem" when "no" problem was found. It also refers to OSM recommendations to "improve the program" when the recommendations should have been directed to "improving implementation" of the program. Otherwise, the report appears to be positive and complementary.

Thanks

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

CC: Barker, Ernie; Penn, Robert A.; Williams, Roger