



OFFICE OF SURFACE MINING Reclamation and Enforcement

2007 Annual Evaluation Summary Report

for the

Regulatory and Abandoned Mine Land
Programs

Administred by the State of

ILLINOIS

Prepared by:
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Indianapolis Area Office
Office of Surface Mining Reclamation and Enforcement

June 18, 2007 - Draft

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*Cover page is a photo of the
Highwall Miner at Knight Hawk Coal Company
Prairie Eagle Mine*

August 20, 2007

I. Executive Summary

During the 2007 Evaluation Year (EY), the Office of Surface Mining Reclamation and Enforcement (OSM), Indianapolis Area Office (IAO), conducted oversight evaluations of the Illinois Department of Natural Resources, Office of Mines and Minerals (OMM), Regulatory and Abandoned Mined Land (AML) Programs, administered by the Land Reclamation Division (LRD) and Abandoned Mined Land Reclamation Division (AMLRD) respectively. Oversight activities focused on the success of the agency in meeting Surface Mining Control and Reclamation Act (SMCRA) goals for environmental protection, and prompt, effective reclamation of land mined for coal. A Performance Agreement (evaluation plan) for each program was cooperatively developed by the IAO and the State tailoring oversight activities to the unique conditions of each State program. The purpose of these oversight activities was to identify any need for program assistance to the State to strengthen its programs.

In support of OSM's national initiatives, studies were conducted in the Title V areas of off-site impacts, reclamation success (bond release), and customer service.

- The IAO off-site impact study indicated that 93 percent of Illinois' inspectable units were free from off-site impacts. The IAO observed 3 off-site impacts. The IAO concludes from this evaluation that the LRD administered its Regulatory Program in EY 2007 to effectively protect the public and the environment from adverse impacts caused by surface coal mine operations.
- The IAO conducted site visits at ten permanent program surface mines and evaluated 1513.45 phase I acres, 1439.18 phase II acres and 1548.69 phase III acres that the LRD recommended for bond release. The IAO agreed with the LRD that these acres met the reclamation requirements to be eligible for release of bond except for 1.01 acres at one mine. Therefore, the IAO concludes that the State program is ensuring successful reclamation on lands affected by surface coal mining operations.
- The IAO's customer service evaluation concerned the effectiveness of public outreach. Specifically, the LRD providing public access to permit maps and other mine related mapping information. This evaluation falls under the REG-8 requirement of customer service provided by the State in relation to requests for assistance and services. As a result of this evaluation, the IAO concludes that the LRD is highly successful in providing customer service. The LRD's continuous efforts to improve services to their customers have provided for additional tools and resources for data and information dissemination. The State's effort fulfils the purpose of the law.

General oversight topic reviews conducted during EY 2007 for the State Regulatory Program.

- The IAO selected 35 inspectable units for complete inspections to evaluate LRD effectiveness in protecting the public and the environment from off-site impacts and other on-the-ground problems resulting from surface coal mining and reclamation

operations. These inspections were intended to identify the cause and degree of off-site impacts and to direct efforts toward decreasing their occurrence. The IAO performed all 35 complete inspections, the results of which indicated that the LRD administers an effective program meeting SMCRA requirements.

- The IAO conducted an evaluation during the 2007 EY of the effectiveness of the Illinois Office of Mines and Minerals – Land Reclamation Division in ensuring “in-lieu-of-forfeiture” surety reclamation is conducted in accordance with applicable State regulations. Based on the findings of this review the IAO recommends that the LRD continue to require that surety reclamation projects be conducted according to the State regulations at 62 IAC Section 1800.50.

The EY 2007 Illinois AML Performance Agreement included three topics for evaluation.

- The IAO included a review of unanticipated reclamation maintenance/remediation work as a measure of AML Program success in achieving the goal of self-sustaining reclamation. This evaluation relates to the third principle supporting the concept of excellence in reclamation listed in OSM Directive AML-22, Appendix 2: “On the ground reclamation is to be achieved in a timely, cost-effective manner in compliance with all applicable Federal laws and regulations.” The narrative elaborating on this principle in AML-22, states that “AML programs should have efficient and cost-effective technology and administration that provides long-term success.” Based on this Enhancement and Performance Review, the IAO concluded that the frequency of unscheduled project maintenance occurring in the Illinois Program does not reflect a deficiency in the current program operation.
- The IAO included an evaluation of National Environmental Policy Act (NEPA) compliance activities performed by the AML Program. The purpose of this evaluation was to ensure that reclamation project environmental documents prepared by the State are adequate under NEPA and related requirements, and to verify the accuracy of environmental information and the implementation of commitments made in the environmental document. Based on the evaluation the IAO is confident that the Illinois AML Program is properly administering NEPA compliance actions.
- The IAO conducted an evaluation on accuracy of data entered into the Abandoned Mine Land Inventory System (AMLIS). OSM’s Directive AML-1 establishes the policies, procedures and responsibilities for maintenance of the AML Inventory and the AMLRD is responsible for implementing procedures consistent with Directive AML-1 to maintain the AML inventory. IAO findings concluded that the AMLRD’s process in ensuring data accuracy is highly successful.

In addition to national initiatives, and topical reviews, the IAO engaged in a number of assistance activities during the review period. The primary mode of OSM assistance to Illinois is through grant funding. Illinois was awarded \$2.37 million in EY 2007, providing 50 percent support for its Regulatory Program. OSM provides 100 percent funding for the Illinois AML Program, which totaled \$8.73 million in EY 2007.

OSM provides ongoing technical assistance to State and Tribal programs. One way is by offering a wide range of technical training courses throughout the year. In EY 2007, several individuals from Illinois' Regulatory and AML Programs attended some of these training courses. Another way is through the Technical Information Processing System and its workstations and software OSM provides for State use in permit processing and engineering evaluations. Still another way is in responding to assistance requests concerning specific matters.

In EY 2007, OSM provided requested assistance to Illinois AML by reviewing the reclamation plans for the Delta Collieries North project. This is one of the sites that the OSM/AMLRD Acid Mine Drainage (AMD) Task Force identified as contributing a significant amount of AMD that is adversely affecting water resources. Final designs have not been proposed to date.

OSM continued assistance in the ongoing investigation of AMD discharges at the Tab-Simco AML project. The continuation of this project involves additional reclamation to eliminate hazards associated with dangerous highwalls and AMD discharge abatement. The State is planning to redesign and re-bid the project due to right-of-entry conflict. OSM will continue to assist Illinois and has suggested a minor treatment system redesign based on recent slag testing.

OSM continued to provide assistance at the Marshall Equipment Phase V Site, southeast of Harrisburg. This site was previously a part of the EY 2005 AMD programmatic review as a series of AMD discharges occur at this site, which will require abatement. Several AMD collection and treatment options are being considered to abate AMD discharge.

In EY 2007, OSM continued to provide assistance to the Illinois AML program regarding water-quality monitoring in efforts aimed at measuring and enhancing reclamation success.

OSM made presentations on mining and geology, October 27, 2006, to 100 students in four science classes at the Alton Middle School. Participants enjoyed seeing and hearing about rocks, minerals, and fossils. Geology and mining related handouts were provided to the students. Posters were given to the teachers for distribution and use in the classroom.

OSM is managing a contract to support technology development and transfer associated with the use of empirical tools to determine the success of prime farmland reclamation. The project was funded under the OSM Applied Science Program.

II. Introduction

The Surface Mining Control and Reclamation Act of 1977 created the Office of Surface Mining Reclamation and Enforcement in the Department of the Interior. SMCRA provides authority to OSM to oversee the implementation of, and provide Federal funding for, State Regulatory and Abandoned Mine Land Reclamation Programs approved by OSM as meeting the standards specified in SMCRA. This report contains summary information regarding the Illinois program and the effectiveness of the Illinois Program in meeting the applicable purposes of SMCRA as specified in section 102. This report covers the period of July 1, 2006, to June 30, 2007. Detailed background information and comprehensive reports for the program elements evaluated during the period are available for review and copying at the Indianapolis Area Office of the OSM.

The following acronyms appear in this report:

AMD.....	Acid Mine Drainage
AML.....	Abandoned Mine Land
AMLIS.....	Abandoned Mine Lands Information System
AMLRD.....	Abandoned Mined Land Reclamation Division
AOC.....	Approximate Original Contour
EY	Evaluation Year
FY.....	Fiscal Year
GIS.....	Geographic Information System
IAO.....	Indianapolis Area Office of the OSM
IG.....	Inspector General
LRD.....	Land Reclamation Division
NEPA.....	National Environmental Policy Act
NOV.....	Notice-of-Violation
OMM.....	Office of Mines and Minerals
OSM.....	Office of Surface Mining Reclamation and Enforcement
PAD.....	Problem Area Description
R C & D.....	Resource Conservation and Development, Inc.
SMCRA.....	Surface Mining Control and Reclamation Act of 1977, PL 95-87

III. Overview of the Illinois Coal Mining Industry

Coal Resources

Coal underlies 60 to 70 percent of the State of Illinois' 37,000 square miles of land area (see map to the right) and is part of a geologic structure known as the Illinois Coal Basin. The Illinois Basin also extends into western Kentucky, and southwestern Indiana. Illinois possesses a rich and abundant coal resource, in the Pennsylvania bedrock usually between 200 and 900 feet below ground, and is found in layers, or seams, 4 to 8 feet



thick. Most of the coal production in Illinois comes from two of these coal seams, referred to as the #5 and #6 seams. This resource has yielded several billion tons of coal since mining began in Illinois. The recoverable coal reserve remaining in Illinois is estimated to be about 38 billion tons. This reserve accounts for almost one-eighth of the total U.S. coal reserves and one-quarter of the nation's bituminous coal reserves. Most of the coal in Illinois is bituminous, with high-energy values.

Illinois Coal Values

Value	High	Low
Moisture Content	20%	5%
Heating Value in BTU	15,000	11,000
Ash Content	14%	6%
Sulphur Content	7%	0.5%

Historical Highlights

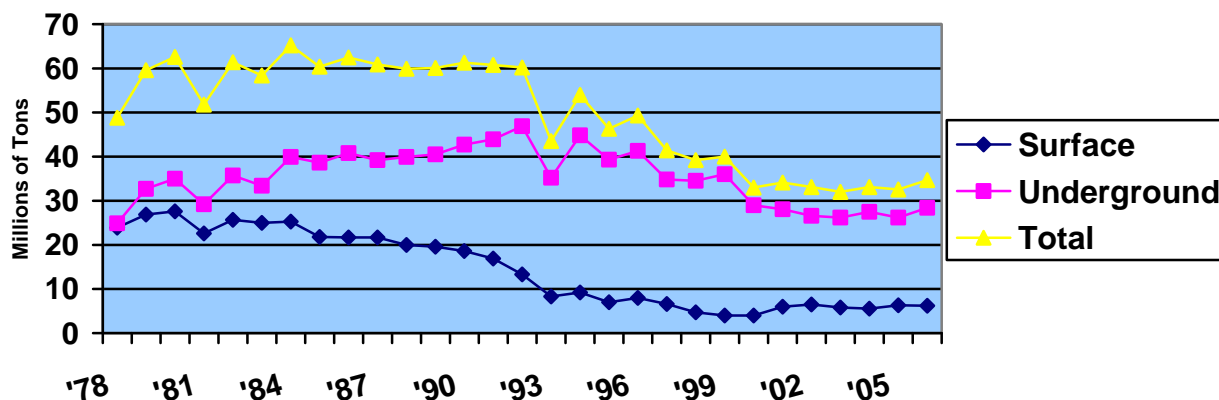
The first discovery of coal in North America was in Illinois by French explorers, Marquette and Joliet, in 1673, who observed coal outcroppings along the Illinois River. However, it was not until the early 1800's that settlers began to mine outcropped coal for domestic use. Coal mining became more extensive, and in about 1848 the first underground mining operation took place in Belleville, Illinois. With the advent of the Illinois Central Railroad in the 1850's, coal production greatly increased as larger markets had become available. With the Civil War, Illinois railroads grew tremendously, and coal mining in Southern Illinois grew rapidly as well. Since that time, coal mining and its indirect economic effects have been a major component of the Illinois economy.

Coal Production and Usage

Illinois has historically been one of the larger coal producing states in the nation. The graph on page 7 depicts coal production in recent years, showing a general decline since the mid-eighties. In the past three years, coal production has been between 32 million to 34 million tons per year (see Appendix A, Table 1), representing the lowest level of production in the last seventy years.

Historically, the vast majority of Illinois coal production has been from underground mines. In 1995, approximately 85 percent of Illinois' coal production was from underground mines; in 2000, 88 percent; and in 2006, 82 percent.

Illinois Coal Production Per Year 1978 - 2006



Illinois is one of the leading energy producers in the United States. More than 90 percent of Illinois coal production is purchased by the electric utility industry. Industrial, residential, and commercial users account for the remaining 10 percent. Roughly 72 percent of Illinois coal is sold to out-of-state utilities. Illinois utilities used 5.7 million tons of Illinois coal in 2005. Because Illinois coal is relatively high in sulfur, most of the electric utilities burn a combination of local and lower sulfur out-of-state coal to meet the requirements of the national Clean Air Act.

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

IAO Oversight Outreach and Public Participation Activities

In an effort to provide the citizens of Illinois a more timely review of applications for coal mining permits, the Office of Mines and Minerals has established an initiative to make available all new permit applications for review on the Land Reclamation web site. This website is located at <http://www.dnr.state.il.us/mines/lrd/applications.htm>.

The IAO and Illinois AMLRD staff met with a concerned citizen about the AML process. Several attempts to resolve the concerns of the citizen via e-mail proved to be unacceptable to the citizen. The staff of the IAO and AMLRD met in person with the citizen to clear up misconceptions of the State program and the role of OSM oversight regarding the AML program. The successful result of this meeting emphasized the importance of face-to-face communications with citizens.

How to report a problem with coal mining for citizens and other outreach initiatives have been made available via the IAO website at <http://www.mcrcc.osmre.gov/Indianapolis/Problem.htm>.

Lands Unsuitable Petitions

During EY 2007, the LRD did not receive any citizen petitions requesting that certain lands be designated as unsuitable for mining. The LRD did reject two petitions submitted in previous evaluation years.

One of the petitions was concerned with longwall mining in Montgomery County. The Department rejected this petition because it has determined that the lands unsuitable portion of the regulations only apply to surface coal mining operation, and longwall mining is not conducted on the surface of the land. In addition the petition did not contain the information required by the regulations.

The other petition rejected by the Department was submitted for land near the community of Banner in Fulton County. This petition was denied because the Department determined that the petition was untimely in that the opportunity for administrative review of the Department's decision concerning a mining permit application for the area included in the petition had not expired. The petition was also denied on its merits. The petitioners have filed for judicial review of the Department's decision in circuit court and that case is ongoing.

Illinois Department of Natural Resources, Office of Mines and Minerals Public Participation Activities

The OMM continues to make information available to the public concerning its Regulatory and AML Programs, as well as information to educate citizens of their rights in surface coal mining and reclamation matters. The OMM maintains a web site containing program related information, and makes available to the public the publications listed below. The OMM has for several years participated in a variety of events, including Earth Day programs, Conservation Fairs, Eco-Meets, Coal Awareness Day, teacher education workshops, and classroom presentations.

The OMM's educational materials include the "Mining, Minerals, and Reclamation Jeopardy" game and a Teacher Education packet, which provides a comprehensive list of resources available for teachers. The State's mineral and rock exhibit trailer is also available to the public. While many of the OMM educational programs are oriented toward school age children, several thousand people of all ages visit OMM's exhibits at the two annual Illinois State Fairs.



The OMM successfully implements the required public participation provisions of all aspects of its Regulatory and AML Programs. In addition to addressing the required provisions of public participation, Illinois has taken a pro-active position regarding

outreach and the distribution of information to all stakeholders. Illinois continues to be pro-active in meeting controversial situations head on. It routinely conducts meetings and gathers public input when significant questions arise about a program area under its jurisdiction.

The following informational publications are available on the internet at <http://www.dnr.state.il.us/mines/public/index.htm> or from the OMM by phone, mail, or personal contact:

Abandoned Mined Land Pamphlet
Citizens Guide to Farmland Reclamation
Citizens Guide to Coal Mining Reclamation in Illinois
Planned Coal Mine Subsidence in Illinois

All of this is part of an overall strategy by the State directed toward better citizen understanding and involvement in the Regulatory and Abandoned Mine Land Programs.

V. **Major Accomplishments/Issues/Innovations in the Illinois Program**

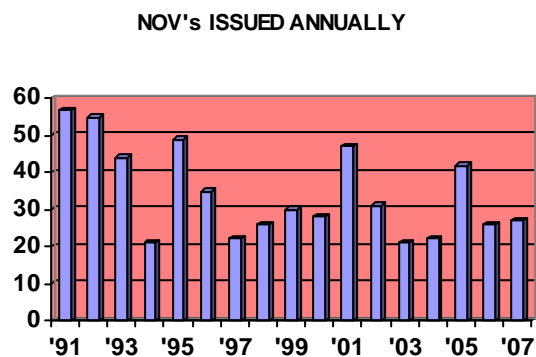
The Illinois OMM maintained both its Regulatory and AML Programs in a manner that assures they meet national standards, and effectively protect citizens and the environment from adverse effects of pre-SMCRA coal mining practices, and from current surface coal mining activities. Illinois also successfully maintains a cooperative agreement with OSM for administration of an approved State program on federally owned land.

Formal Amendment Processing

Illinois has completed all outstanding program requirements.

Environmental Compliance

Illinois administers its program in a way that effectively protects citizens and the environment from adverse impacts resulting from surface coal mining activities. Since 1991, the State has ensured environmental compliance by coal mining operators as can be seen by the number of Notice-of-Violations (NOV) issued from 1991 through 2007.



Clean Streams Activities

New Initiatives:

Two separate awards were made to the Shawnee Resource Conservation and Development (R C & D) Area Inc. for the REDCO AMD project. The Phase I grant was

\$20,000.00 with a partnership match of \$12,698.00. The Phase II grant, which was issued on June 14, 2007, was for the amount of \$34,670. The total Watershed Cooperative Agreement grant for Phase I and II was \$54,670.00 with partnership dollars of \$34,147.00 with a total project cost of \$88,817.00. The partnership dollars equaled approximately 39% of the cost of the project.

The project is now in design stage and will clean up an AML/AMD area associated with pre-law spoils and a haulroad area of the former Forsythe Energy Coal Company located adjacent to the Marion Airport in Williamson County, Illinois.

On-Going Projects:

The Illinois AML Program continued to make progress during EY 2007 toward achieving Appalachian Clean Streams Initiative goals. At present, Clean Stream activities in Illinois are focused for the most part on the remediation of AMD within the Saline River watershed in southern Illinois. Clean Streams Initiative funds expended by the AMLRD during EY 2007, were for continuing reclamation work at several sites: the Palzo Mine Site and the Will Scarlet Site in Williamson County, and the Tab Simco Project in Jackson County.

- ❖ The Tab Simco Project reclamation began in June 2005. Currently this project is approximately 98 percent complete. The project consists of underground mine works intersected by surface mining. The underground workings serve as conduits for subsurface flow and acid mine drainage emerges in the surface mine spoils. Cement kiln dust has been incorporated into the spoil in selected areas. All areas were seeded in the late fall of 2005. Heavy winter rains have caused some erosion problems that were repaired in late summer 2006. In early 2007 the design of a new passive treatment system was underway.
- ❖ Work began on the Delta North AML Clean Streams project in February 2006. This large surface mined area has mine refuse disposal areas throughout that are significant sources of AMD. Access has been constructed into one refuse disposal area and alkaline cement kiln dust is being delivered to the site at no cost to the AMLRD. The cement kiln dust will be placed in selected areas as a cap and alkaline addition. The second phase of this project will provide for spoil capping of the cement kiln dust and mine refuse. In EY 2007 final design plans had been postponed and a major re-design is being proposed.

Completed Projects:

- ❖ During EY 2007 a Watershed Cooperative Agreement project was completed by the Shawnee R C & D Inc. The grant award in EY 05 was \$38,604. Partnership dollars included \$7,775 from local and other agencies plus \$16,000 from the State Division of Abandoned



Passive Treatment

August 20, 2007

Mined Lands Reclamation. The final cost of the project was \$62,378.94. The cooperative agreement funded development of acid mine drainage treatment wetlands at the Carterville, Illinois High School. The project will clean up AMD and provide an educational experience for the students.

- ❖ The Palzo surface coal mine operation extracted portions of the Davis and Dekovan coal seams until the 1960's, and left behind 312 acres of porous acid mine spoil. Over the years since mining operations ceased, numerous reclamation efforts have been undertaken by a variety of government agencies, including the AMLRD. The majority of the acid spoil has been graded and vegetated, however, there remained a portion of the site where rainfall infiltrates the porous acid mine spoil and re-emerges in the down gradient drainage ways and into Sugar Creek along the site's northern boundary as acid mine drainage. Sugar Creek is "non-supportive" of biotic life due largely to AMD from the Palzo site.



In October 2001, the AMLRD began a phase of reclamation at this site designed to enhance surface runoff, reduce infiltration, and add alkalinity to 60 acres of spoil. Southern Illinois Power and the Lafarge Corporation partnered with the AMLRD, paying nearly all the costs of providing alkaline by-products for this project. Other project partners were the U. S. Forest Service, owner of the land,

and the Illinois Environmental Protection Agency, through which Section 319 funding under the Federal Clean Water Act was provided. This project was completed in September 2006.

Though the AMLRD does not expect this project to entirely eliminate AMD from the site, both surface and ground water quality is expected to significantly improve. Monitoring of wells, seeps, and surface flows will aid in determining success in this innovative approach to the restoration of this extremely acidic mine site.



- ❖ Work began at the Will Scarlet Site in June of 2004. The Will Scarlet site covers over 500 acres and had been rated as one of the worst AMD problems in the nation. This large surface mined area consists of poorly drained ridge and valley acid forming materials. Significant acid seepage emerges down gradient of the mine spoils profoundly polluting the receiving water shed the South Fork (Saline) River. Grading to establish proper drainage began in EY 2005. Approximately 222,000 cubic yards of alkaline cement kiln dust has been placed on site and capped with soil material augmented by the incorporation of biosolids. As the final step, the graded areas had sewage sludge, agricultural lime, and fertilizer applied and then seeded and mulched. This project was completed in May 2007.

Blanket Emergency Approvals

During the 2007 evaluation year, the Illinois AML Emergency Program operated under an agreement providing “blanket” emergency project approval for eligible pit subsidence projects. This agreement encompassed the OSM Indianapolis Area Office, the Illinois AML Program, and the governmental agencies of jurisdiction ensuring NEPA compliance.

This “blanket emergency declaration” is intended to streamline the processing of pit subsidence emergencies, the most common kind of emergency project in the State, for the benefit to the State as well as OSM. During EY 2007, eleven pit subsidence projects were completed. These subsidence events impacted thousands of persons.

OSM National Reclamation Awards

Coal mine operators are encouraged to mine coal and reclaim the disturbed land responsibly. A positive environment exists between the regulators and the industry as demonstrated by the number of awards that Illinois operators have received. Since the inception of the OSM award program, the accomplishments of the following Illinois operators have been recognized:

<i>Year of Award</i>	<i>Company</i>	<i>Mine</i>
1987	Arch of Illinois	Captain
1992	Arch of Illinois	Denmark
1993	Peabody Coal Company	River King # 3
2001	Black Beauty Coal Company**	Illinois and Indiana Mines
2002	Consolidation Coal Company	Burning Star # 4
2002	Arch of Illinois	Captain and Denmark
2003	Consolidation Coal Company	Burning Star # 5
2004	Consolidation Coal Company	Various mines in Illinois
2005	Foundation Coal Holdings	Delta Mine
2006	Black Beauty Coal Company	Cedar Creek

** OSM Directors Award

The Reclamation Award winners have been recognized for:

- The successful restoration of three major streams,
- Restoring a huge surface mine into a significant multiple land use State Park,
- Achieving exemplary agricultural post-mining land use through the re-creation of prime farmland,
- Reclaiming a 2,500 acre site to create varied aquatic environments, including deepwater lakes, shallow pools, potholes, marshes, nesting islands, and mud flat for waterfowl.
- Reclaiming 3,200 acres of land that previously contained wetlands and prime farmland. More than 148 acres were restored into wetlands and approximately 1,400 acres of cropland were reestablished, providing feeding areas for resident and migratory wildlife.
- With more than 30,000 permitted acres and the regulatory requirement to return the land to its previous productivity, Consolidation Coal Company developed a successful reclamation method in prime farmland conditions. Research showed soil loosening was needed to eliminate compaction problems, and a special plow was developed. The 17-inch lifting motion fractures compacted soils and plows to depths of 48 inches, resulting in soils that consistently meet performance standards.
- Innovative reclamation at the Delta Mine resulted in a variety of topography, as well as land uses. The 3,800 acre area integrates cropland with forestry, lakes and wildlife habitat, providing viable, long-term land use for this rural Illinois community.



- The Cedar Creek Mine is a 4000 acre site in central Illinois that produced approximately 500,000 tons of bituminous coal annually. Innovative mining on 440 acres by contract miner United Minerals involved replacing subsoils to depths of five to seven feet as a non-compacted, extended rooting material resulting in high yields of corn and soybeans, and terraces were constructed to control erosion.



Today, to the casual observer, there is no visual evidence that this area was ever mined for coal. Where crops are not grown, one sees forest, grassland, water and a diverse population of wildlife.

OSM National Abandoned Mine Land Reclamation Awards

Each year OSM honors, and recognizes the best examples of abandoned mine land reclamation in the nation. Award winners are recognized as leaders in the field of mine reclamation, set the standards of excellence for future reclamation projects, and help preserve and enhance the quality of American life. Previous Illinois AML award recipients are:

<i>Year of Award</i>	<i>AML Reclamation Project</i>
1992	Lead and Zinc Mine Site
1992	Pyramid Coal Company

The AML award recipients were recognized for:

- Their use of innovative reclamation techniques, which eliminated 25 abandoned underground lead and zinc mine entries and shafts, avoided the use of heavy equipment minimizing disturbance to the environment, and protected an historic area from excessive damage.
- The elimination of the source of acid water over a 3,000-acre area. The consolidation, treating, and covering of acid waste materials eliminated the need for acid water treatment.

VI. Success in Achieving the Purposes of SMCRA as Determined by Measuring and Reporting End Results:

Performance standard based reviews, along with public participation evaluations provide the IAO with a broad picture of:

- The number and extent of observed off-site impacts;
- The number of acres that have been mined and reclaimed and which meet bond release requirements for the various phases of reclamation; and,
- The effectiveness of customer service provided by the State.

Individual topic reports, available in the IAO, provide a detailed analysis and information concerning how the evaluations were conducted and how the conclusions were reached.

A. Off-Site Impacts:

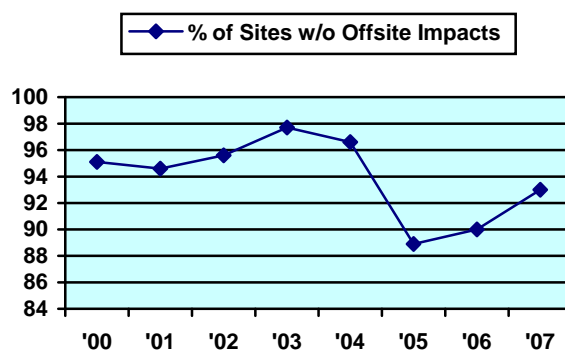
A primary focus of SMCRA is the protection of the public, property, and the environment from adverse effects of active coal mining operations. The goal, therefore, is that there be no impacts, or no greater than minimal impacts, outside the permit area. To accomplish this goal, State programs strive to continually decrease the occurrence of off-site impacts.

The IAO and LRD conducted a joint evaluation in EY 2007 to determine the effectiveness of the State program in protecting the public and the environment from off-site impacts caused by surface mining and reclamation operations. Conclusions were based on data from complete oversight inspections conducted by the IAO, along with data reported by the State.

The LRD inspected a total of 84 inspectable units (excludes bond forfeiture sites) in EY 2007 and found 7 off-site impacts on 5 of the inspectable units. Seventy-eight of the 84 inspectable units (93%) was absent any off-site impacts. It should be noted that, even though ideally the goal is not to have any incidents occur, the realistic goal in OSM's fiscal year (FY) 2007, Annual Performance Plan is to maintain the percentage of sites free of off-site impacts at 93 percent.

The LRD observed 7 off-site impacts in EY 2007, 14 off-site impacts in EY 2006, 14 off-site impacts in EY 2005, 6 in EY 2004, 3 in EY 2003, 7 in EY 2002, 5 in EY 2001, 6 in EY 2000, and 9 in EY 1999.

The numbers of off-site impacts the LRD observed during the evaluation year were few. The observations were minor hydrologic, encroachment and blasting impacts on land and water resources.



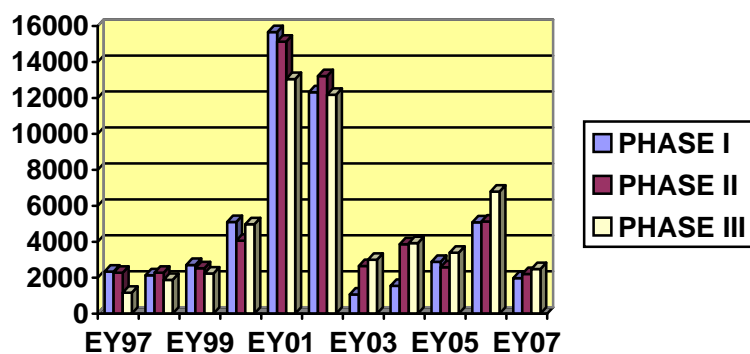
In EY 2007, the IAO observed three off-site impacts on three inspectable units in the course of making complete inspections on 35 inspectable units. The IAO issued one Ten-Day Notice relating to an off-site impact. Two off-site impacts on two mine units were recorded by both the State and the IAO. The IAO's data verified State reported information regarding the percent of impact-free inspectable units.

Total off-site impacts noted during the EY were 10 on six inspectable units due to duplication of observations by the IAO and LRD for some inspectable units. Ninety-three percent of the inspectable units were free from any off-site impacts: an increase in impact-free units from last year. Hydrologic accounted for 40% of the impacts and land for 60%. An analysis did not identify any trend or point to an underlying cause that the State might address. The IAO concludes from this evaluation that Illinois administered its Regulatory Program during EY 2007 in a way that effectively protected the public and the environment from adverse off-site impacts caused by surface coal mining operations.

B. Reclamation Success:

Thousands of acres of land affected by surface coal mining are successfully reclaimed each year as noted in Table 5 of this report. This data, summarizing the number of acres on which successful reclamation was achieved and for which bond was released in EY 2007, provides a baseline for a comparison with bonded acres existing at the beginning of the review period and the number of new acres bonded during the review period. This information serves as an indicator by which to evaluate how well reclamation is staying current with mining.

PREVIOUS 10 YEAR BOND RELEASES



The IAO conducted site visits at ten permanent program surface mines and evaluated 1513.45 phase I acres, 1439.18 phase II acres and 1548.69 phase III acres that the LRD recommended bond release on. The IAO agreed with the LRD that these acres met the reclamation requirements to be eligible for release of bond except for 1.01 acres at one mine. The IAO disagreed with the LRD recommendation for release of bond where five water-holding depressions and one gully existed within post-mining cropland fields. After informing the LRD inspector of this, he required repair of the depressions and gully. The IAO also disagreed with the LRD recommendation for release of the remaining phase III

bond at LCC Illinois, LLC, Mine #24, prior to the seven ground water wells there being sealed. After informing the LRD of this the wells were required to be sealed prior to release of bond.

Therefore, the IAO concludes that the State program is ensuring successful reclamation on lands affected by surface coal mining operations.

Specifically, the following elements were evaluated for successful reclamation:

Land Form/Approximate Original Contour and Soil Replacement

The criterion for determining whether reclaimed lands are reconstructed appropriately is whether it has been returned to its approximate original contour (AOC), including soil replacement. For the purposes of this evaluation Phase I bond releases were used as the indicator that the AOC had been achieved and soils had been replaced. For the evaluation period, approximate premining contour, including soil replacement, was achieved on 1,977 acres. To date approximately 64,733 acres have met the criteria for, and have been granted, Phase I bond release.

Surface Stability and Establishment of Vegetation

For the purposes of this evaluation, surface stability and the establishment of vegetation were measured by the acres of Phase II bond released. For EY 2007, Illinois was successful in achieving surface stability and in establishing vegetation on 2,205 acres.

Based on the IAO analysis of data supplied by the LRD, between 1983 and June 2007, approximately 62,537 acres of mined land have met the criteria for Phase II bond release.

Establishment of Post Mining Land Use and Productivity Restoration

Post mining land use was achieved by establishing successful and appropriate vegetative cover. This includes restoring productivity, where appropriate. The IAO measured this element of reclamation success by the number of acres receiving Phase III bond release. For the evaluation period, 2,479 acres had Phase III bond released.

Based upon the IAO analysis of data supplied by the LRD, between 1983 and June 2007, 59,762 acres have been fully reclaimed and the post mining land use and appropriate vegetative cover achieved, including restoration of productivity where appropriate.

Hydrologic Reclamation

The successful restoration of surface and groundwater quality and quantity was measured by the accounting of acres of Phase III bond release achieved. Illinois released 2,479 acres for Phase III during the evaluation period and a total of 59,762 acres since 1983. The table below shows all phases of bond release from 1983 to 2007.

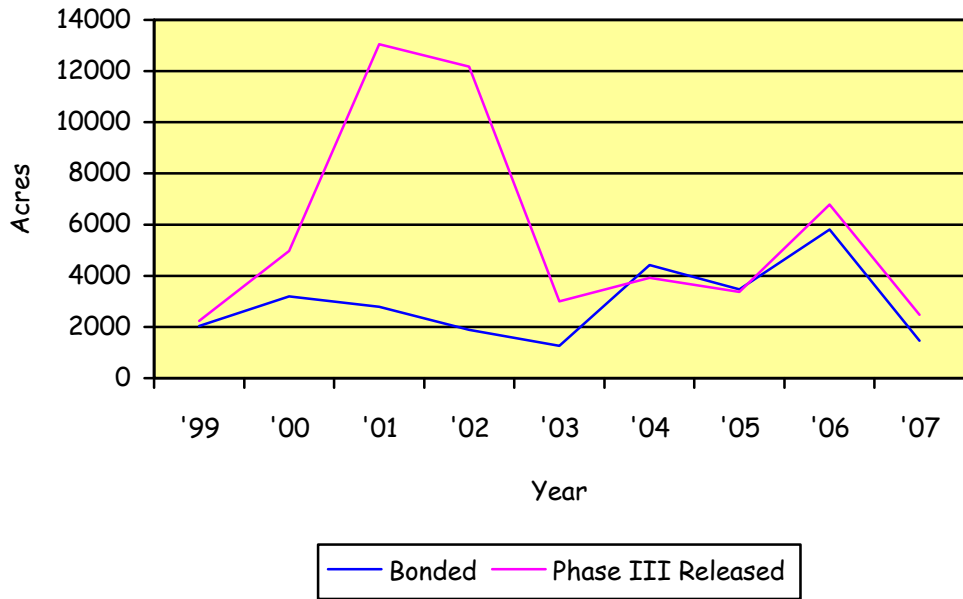
Acres of Bond Released 1983 – 2007							
YEAR	PHASE I	PHASE II	PHASE III	YEAR	PHASE I	PHASE II	PHASE III
1983-1986	0	0	0	1997	2,342	2,280	1,168
1987	997	0	0	1998	2,135	2,279	1,877
1988	1,172	84	84	1999	2,710	2,528	2,236
1989	162	0	0	2000	5,098	4,058	4,976
1990	1,137	18	18	2001	15,662	15,128	13,050
1991	2,087	6	6	2002	12,313	13,218	12,172
1992	91	194	172	2003*	1,065	2,652	3,001
1993	982	176	140	2004	1,546	3,860	3,922
1994	587	932	683	2005	2,882	2,580	3,391
1995	1,893	1,951	1,468	2006	5,082	5,123	6,787
1996	2,813	3,257	2,132	2007	1,977	2,205	2,479
				TOTAL	64,733	62,537	59,762

*9 month period

Contemporaneous Reclamation

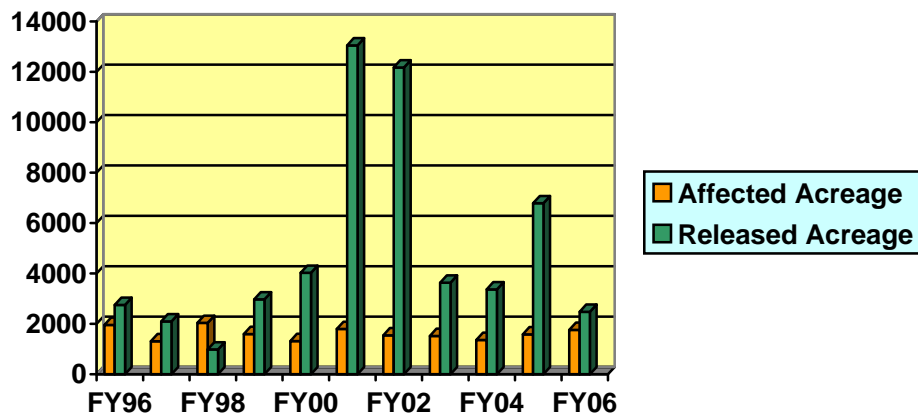
The OSM Directive, REG-8 defines contemporaneous reclamation to be the difference in time between when lands are disturbed and when they achieve phased bond release. There has been considerable discussion about whether this is a valid measure of contemporaneous reclamation. This discussion has taken place both within OSM and with the various State regulatory authorities. The results shown in the chart and table below represent the best effort under REG-8 at assessing contemporaneous reclamation.

Annual Bonded Acres/Phase III Released



A general picture of how successfully reclamation is staying current with mining was made by the IAO in considering the ratio of affected acres to acres for which bonds were phase III released during the five State fiscal years 2002 through 2006. During that period 7562.85 acres were affected at the surface and 29880.29 acres of phase III bond were released. Approximately four times as many acres were phase III released as were affected during that five year period. The IAO observed only one violation of the requirement for contemporaneous reclamation during complete mine site visits during EY 2007. The IAO concludes that contemporaneous reclamation is occurring at most mines.

Illinois Contemporaneous Reclamation (IL FY)



C. Customer Service:

The customer service evaluation identified in the EY 2007 Performance Agreement between the IAO and the LRD pertained to the LRD's efforts in providing public access to permit maps and other mine related mapping information. This evaluation topic falls under the REG-8 requirement of customer service provided by the State in relation to requests for assistance and services.

The purpose of this oversight review was to highlight the efforts taken by the LRD to improve services to its customers.

In December of 2004 the LRD implemented a Geographic Information System (GIS); ArcIMS Illinois Coal Mine Permit Viewer. GIS is a computer technology that combines geographic data (i.e., the location of features in our environment both natural and manmade) and other types of descriptive information (e.g., names and addresses) to generate visual maps and reports. The LRD depends on data to provide services to its customers and ArcIMS is the tool that provides the capability to deliver that data efficiently and effectively.

ArcIMS provides access and allows a user to perform simple GIS functions with an Internet Browser – no special training or software is needed. Since the website's inception, the LRD has estimated that over 300 phone inquiries about mining related activities have been received and answered by referring the customer to the ArcIMS website. For example, a customer calls in and wants an answer to a mining related question; the LRD will walk the customer through the site to obtain the information desired. This is done of course if the customer is willing to take the time and does have the resources, i.e., a computer and internet connection. It has become common practice for the LRD to be on the phone with a citizen, government official, or industry representative and on the ArcIMS site using aerial photography to enhance the discussion. The most common citizen inquiry the LRD receives on a daily basis is regarding the undermining of property.

The number of internal visits to the system by staff is over 7000 and outside visits which would include industry and other governmental agencies are about 1000 visits per month. The percentage falls in the range of 75/25; industry-government vs. general public.

The LRD is highly successful in meeting the requirements of customer service. The partnerships, the sharing of data to improve existing internal operations, substantially enhancing communications between other government agencies, creating opportunities for data and information sharing among different organizations and instituting an additional source for the public to obtain information are examples of that success. Although a cost-benefit analysis was not the focus of this review, one most likely would find that the benefits greatly

surpass the costs. The finding would be supported by measurable (quantifiable) benefits such as increased efficiency, productivity and improved access to information and non-measurable (non-quantifiable) benefits such as improved service to customers.

VII. OSM Assistance

The primary mode of OSM assistance to Illinois is through grant funding. The amount of grant funding awarded to Illinois for the operation of the Regulatory Program in EY 2007 was \$2.37 million. OSM provided 50% of the total funding necessary for Regulatory Program operation and OSM also provided 100% funding for the Abandoned Mine Land Program in Illinois, which totaled \$8.73 million in EY 2007. The following table contains the grant amounts for previous years. Note: Grant cycles start in July and go to June.

Grants Awarded in Illinois (Dollars are in Millions)

<i>Year</i>	<i>Regulatory Grant Amount</i>	<i>AML Grant Amount</i>
2006	\$2.37	\$8.73
2005	\$2.37	\$8.57
2004	\$2.44	\$9.07
2003	\$2.98	\$9.87
2002	\$2.88	\$10.09

Additionally, assistance is provided as outlined below:

- Technical training courses are offered by OSM throughout the year, which address technical and programmatic aspects of mining and reclamation. These courses are provided for OSM and State participants as well as industry and others on a space available basis.
- OSM provides the Technical Information Processing System including local workstations and software for State use. The OSM also provides training and support. Illinois uses the system for a variety of tasks related to permit application processing and other technical or engineering evaluations. The technical staff continues to work with the State to develop and implement an electronic permitting program.
- Informal discussions occur between OSM and State management and staff that result in a good working relationship. Informal assistance is provided regarding field or implementation issues on a continual basis.

VIII. General Oversight Topic Reviews

In addition to the off-site impact and land restoration reviews, OSM conducted oversight activities in the program areas listed below. Copies of oversight documents relating to these topics may be obtained at the IAO office or by requesting specific reports by mail at the following address:

Office of Surface Mining Reclamation and Enforcement
 Indianapolis Area Office
 575 North Pennsylvania, Room 301
 Indianapolis, Indiana 46204

The IAO can also be contacted by E-mail at IFOMAIL@osmre.gov.

Complete Inspections

During EY 2007, the IAO conducted mine site evaluations on a sample of 35 equally divided active and non-active mining operations to gain an overview of the on-the-ground impacts of these operations. In so far as possible, these inspections were conducted jointly with State inspectors. During these complete inspections, the IAO found 17 violations. Of the 17 violations encountered, nine had on-the-ground impacts. This is a reduction of seven on-the-ground violations from EY 2006. The IAO concluded that the LRD is successfully ensuring that coal mining is being conducted in a manner that causes few adverse on-the-ground impacts.

Off-site impacts and violations encountered by the IAO in 2001 thru 2007

Evaluation Year	Off-Site Impacts	Violations Encountered	On-the-ground Violations	Paper Work Violations
2001	2	11	6	5
2002	2	16	9	7
2003	2	12	6	6
2004	2	18	10	8
2005	7	53	40	13
2006	6	25	16	9
2007	3	17	9	8

Surety Reclamation

The IAO conducted an evaluation during the 2007 EY of the effectiveness of the Illinois Office of Mines and Minerals LRD in ensuring “in-lieu-of-forfeiture” surety reclamation is conducted in accordance with applicable State regulations.

The LRD requires that surety reclamation be conducted according to the State's performance standards. Land use changes and bond releases at both sites have been approved through the State's normal processes for such actions.

Based on the findings of this review the IAO recommends that the LRD continue to require that surety reclamation projects be conducted according to the State regulations at 62 IAC Section 1800.50.

Although the State's regulations do not require a written agreement, the IAO recommends the LRD sign an agreement with the surety when the surety agrees to perform in-lieu-of-forfeiture reclamation. The IAO recommends the LRD require continued monitoring of surface and groundwater at surety sites to provide the information necessary to make appropriate decisions on bond release requests.

AML Reclamation Project Unplanned Maintenance/Remediation Work

The EY 2007 Illinois AML Performance Agreement included a review of unanticipated reclamation maintenance/remediation work as a measure of AML Program success in achieving the goal of self-sustaining reclamation. This evaluation relates to the third principle supporting the concept of excellence in reclamation listed in OSM Directive AML-22, Appendix 2: "On the ground reclamation is to be achieved in a timely, cost-effective manner in compliance with all applicable Federal laws and regulations." The narrative elaborating on this principle in AML-22, states that "AML programs should have efficient and cost-effective technology and administration that provides long-term success."

The purpose of this evaluation was to review the frequency with which reclaimed projects require maintenance (remediation) to achieve environmental stability and lasting reclamation. This activity was based on the premise that frequent project maintenance may reflect a need for changing some reclamation methods, or perhaps some other element of the program to enhance the efficiency and/or cost-effectiveness of reclamation.

Based on this Enhancement and Performance Review, the IAO concluded that the frequency of unscheduled project maintenance occurring in the Illinois Program does not reflect a deficiency in the current program operation.

Chronic acid seeps on reclaimed areas are a common problem among reclamation programs in the eastern half of the United States which has proven extremely difficult to resolve. No program has entirely overcome this problem which involves a complex set of factors. The internal hydrology of reclaimed gob piles, for instance, is not well understood, much less identified in many cases. It is to the Illinois Program's credit that its own internal evaluation process has already resulted in positive changes in reclamation methods.

Recommendations offered for AMLRD consideration are twofold: (1) visit the idea of a general policy to divest itself of maintenance responsibilities after a certain time-frame, and (2) continue to seek solutions to the acid seep problem. The IAO will, of course, render assistance in fulfilling these recommendations, as requested.

National Environmental Policy Act

The EY 2007 Illinois AML Performance Agreement included a component called NEPA Compliance Activities. The purpose of this oversight activity was: (1) to ensure that reclamation project environmental documents prepared by the State are adequate under NEPA and related requirements; and (2) verify the accuracy of environmental information and the implementation of commitments made in the environmental document.

Review findings of this evaluation were that: (1) AML Program prepared environmental documents were adequate under NEPA, (2) information in the document was accurate, (3) the AML Program is implementing commitments or stipulations required as a result of documented NEPA consultations, and (4) project NEPA documents are available to the public. Based on these findings, the IAO is confident that the Illinois AML Program is properly administering NEPA compliance actions.

Based on the findings of this oversight evaluation the IAO concludes that:

- (1) The environmental documents prepared by the Illinois AMLRD for reclamation projects are adequate under NEPA,
- (2) Project environmental information provided by the Illinois Program is accurate,
- (3) The Illinois AMLRD program is implementing mitigation measures stipulated as a result of NEPA consultations and stated in project environmental documents (Exhibit 1),
- (4) NEPA documents are available to the public.



Exhibit 1 - The Illinois AMLRD as part of its mitigation efforts included protection of a registered reserve.

AMLIS Inventory Data Verification

This evaluation began as a result of an Inspector General's (IG) Audit Report: Inventory System and Performance Results of the Abandoned Mine Land Program. In order to implement a remedy for the IG's finding, and the recommendation to "Establish a quality control system that ensures that States, Tribes and OSM, as applicable, review and certify the accuracy of data entered into AMLIS," the IAO requested documentation of the system utilized by the AMLRD ensuring accuracy of AMLIS data and certification that the system exists. The IAO received documentation of the procedures that are in place to maintain and verify the accuracy of AMLIS information with a signed certification that the procedures are in place.

Annually, the IAO is to review a random sample of the information entered in AMLIS during the year to verify that it matches the information maintained in hard copy. Guided by OSM Directive AML-1, Abandoned Mine Land Inventory, and IG Audit Report No. 2003-I-0074, the IAO conducted its evaluation during EY 2007 of the effectiveness of the AMLRD in ensuring data accuracy in the AMLIS. The effectiveness of the AMLRD in ensuring data accuracy in the AMLIS was determined by the IAO doing a walk through with AMLRD of the certified procedures on file. Secondly, the IAO selected a random sample of Problem Area Descriptions (PAD) and compared the hard copy of the PAD with a printed PAD from AMLIS.

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The IAO verified the certified procedures transmitted by memo and on file in the IAO. The IAO concludes that the AMLRD's process in ensuring data accuracy is highly successful.

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APPENDIX A:

These tables present data pertinent to mining operations and State and Federal regulatory activities within Illinois. They also summarize funding provided by OSM and Illinois staffing. Unless otherwise specified, the reporting period for the data contained in all tables is the same as the evaluation year. Additional data used by OSM in its evaluation of Illinois' performance is available for review in the evaluation files maintained by the Indianapolis OSM Office.

When OSM's Directive REG-8, Oversight of State Programs, was revised in December 2006, the reporting period for coal production on Table 1 was changed from a calendar year basis to an evaluation year basis. The change was effective for the 2007 evaluation year. In addition to coal production figures for the current year, Table 1 also contains the coal production figures from annual evaluation reports for the two most recent prior years. Therefore, for the 2007 annual evaluation report, coal production figures are provided for 2005, 2006 and 2007. In order to ensure that coal production for these three years are directly comparable, the calendar year production figures from the 2005 and 2006 annual evaluation reports were recalculated on an evaluation year basis (July 1 – June 30). This should be noted when attempting to compare coal production figures from annual evaluation reports originating both before and after the December 2006 revision to the reporting period.

TABLE 1 – COAL PRODUCTION

TABLE 2 – INSPECTABLE UNITS

TABLE 3 – STATE PERMITTING ACTIVITY

TABLE 4 – OFF-SITE IMPACTS

TABLE 5 – ANNUAL STATE MINING AND RECLAMATION RESULTS

TABLE 6 – STATE BOND FORFEITURE ACTIVITY

TABLE 7– ILLINOIS STAFFING

TABLE 8 – FUNDS GRANTED TO ILLINOIS BY OSM

TABLE 9 - STATE INSPECTION ACTIVITY

TABLE 10 – ENFORCEMENT ACTIVITY

TABLE 11 – LANDS UNSUITABLE ACTIVITY

TABLE 12 – POST-MINING LAND USE ACREAGE (OPTIONAL)

Illinois
EY 2007, ending June 30, 2007

TABLE 1			
Coal Produced for Sale, Transfer, or Use (Millions of Short Tons)			
Period	Surface Mines	Underground Mines	Total
Coal production ^A for entire State:			
Evaluation Year			
EY 2005	5.797	27.012	32.809
EY 2006	6.484	25.532	32.016
EY 2007	6.222	28.433	34.655
^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. Provide production information for the latest three full evaluation years to include the last full evaluation year for which data is available.			

Illinois
EY 2007, ending June 30, 2007

TABLE 2															
Inspectable Units As of June 30, 2007															
Coal mines and related facilities	Number and Status of Permits									Nbr. of Insp. Units ^A	Permitted Acreage ^B (100's of acres)				
	Active or temporarily Inactive		Inactive Phase II bond release		Abandoned		Totals		Federal Lands		State/Private Lands		All Lands		
	IP	PP	IP	PP	IP	PP	IP	PP	IP		PP	IP	PP	Total	
LANDS FOR WHICH THE STATE IS THE REGULATORY AUTHORITY															
Surface mines	2	49	6	12	0	13	8	74	36	0.0	0.0	0.7	295.1	295.8	
Underground mines	0	33	0	0	0	0	0	33	36	0.0	0.0	0.0	134.3	134.3	
Other facilities	0	68	0	3	0	1	0	72	14	0.0	0.1	0.0	151.7	151.8	
Total	2	150	6	15	0	14	8	179	86	0.0	0.1	0.7	581.1	581.9	
Total number of permits:											187				
Average number of permits per inspectable unit (excluding exploration sites):											2.13				
Average number of acres per inspectable unit (excluding exploration sites):											661.25				
Number of exploration permits on State and private lands:								0		On Federal lands ^C :		0			
Number of exploration notices on State and private lands:								33		On Federal lands ^C :		0			
<p>IP: Initial regulatory program sites PP: Permanent regulatory program sites</p> <p>^A Inspectable units include multiple permits that have been grouped together as one unit for inspection frequency purposes by some State programs.</p> <p>^B When a single inspectable unit contains both Federal lands and State/Private lands, enter the permitted acreage for each land type in the appropriate category.</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>															

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Illinois
EY 2007, ending June 30, 2007

TABLE 3

State Permitting Activity
As of June 30, 2007

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	6	0	137	4	2	560	0	0	0	10	2	697
Renewals	3	3		1	2		5	6		9	11	
Transfers, sales, and assignments of permit rights	24	24		10	9		15	8		49	41	
Small operator assistance	0	0		0	0		0	0		0	0	
Exploration permits										0	0	
Exploration notices ^B											33	
Revisions (exclusive of incidental boundary revisions)		1			3			1			5	
Revisions (adding acreage but are not incidental boundary revisions)	0	0	0	0	0	0	0	0	0	0	0	0
Incidental boundary revisions	10	5	86	18	19	95	2	2	21	30	26	202
Totals	43	33	223	33	35	655	22	17	21	98	118	899
OPTIONAL - Number of midterm permit reviews completed that are not reported as revisions:										0		
^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.												

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Illinois
EY 2007, ending June 30, 2007

TABLE 4

OFF-SITE IMPACTS (excluding bond forfeiture sites)

RESOURCES AFFECTED		People			Land			Water			Structures		
DEGREE OF IMPACT		Minor	Moderate	Major	Minor	Moderate	Major	Minor	Moderate	Major	Minor	Moderate	Major
TYPE OF IMPACT AND TOTAL NUMBER OF EACH TYPE	Blasting	1	0	0	0	1	0	0	0	0	0	0	0
	Land Stability	0	0	0	0	0	0	0	0	0	0	0	0
	Hydrology	7	0	0	0	2	1	0	3	0	1	0	0
	Encroachment	2	0	0	0	2	0	0	0	0	0	0	0
	Other	0	0	0	0	0	0	0	0	0	0	0	0
	Total	10	0	0	0	5	1	0	3	0	1	0	0

Total number of inspectable units (excluding bond forfeiture sites): 84

Inspectable units free of off-site impacts: 78

Inspectable units with off-site impacts: 6

OFF-SITE IMPACTS ON BOND FORFEITURE SITES

RESOURCES AFFECTED		People			Land			Water			Structures		
DEGREE OF IMPACT		Minor	Moderate	Major	Minor	Moderate	Major	Minor	Moderate	Major	Minor	Moderate	Major
TYPE OF IMPACT AND TOTAL NUMBER OF EACH TYPE	Blasting	0	0	0	0	0	0	0	0	0	0	0	0
	Land Stability	0	0	0	0	0	0	0	0	0	0	0	0
	Hydrology	2	0	0	0	0	0	0	2	0	0	0	0
	Encroachment	0	0	0	0	0	0	0	0	0	0	0	0
	Other	0	0	0	0	0	0	0	0	0	0	0	0
	Total	2	0	0	0	0	0	0	2	0	0	0	0

Total number of inspectable units (only bond forfeiture sites): 4

Inspectable units free of off-site impacts: 2

Inspectable units with off-site impacts: 2

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Illinois
EY 2007, ending June 30, 2007

TABLE 5				
Annual State Mining and Reclamation Results				
Bond release phase	Applicable performance standard	During this Evaluation Year		
		Total acreage released	Acreage also released under Phase I	Acreage also released under Phase II
A	B	C	D	E
Phase I	- Approximate original contour restored - Topsoil or approved alternative replaced	1,977		
Phase II	- Surface stability - Establishment of vegetation	2,205	0	
Phase III	- Post-mining land use/productivity restored - Successful permanent vegetation - Groundwater recharge, quality and quantity restored - Surface water quality and quantity restored	2,479	0	0
Bonded Acreage^A		Acres during this evaluation year		
Total number of new acres bonded during this evaluation year		1,462		
Number of acres bonded during this evaluation year that are considered re-mining, if available		0		
Number of acres where bond was forfeited during this evaluation year		70		
Bonded Acreage Status		Cumulative Acres		
Total number of acres bonded as of the end of last review period (June 30, 2006) ^B		55,560		
Total number of acres bonded as of the end of this review period (June 30, 2007) ^B		54,473		
Sum of acres bonded that are between Phase I bond release and Phase II bond release as of June 30, 2007 ^B		2,782		
Sum of acres bonded that are between Phase II bond release and Phase III bond release as of June 30, 2007 ^B		3,631		
Disturbed Acreage		Acres		
Number of Acres Disturbed during this evaluation year		1,798		
Number of Acres Disturbed at the end of the evaluation year (cumulative)		79,913		
^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).				

Brief explanation of columns D & E. The States will enter the total acreage under each of the three phases (column C). The additional columns (D & E & E) will "break-out" the acreage among Phase II and/or Phase III. Bond release under Phase II can be a combination of Phase I and II acreage, and Phase III acreage can be a combination of Phase I, II, and III. See "Instructions for Completion of Specific Tables," Table 5 for example.

August 20, 2007

Illinois
EY 2007, ending June 30, 2007

TABLE 6			
State Bond Forfeiture Activity (Permanent Program Permits)			
Bond Forfeiture Reclamation Activity by SRA	Number of Sites	Dollars	Acres
Sites with bonds forfeited and collected that were unreclaimed as of June 30, 2006 (end of previous evaluation year) ^A	4		314
Sites with bonds forfeited and collected during Evaluation Year 2007 (current evaluation year)	0	\$ 0	0
Sites with bonds forfeited and collected that were re-permitted during Evaluation Year 2007 (current evaluation year)	0		0
Sites with bonds forfeited and collected that were reclaimed during Evaluation Year 2007 (current evaluation year)	1		100
Sites with bonds forfeited and collected that were unreclaimed as of June 30, 2007 (end of current evaluation year) ^A	3		214
Sites with bonds forfeited but uncollected as of June 30, 2007 (end of current evaluation year)	1		70
Surety/Other Reclamation (In Lieu of Forfeiture)			
Sites being reclaimed by surety/other party as of June 30, 2006 (end of previous evaluation year) ^B	2		1,226
Sites where surety/other party agreed to do reclamation during Evaluation Year 2007 (current evaluation year)	0		0
Sites being reclaimed by surety/other party that were re-permitted during Evaluation Year 2007 (current evaluation year)	0		0
Sites with reclamation completed by surety/other party during Evaluation Year 2007 (current evaluation year) ^C	0		0
Sites being reclaimed by surety/other party as of June 30, 2007 (current evaluation year) ^B	2		1,226
^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			

August 20, 2007

Illinois
EY 2007, ending June 30, 2007

TABLE 7	
State Staffing (Full-time equivalents at end of evaluation year)	
Function	EY 2007
Regulatory Program	
Permit Review	12.80
Inspection	9.90
Other (administrative, fiscal, personnel, etc.)	9.00
Regulatory Program Total	31.70
AML Program Total	24.00
Total	55.70

August 20, 2007

Illinois
EY 2007, ending June 30, 2007

TABLE 8		
Funds Granted To Illinois BY OSM (During the Current Evaluation Year) (Actual Dollars, Rounded to the Nearest Dollar)		
Type of Funding	Federal Funds Awarded During Current Evaluation Year	Federal Funding as a Percentage of Total Program Costs
Regulatory Funding		
Administration and Enforcement Grant	\$ 2,375,884	50.00 %
Other Regulatory Funding, if applicable	\$ 0	0.00 %
Subtotal	\$ 2,375,884	
Small Operator Assistance Program	\$ 0	100 %
Abandoned Mine Land Reclamation Funding ^A	\$ 8,731,283	100 %
Totals	\$ 11,107,167	
^A Includes funding for AML Grants, the Clean Streams Initiative and the Watershed Cooperative Agreement Program.		

Illinois
EY 2007, ending June 30, 2007

TABLE 9		
State Inspection Activity During Current Evaluation Year		
Inspectable Unit Status	Number of Inspections Conducted	
	Complete	Partial
Active ^A	388	831
Inactive ^A	0	4
Abandoned ^A	8	17
Total	394	852
Exploration	0	15
^A Use terms as defined by the approved State program.		

Illinois
EY 2007, ending June 30, 2007

TABLE 10		
State Enforcement Activity		
During Current Evaluation Year		
Type of Enforcement Action	Number of Actions^A	Number of Violations^A
Notice of Violation	27	39
Failure-to-Abate Cessation Order	0	0
Imminent Harm Cessation Order	0	0
^A Do not include those violations that were vacated.		

Illinois
EY 2007, ending June 30, 2007

TABLE 11		
Lands Unsuitable Activity		
During Current Evaluation Year		
	Number	Acreage
Number Petitions Received	0	
Number Petitions Accepted	0	
Number Petitions Rejected	2	
Number Decisions Declaring Lands Unsuitable	0	0
Number Decisions Denying Lands Unsuitable	0	0

Illinois
EY 2007, ending June 30, 2007

TABLE 12 Optional	
Post Mining Land Use Acreage (after Phase III bond release)	
Land Use	Acreage Released during this Evaluation Year
Cropland	0
Pasture/Hayland	0
Grazing Land	0
Forest	0
Residential	0
Fish & Wildlife Habitat	0
Developed Water Resources	0
Public Utilities	0
Industrial/Commercial	0
Recreation	0
Other (please specify):	0
Other (please specify):	0
Other (please specify):	0
Other (please specify):	0
Other (please specify):	0
Other (please specify):	0
Other (please specify):	0
Other (please specify):	0
Other (please specify):	0
Total	0

August 20, 2007

APPENDIX B:

This Appendix contains the Illinois Office of Mines and Minerals, Land Reclamation Division comments received on August 15, 2007 (copy attached) and the Abandoned Mine Land Reclamation Division's comments received on August 16, 2007 listed below.

From: GREG PINTO [<mailto:GREG.PINTO@illinois.gov>]
Sent: Thursday, August 16, 2007 5:37 PM
To: Andrew Gilmore
Subject: Re: Annual report comments

Andy,

We have completed our review of the draft Illinois Annual Evaluation Summary Report for EY 2007. We have only a couple of minor comments for your consideration regarding the reporting on the AML program and these are limited to the discussion of completed clean streams projects on page 11.

A sentence in the discussion of the Palzo CSI project site reads; "Much of the work on this project was completed in 2004, but continues until the remainder of reclamation is finished." This discussion could be revised to reflect the fact that work on the project was completed in September 2006.

A sentence in the discussion of the Will Scarlet CSI project site reads; "This project was about 90 percent complete at the end of 2005." This discussion could be revised to reflect the fact that work on the project was completed in May 2007.

Thank you for your support and we look forward to continuing to work with you to achieve a successful EY 2008.

Greg

J. Gregory Pinto, P.E.
IDNR - OMM - AMLRD
Interim Manager
217-785-0398

Disposition of Comments:

The Alton Field Division Chief's disposition of the State's comments is presented below.

The comments provided by the State were incorporated as appropriate.

August 20, 2007