# Instructions for Completing the OSM-1 Form

**General Information**
The permittee/operator is required to pay a reclamation fee on each ton of coal produced for sale, transfer, or use including reclaimed coal and the products of in situ mining. The fee shall be determined by the weight and value of the coal at the initial bona fide sale, transfer of ownership or use by the permittee/operator.

A weight reduction may be taken for excess moisture (the calculated difference between the inherent moisture in the coal at the time of production and the total moisture present in the coal at the point of fee assessment). Standard laboratory tests must be used to establish inherent and total moisture.

If the permittee/operator combines surface-mined coal (including reclaimed coal) with underground mined coal before the coal is weighed for fee purposes, the higher reclamation fee shall apply, unless the amount of coal produced by each mining method can be substantiated through acceptable engineering calculations or other requirements from the Director, OSM.

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**Preparation Instructions**
Complete an OSM-1 form after every calendar quarter. All permit numbers being reported can be included on this OSM-1 form. Part 1 must be signed and notarized after completion of all parts of the OSM-1 form. If mining has not started or production has temporarily ceased, you are required to complete the OSM-1 form showing "zero" production for the quarter.

If pre-printed information is incorrect or missing, make corrections or additions in red above the pre-printed line. If the permit has been transferred, attach the bond release or transfer approval document, indicating you are no longer the permittee.

Submit the OSM-1 form(s) within 30 days after the end of the quarter along with a check, money order or electronic fund transfer ($25,000 or greater) for the appropriate amount to cover all reclamation fees. Do not send cash. Make your check or money order payable to the Office of Surface mining Reclamation and Enforcement. Use the enclosed envelope to send the OSM-1 form (Parts 1, 2 and 3) and reclamation fee to:

Office of Surface Mining
P. O. Box 979068
St. Louis, MO 63197-9000

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**OSM-1 Instructions (Part 1)**
1. Check the correct quarter and complete the year. The inclusive permit numbers for this report are displayed here. The OSM document number is displayed on the top right corner of Part 1.

2. An authorized official must certify, sign and date this box.

3. A Notary Public must complete the certification in this box.

4. Enter the name and phone number of someone OSM can contact with questions about this report. The Reporting Entity number is supplied by OSM. Indicate if payment is being made with a check or via electronic fund transfer. Include the Reporting Entity Number and the OSM Document Number on the check or electronic fund transfer.

5. Enter the total amount of the check or electronic fund transfer for the attached permit numbers.

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**OSM-1 Instructions (Part 2)**
6. Check the correct quarter and complete the year.

7. The permit number is assigned to the producing mine by the State. If the Federal Government issued the permit, the Federal permit number will appear here.

a. The Mine Safety Health Administration (MSHA) assigns this number.

b. Enter the county where the mine is located. If the mine is located on Indian land, enter the Tribe name.

c. Three options are provided to inactivate permits and stop reporting.

1. ☐ PMC Auto Mining Complete
"Mining is complete and all stockpiles have been reported"

2. ☐ RMC Reported Mining Complete
"We have transferred this permit to another company" and all production by our company has been reported.

3. ☐ TMC Temporary Mining Complete
"We have temporarily stopped mining but production is still possible from this permit" in the future.

d-i. Permittee and operator names, addresses and Taxpayer Ids. The Taxpayer ID is your Employer Identification Number (EIN). When an EIN does not exist, your Social Security number may be provided as a Taxpayer ID.

8. Three fee computation blocks are provided to record tonnage with one or all of the following:
- ☐ No moisture deduction,
- ☐ Tonnage with an excess moisture deduction and/or
- ☐ Tonnage at a reduced rate

If the permit contains more than one coal seam, calculate only one excess moisture block using the weighted average method.

See excess moisture examples in your AML Payer Handbook for more details.

a. Gross tons includes coal sold, used or transferred during the calendar year.

b. Definition of Terms:
(1) Total Moisture (TM)- Moisture determined as the loss in weight in an air atmosphere under rigidly controlled conditions of temperature, time and air flow.

(2) Inherent Moisture (IM) - Moisture that exists as an integral part of the coal seam in its natural state, including water in pores, but not that present in macroscopically visible fractures.

(3) Excess Moisture (EM)

1. Calculate excess moisture percentage using one of these equations.

$$EM = TM - IM$$

Or

$$EM = TM - \left( IM * \frac{100 - TM}{100 - IM} \right)$$

Moisture is limited to four decimal places, that is, 2.1234%.

c. Reduced tons equals gross tons multiplied by the excess moisture percentage (a x b(3) = c).

d. Net tons equals gross tons minus reduced tons (a - c = d).

e. Definition of "net value". Total revenue from coal sold divided by the net tons (d).

If the gross value of surface-mined anthracite, bituminous or sub-bituminous coal (reported after the 3rd quarter, 2012) is $2.80 per ton or more, the fee is 28.0 cents per ton; if less, the fee is 10 percent of the net value for each ton if an excess moisture deduction is taken or 10 percent of the gross value for each ton if no excess moisture deduction is taken.

If the gross value of underground-mined anthracite, bituminous or sub-bituminous coal (reported after the 3rd quarter, 2012) is $1.20 or more, the fee is 12.0 cents per ton; if less, the fee is 10 percent of the net value for each ton if an excess moisture deduction is taken or 10 percent of the gross value for each ton if no excess moisture deduction is taken.

If the value of lignite coal (reported after the 3rd quarter, 2012) is $4.50 per ton or more, the fee is 8 cents per ton; if the value is less, the fee is 2 percent of the net value of each ton if an excess moisture deduction is taken or 10 percent of the gross value for each ton if no excess moisture deduction is taken.

Documentation listing the invoice number, tonnage, and revenue must be maintained in your records when a rate is claimed other than the standard rates. Computation of the tonnage rate must be by weighted average by quarter.

If reporting on or amending tonnages prior to 2012, quarter 4, use the rates in effect at that time. Before 2007, quarter 4, use: surface $0.35; underground $0.15; lignite $0.10. Between 2007, quarter 4 & 2012, quarter 3, use: surface $0.315; underground $0.135; lignite $0.09.

f. The calculated fee equals rate multiplied by net tons (d x e = f).

9. Enter the total fee for this permit number (the sum of each fee computation in 8,f).

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**OSM-1 Instructions (Part 3)**

10. Indicate the applicable quarter and year for this report.

11. If the Permit, Mine Name, County or State are incorrect, please change them.

12. List the names and addresses of any person or entity owning 10 percent or more of the mineral estate for this permit. If no single mineral owner meets the 10 percent rule, report the largest single mineral owner. Mineral owners include those with legal ownership of the coal. Also, mineral owners include those who have the right to extract the coal and to receive the economic benefits normally associated with ownership of the coal, such as payment for the value of the coal.

13. Purchaser of coal is defined as those persons or entities that purchased 10 percent or more of the production from a given permit. If no single purchaser meets the 10 percent rule, report the largest single purchaser.

14. Indicate the type of facility where the coal is delivered: prep plant, tipple, loading point. List the names and addresses of facilities where 10 percent or more of the coal was delivered. If no single facility meets the 10 percent rule, report the largest single delivery point.

**Amended OSM-1**

If you must make changes to the tonnage calculation after the OSM-1 has been submitted, complete an "Amended OSM-1" form, and send it to the address shown on the form. To request an "Amended OSM-1" form, please call the hotline number at 1-800-799-4265 X325.

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**Paperwork Reduction Act Statement**

This information is being collected to comply with the regulatory requirements of 30 CFR 870.15(b) which requires each operator to use mine report OSM-1 form (and Amended OSM-1 form as needed) to report the coal tonnage sold, used or ownership transferred during the applicable calendar quarter. Response to this request is mandatory in accordance with Section 402(a) of the Surface Mining Control and Reclamation Act of 1977, 30 USC 1232.

**Burden Estimate**

Public reporting burden for the OSM-1 form is estimated to average 15 minutes to complete the paper form, 2 minutes electronically, and an additional 5 minutes when taking the excess moisture deduction in either format. Public reporting burden for the Amended OSM-1 form is estimated to average 5 minutes regardless of format to complete the amended OSM-1. The burden estimates include the time for reviewing instructions, searching existing data sources, gathering and maintaining the data needed, and completing and reviewing the form.

Submit comments regarding this burden estimate or other aspects of this form to:
Information Collection Clearance Officer
Office of Surface Mining
1951 Constitution Avenue, N.W., Room 203,
Washington, D.C. 20240

You are not required to respond to this collection of information unless it displays a current, valid OMB control number

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