

OFFICE OF SURFACE MINING RECLAMATION AND ENFORCEMENT

Annual Evaluation Summary Report

for the

Regulatory and Abandoned Mine Land Programs

Administered by the Commonwealth

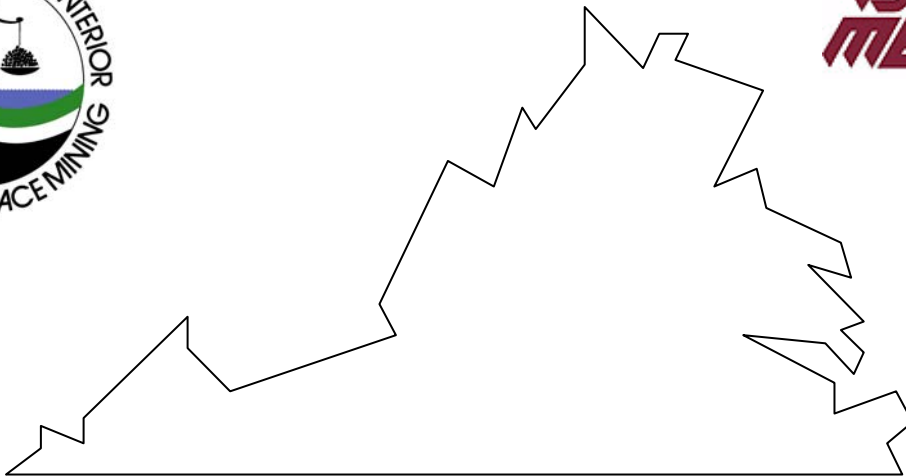
of

VIRGINIA

for

Evaluation Year 2007

(July 1, 2006 to June 30, 2007)



AUGUST 2007

Table of Contents

I.	INTRODUCTION	1
II.	OVERVIEW OF THE VIRGINIA COAL MINING INDUSTRY	1
III.	OVERVIEW OF THE PUBLIC PARTICIPATION	3
IV.	MAJOR ACCOMPLISHMENTS/ISSUES/INNOVATIONS	4
V.	SUCCESS IN ACHIEVING THE PURPOSES OF SMCRA	6
	A. OFF-SITE IMPACTS	7
	B. BOND RELEASE	7
	C. CUSTOMER SERVICE	7
VI.	OSM ASSISTANCE	8
VII.	GENERAL OVERSIGHT TOPIC REVIEWS	8
APPENDIX A TABLES		
	<i>TABLE 1 Coal Produced for Sale, Transfer, or Use</i>	11
	<i>TABLE 2 Inspectable Units</i>	12
	<i>TABLE 3 State Permitting Activity</i>	13
	<i>TABLE 4 Off-Site Impacts</i>	14
	<i>TABLE 5 Annual State Mining and Reclamation Results</i>	15
	<i>TABLE 7 State Staffing</i>	17
	<i>TABLE 8 Funds Granted to Virginia</i>	18
	<i>TABLE 9 State Inspection Activity</i>	19
	<i>TABLE 10 State Enforcement Activity</i>	20
	<i>TABLE 11 Lands Unsuitable Activity</i>	21
APPENDIX B		
	STATE COMMENTS ON THE REPORT	24
	OSM DISPOSITION OF STATE COMMENTS.....	26

I. INTRODUCTION

The Surface Mining Control and Reclamation Act of 1977 (SMCRA) created the Office of Surface Mining Reclamation and Enforcement (OSM) in the Department of the Interior. SMCRA provides authority to OSM to oversee the implementation of and provide Federal funding for State regulatory and abandoned mine land programs that have been approved 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 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 Big Stone Gap OSM Office.

The following list contains acronyms used in this report:

AML	Abandoned Mine Land	NEPA	National Environmental Policy Act
ARRI	Appalachian Regional Reforestation Initiative	OSM	Office of Surface Mining Reclamation and Enforcement
DMLR	Division of Mined Land Reclamation	SMCRA	Surface Mining Control and Reclamation Act
DMME	Department of Mines, Minerals and Energy	TIPS	Technical Innovation and Professional Services
EY	Evaluation Year		

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 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, 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 in depth. 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 underground and contour surface operations. A limited number of mountaintop removal, deep shaft, and area-type operations exist too.

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. For calendar year 2006, production was a little over 28.4 million tons. Figure 1 shows the last 22 calendar

years of production data. Appendix A, Table 1 shows coal production for the last three evaluation years.

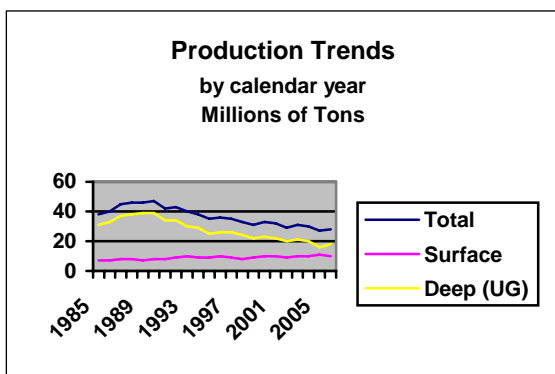


Figure 1

According to 2005 U. S. Department of Energy statistics, Virginia's production ranked twelfth among coal producing states (<http://www.eia.doe.gov/cneaf/coal/page/acr/table1.html>). In 2000, Virginia ranked eighth in coal production. Based on evaluation year production data, approximately 65 percent of the production comes from underground mines and 35 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.

During 2005, coal accounted for less than one percent (0.30) of Virginia's Gross State Product (Source: U. S. Bureau of Economic Analysis <http://www.bea.gov/region/gsp.htm>). 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. Employee compensation of \$302 million was derived from the mining industry during 2005 (Source: U. S. Bureau of Economic Analysis). Coal mining employment in Virginia peaked at 20,741 in 1981 and declined to 3,792 in 2005 (Source: U. S. Bureau of Economic Analysis

<http://www.bea.gov/region/reis/default.cfm#a>). In 2005, 4.5 percent of the coalfield counties' workforce worked in the mining industry, compared to 8 percent in 2001. The Virginia Employment Commission projects that mining related jobs will decline at a rate of 18.7 percent between 2004 and 2014. This loss is equivalent to about 798 jobs during the period or about 80 jobs a year (<http://velma.virtuallmi.com>). As of May 2007, unemployment in the seven coalfield counties in Southwest Virginia averaged 4.2 percent. The State wide average was 2.8 percent and U.S. average is 4.3 percent (Source: Virginia Employment Commission).

Virginia currently has 451 inspectable mining units in Virginia. One hundred fifty-five are surface mines, 218 are underground mines, 72 are support activities, and 1 is an exploration permit. Additionally, there are 71 active coal exploration notices. Currently, the State oversees 127 producing surface mines, 154 producing underground mines, and 54 active support facilities. The average permitted acreage is 421 acres for surface mines, 36 acres for underground mines, and 97 acres for support facilities. OSM has seen a reduction in the number of inspectable units during the past 21 years, the trend toward fewer, larger operations is evident (Figure 2).

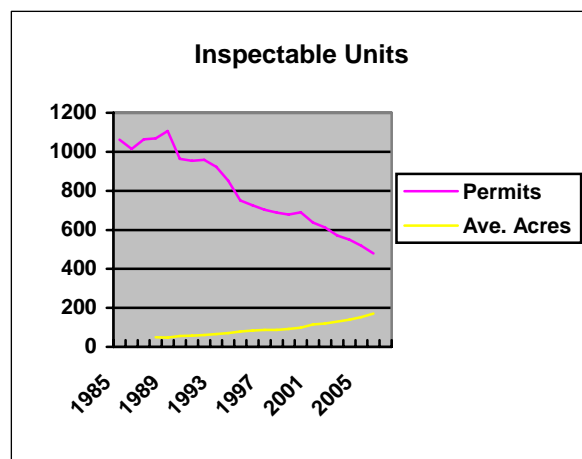


Figure 2

Since the 1950's, Virginia has documented twelve deaths associated with coalfield abandoned mine land hazards. The last reported death occurred in 2000. Five deaths were from 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 rockslide associated with abandoned underground mine subsidence. Two injuries occurred because of a collapsing refuse pile, and one documented injury occurred when a slumping underground face-up area 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 77 miles of streams and reclaimed 964 acres of clogged stream lands; eliminated 53 dangerous impoundments; reclaimed 277 acres of dangerous piles and embankments; sealed 1,225 dangerous mine openings and 120 vertical openings; replaced 5,780 water supplies adversely impacted by mining; and reclaimed over 6 miles of dangerous highwalls (<http://ismhdqa02.osmre.gov/scripts/OsmWeb.dll>). In December 2006, Congress extended the AML Fee Collection Authority, with a phased in fee reduction, to September 30, 2021.

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

At the beginning of the 2007 oversight year, OSM and DMLR developed an

annual oversight plan. During the developmental process of 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. As a result of the advertisement and direct mailing, we received two recommendations for the work plan.

OSM's Big Stone Gap office met with citizens, industry, and agencies on numerous occasions during the year to discuss issues such as remining, experimental practices, and clean streams. The Area 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, the Guest River Group, Upper Tennessee River Round Table and the Big Sandy Watershed Protection Conference.

DMLR continued to work with the U. S. Army Corps of Engineers, LENOWISCO 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. DMLR also partnered with local watershed groups to secure non-federal funding to reclaim priority 3 abandoned mine land sites.

DMLR met with citizens on numerous occasions to discuss concerns. Additionally, the State held several other meetings addressing agency permitting initiatives, electronic permitting initiatives, ARRI, and remining.

IV. Major Accomplishments, Issues, or Innovations in the Virginia Program

This year marks the 26th anniversary of a primacy program in the Commonwealth of Virginia. The maturation of the program over the past 26 years has helped protect the public and minimize environmental impacts within the Virginia coalfields.

Over the past year OSM monitored DMLR's performance in meeting the goals and objectives of the approved State program. Once again, we find 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. OSM looks forward to working cooperatively with Virginia during the next year.

Major accomplishments and innovations for this year include:

- Partnered with U.S. Army Corps of Engineers, LENOWISCO, and Lee County to accomplish the North Fork Powell River Ecosystem Restoration Project. Phase II construction of the project is continuing.
- Trained OSM VISTA volunteers in the sampling, prevention, and treatment of acid mine drainage.
- Nominated Paramount Coal Company Virginia, LLC's, Black Bear #1, for the 2006 National Association of State Land Reclamationists' National Reclamation Award. The minesite was selected as the winner of the award.
- Hosted the 2006 National Association of State Land Reclamationists' conference in Williamsburg, Virginia.
- Partnered with the Natural Resources Conservation Service and implemented a watershed restoration project in the North Fork Powell River.
- Investigated the use of remote sensing capabilities to identify and quantify the reclamation of abandoned mine lands and the success of reforestation practices on mined land.
- Assisted Virginia Tech in planning and promoting a Mined Land Reforestation Conference.



Paramont's Jimmy Adkins poses with awards at the Black Bear #1 minesite

- Encouraged industry to use Abandoned Mine Land no-cost agreements to reclaim abandoned mined lands with excess spoil, eliminating AML highwalls and reducing the number and impact of new excess spoil fills.
- Participated in local water shed organizations including the Powell River Partnership, Guest River Group, Upper Tennessee River Roundtable, Big Sandy River Basin Coalition (BSRBC), and the Clinch River Headquarters Association.
- Collaborated with the Nature Conservancy on a carbon sequestration pilot project in the Clinch River watershed. Seedlings are to be planted in early 2008.

- Studied, in partnership with the U.S. Army Corps of Engineers, the impacts of acid mine drainage in the Powell River watershed in an effort toward a comprehensive construction project to mitigate acid mine drainage impacts.
- Authored articles for the National Association of Abandoned Mine Land Program newsletter and the National Association of State Land Reclamationists' newsletter.
- Collaborated with OSM, the Virginia Department of Forestry, and Virginia Tech's Powell River project on the third annual Arbor Day celebration. Over 175 secondary school students participated in the event by planting over 1400 trees on a Wise County abandoned mine.
- Actively promoted reforestation of active mines and abandoned mine land following the guidelines of the Appalachian Regional Reforestation Initiative.
- Submitted grant requests for non-OSM funding for Priority 3 AML features in the Clinch and Powell River watersheds. DMME partnered with the Upper Tennessee River Roundtable on this initiative.
- Coordinated with The Nature Conservatory, Virginia Tech, and U.S. Fish and Wildlife in planning and promoting a conference on Coal Mining and the Aquatic Environment.
- Requested WQIF grant funds from the Virginia Department of Conservation and Recreation for non-AML watershed projects.
- Presented DMME's success in using the AML enhancement rule at the National Association of Abandoned Mine Land Programs annual meeting.
- Assisted the U.S. Army Corps of Engineers with a reconnaissance of the Clinch River watershed to identify AML sites that have major impacts to water quality.
- Assisted the Upper Tennessee River Roundtable with a tour of water quality improvement projects in the Clinch and Powell Rivers.
- Worked with a consultant on a study investigating the potential beneficial uses for flyash from the proposed Dominion power plant in Virginia City, Virginia.
- Participated in an Interstate Mining Compact Commission meeting regarding the beneficial use of coal combustion by-products (CCB). Provided an update to the attendees, including representatives of the Environmental Protection Agency and OSM, on CCB utilization in Virginia.
- Prepared and presented a program on Total Maximum Daily Loads (TMDL) and NPDES compliance evaluations to the Permit Enhancement Coal Industry Workgroup.
- Provided a presentation on "energy and the environment" at the Natural Resources Awareness Days for Wise and Russell county students, and at the Virginia Groundwater Festival for Buchanan county students.
- Moderated public meetings regarding the Garden Creek TMDL development, the Lick Creek TMDL development, and the Indian Creek TMDL development.
- Coordinated and gave a presentation at a TMDL public workshop targeting the coal industry.
- Participated and provided input at a public technical advisory committee meeting regarding PCBs. Also updated public participants and government officials on coalfield PCB issues.

- Assisted local watershed organizations by providing information on WQIF grant opportunities.
- Oversaw the successful completion of reclamation on five AML 2005 Grant Year projects for emergency and non-emergency projects. Suggested changes by DMME personnel to design plans to better-fit site conditions resulted in savings of thousands of dollars.
- Served on joint OSM/DMLR team to develop the OSM EY 2008 Oversight Work Plan and Performance Agreement.
- Scanned and microfilmed more than 500 AML projects for archiving.
- Contracted for reclamation of five abandoned mine land project areas through the AML enhancement rule.
- Attended the annual National Association of State Land Reclamationists' Conference. DMME gave a presentation regarding the Bull Creek Stream Improvement.
- Conducted joint DMLR, Division of Mines, and Mine Safety and Health Administration annual impoundment inspections on every impoundment in the "North" area of responsibility.
- Implemented new regulatory requirements for seismic monitoring for blasting within 1000' of a dwelling and markers to designate "red zone areas".
- Served on the ARRI Work Group, Indiana Bat and Coal Mining Steering Committee, Stream Assessment / Stream Restoration Steering Committee, Ground Water Protection Steering Committee, Mountain Empire Geographic Information Systems User Group, Interstate Mining Compact Commission Underground Mine Mapping Steering Committee, Appalachian Regional Technology Transfer Team, OSM TIPS Steering Committee, Virginia Geographic Information Systems Conference, and National Mining Geospatial Committee.
- Served as instructors for OSM's TIPS and Technical Training programs.
- Attended OSM's TIPS and Technical Training program courses.
- Participated in Earth Day activities for St. Charles Elementary School students at Lone Mountain Processing.
- Met with the "Dante-Lives-On" organization. DMME gave a presentation on acid mine drainage(AMD) that included field trips to nearby AMD sites.

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 4,790 inspections on 451 mine permits. OSM analyzed off-site impact data (Appendix A, Table 4) from the inspections. Eighty-eight percent of mine sites inspected were free of off-site impacts, compared to 88 percent last year and 84 percent during EY 2005. Fifty-three percent of this year’s violations resulted in off-site impacts compared to 47 percent last year. Figure 3 shows graphically the distribution of off-site impacts. Water remains the resource most often impacted by violations, followed by land, people, and structures. Appendix A, Table 4 details the distribution of and resources impacted by off-site impacts. DMLR considered the impacts to resources as moderate or minor 81 percent of the time, compared to 91 percent last year.

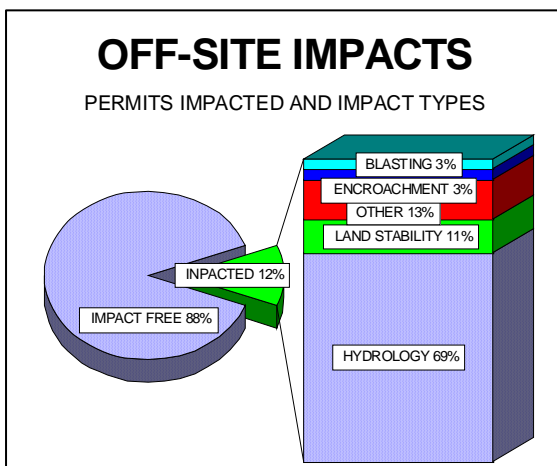


Figure 3

OSM inspected 60 sites and gathered data on off-site impacts to verify DMLR findings. Inspectors found that 93 percent of the sites visited were free of off-site impacts. The data collected by OSM

shows trends similar to those found by DMLR in the larger population. Both DMLR and OSM data indicate that the off-site impacts to resources are being minimized.

B. Bond Release:

DMLR records indicate that 1,700 acres of land received Phase III bond release during the evaluation year. As part of a special study, OSM reviewed 10 of 36 operations that applied for Phase III bond release during the evaluation year. According to DMLR records, 29,511 acres of land were eligible for a Phase I bond release at the end of the evaluation year. OSM found on-the-ground reclamation successful on the sampled sites. The post-mining land use was achieved on the sites.

Our review of DMLR’s bond release program found again that DMLR was timely in responding to public comments and bond releases were processed in a timely manner.

C. Customer Service:

The DMLR is customer service-oriented. Customer service is an integral part of the State’s strategic planning. The Department of Mines, Minerals and Energy maintains a “client assistance center” in its office in Big Stone Gap to serve its customers better. OSM believes the State is providing the utmost in service to all of its customers. OSM’s review of DMLR’s bond release program found that DMLR responded to public comments and concerns in a timely manner.

VI. OSM Assistance

During the past year, OSM provided technical training to DMLR staff members on 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 release applications.

OSM 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. OSM continued to support State AML enhancement and "no cost" reclamation efforts.

OSM's Appalachian Region continues to partner with the States to develop the *Appalachian Regional Reforestation Initiative*, a program that promotes the reforestation of mined lands. *ARRI's* goal is re-establishment of a productive and healthy forest.

OSM also continues to provide state assistance through the Clean Streams Initiative. Additionally, OSM provides 50 percent funding for Virginia's Regulatory program and 100 percent funding for the abandoned mine land and emergency programs.

VII. General Oversight Topic Reviews

During the evaluation year OSM and / or DMME / DMLR evaluated the following oversight topics. Unless otherwise noted, the reviews were conducted by teams representing both OSM and DMLR. Copies of the detailed reports for these topics are available at OSM's office in Big Stone Gap, Virginia.

- *Active / reclamation active permit inspections* – A team evaluated Virginia's regulatory program focusing on mitigation and blasting within 1,000 feet of an occupied dwelling. The active / reclamation active review team conducted 60 active / reclamation-active inspections. The review found that DMLR is successfully requiring innovative and effective mitigation plans on permits that impact wetlands, streams and riparian areas. The approved mitigation plans had been initiated on three permits reviewed. The approved mitigation plans were effectively implemented on these permits.

An additional 10 partial inspections were conducted on permits blasting within 1,000 feet of an occupied dwelling. The

review documents that blasting operations within 1,000 feet of an occupied building is limited to a small percentage of Virginia permits. The review also found that 97% of the blasts were in compliance with the seismic monitoring requirements of the Virginia program.

OSM discusses findings related to off-site impacts in Section V. A. of this report.

- *Phase III Bond Release Reclamation Success* – A team evaluated Virginia's review and approval processes for final bond release applications for permits under the Title V program. They found that DMLR is successfully implementing the program for processing and releasing bonds.

- *Abandoned Mine Land Inventory System* – As a result of the EY 2005 review, DMLR implemented new file documentation procedures to correct the shortcomings. A team found that the new DMLR procedures have enhanced the accuracy and timeliness of maintaining data in the Abandoned Mine Land Inventory System.
 - *AML Emergency Construction Management* – A team evaluated how DMLR managed emergency construction projects. They found that features included in construction contracts were effectively reclaimed. The contract terms were in compliance with National Environmental Policy Act (NEPA) requirements.
 - *National Environmental Policy Act (NEPA) Compliance Reviews* - During EY 2007, OSM conducted reviews of environmental documents submitted by DMLR for NEPA compliance and issued authorizations to proceed on 13 non-emergency AML sites and one post-act site. We also conducted NEPA reviews and declared emergencies on 8 sites with AML hazards.
 - *Drawdown Analysis Review* - The Commonwealth of Virginia continues to meet the Department of Treasury requirements that federal funds drawn are expensed in a timely fashion and are used for authorized purposes only. All payments were made within a seven working day time frame and were considered allowable and were supported by records.
 - *Financial Reporting of AML Grant Funds* - This review included an on-site interview to discuss the recent state-developed alternative distribution method for chargeable expenses for the AML and Regulatory Programs grants (24% and 76% respectively) as they relate to personnel costs and equipment. During evaluation year 2008, OSM will do an in-depth review of DMME's distribution approach.
-
-

APPENDIX A

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

These tables present data pertinent to mining operations and State and Federal regulatory activities within Virginia. They also summarize funding provided by OSM and Virginia 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 Virginia's performance is available for review in the evaluation files maintained by the Big Stone Gap 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 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	10.017	18.195	28.212
EY 2006	10.749	16.597	27.346
EY 2007	9.708	18.171	27.879
<p>^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.</p>			

TABLE 2

**Inspectible 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		
	IP	PP	IP	PP	IP	PP	IP	PP		IP	PP	IP	PP	Total		
LANDS FOR WHICH THE STATE IS THE REGULATORY AUTHORITY																
Surface mines	0	127	0	28	0	5	0	160	160	0.0	0.0	0.0	673.0	673.0		
Underground mines	0	154	0	64	0	0	0	218	218	0.0	0.0	0.0	79.0	79.0		
Other facilities	0	54	0	18	0	1	0	73	73	0.0	0.0	0.0	70.0	70.0		
Total	0	335	0	110	0	6	0	451	451	0.0	0.0	0.0	822.0	822.0		
Total number of permits:										451						
Average number of permits per inspectible unit (excluding exploration sites):										1.00						
Average number of acres per inspectible unit (excluding exploration sites):										182.26						
Number of exploration permits on State and private lands:										1		On Federal lands ^C :			0	
Number of exploration notices on State and private lands:										71		On Federal lands ^C :			0	
<p>IP: Initial regulatory program sites PP: Permanent regulatory program sites</p> <p>^A Inspectible 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 inspectible 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>																

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	10	9	2,616	3	2	15	2	2	32	15	13	2,663
Renewals	25	32		20	24		13	15		58	71	
Transfers, sales, and assignments of permit rights	3	2		4	3		0	4		7	9	
Small operator assistance	0	0		0	0		0	0		0	0	
Exploration permits										0	0	
Exploration notices ^B											91	
Revisions (exclusive of incidental boundary revisions)		210			170			67			447	
Revisions (adding acreage but are not incidental boundary revisions)	18	9	1,062	2	0	0	0	1	30	20	10	1,092
Incidental boundary revisions	45	50	420	38	36	115	13	12	173	96	98	708
Totals	101	312	4,098	67	235	130	28	101	235	196	739	4,463

OPTIONAL - Number of midterm permit reviews completed that are not reported as revisions: 95

^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 (excluding bond forfeiture sites)

RESOURCES AFFECTED	People			Land			Water			Structures		
	Minor	Moderate	Major	Minor	Moderate	Major	Minor	Moderate	Major	Minor	Moderate	Major
DEGREE OF IMPACT												
Blasting	3	0	0	1	2	0	0	0	0	0	0	0
Land Stability	10	0	0	5	3	0	2	0	0	1	1	1
Hydrology	63	4	1	10	1	4	26	17	9	1	3	0
Encroachment	3	0	0	2	0	0	2	0	0	0	0	0
Other	12	1	1	3	1	2	2	1	6	1	0	0
Total	91	6	2	21	7	6	32	18	15	3	4	1

Total number of inspectable units (excluding bond forfeiture sites): 445

Inspectable units free of off-site impacts: 393

Inspectable units with off-site impacts: 52

OFF-SITE IMPACTS ON BOND FORFEITURE SITES

RESOURCES AFFECTED	People			Land			Water			Structures		
	Minor	Moderate	Major	Minor	Moderate	Major	Minor	Moderate	Major	Minor	Moderate	Major
DEGREE OF IMPACT												
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	0	0	0	0	0	0	0	0	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	0	0	0	0	0	0	0	0	0	0	0	0

Total number of inspectable units (only bond forfeiture sites): 6

Inspectable units free of off-site impacts: 6

Inspectable units with off-site impacts: 0

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	2,649		
Phase II	- Surface stability - Establishment of vegetation	1,147	0	
Phase III	- Post-mining land use/productivity restored - Successful permanent vegetation - Groundwater recharge, quality and quantity restored - Surface water quality and quantity restored	1,700	0	0
Bonded Acreage ^A			Acres during this evaluation year	
Total number of new acres bonded during this evaluation year			0	
Number of acres bonded during this evaluation year that are considered remining, if available			0	
Number of acres where bond was forfeited during this evaluation year			388	
Bonded Acreage Status		Cumulative Acres		
Total number of acres bonded as of the end of last review period (June 30, 2006) ^B		67,634		
Total number of acres bonded as of the end of this review period (June 30, 2007) ^B		65,546		
Sum of acres bonded that are between Phase I bond release and Phase II bond release as of June 30, 2007 ^B		0		
Sum of acres bonded that are between Phase II bond release and Phase III bond release as of June 30, 2007 ^B		0		
Disturbed Acreage		Acres		
Number of Acres Disturbed during this evaluation year		5,938		
Number of Acres Disturbed at the end of the evaluation year (cumulative)		82,639		
^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.

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	1		1
Sites with bonds forfeited and collected during Evaluation Year 2007 (current evaluation year)	5	\$ 1,095,000	388
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)	0		0
Sites with bonds forfeited and collected that were unreclaimed as of June 30, 2007 (end of current evaluation year) ^A	6		389
Sites with bonds forfeited but uncollected as of June 30, 2007 (end of current evaluation year)	0		0
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	0		0
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	0		0
^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 7	
State Staffing (Full-time equivalents at end of evaluation year)	
Function	EY 2007
Regulatory Program	
Permit Review	19.00
Inspection	25.00
Other (administrative, fiscal, personnel, etc.)	27.00
Regulatory Program Total	71.00
AML Program Total	23.00
Total	94.00

TABLE 8		
Funds Granted To Virginia 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	\$ 3,174,421	50.00 %
Other Regulatory Funding, if applicable	\$ 40,309	100.00 %
Subtotal	\$ 3,214,730	
Small Operator Assistance Program	\$ 0	100 %
Abandoned Mine Land Reclamation Funding ^A	\$ 5,544,829	100 %
Totals	\$ 8,759,559	
^A Includes funding for AML Grants, the Clean Streams Initiative and the Watershed Cooperative Agreement Program.		

TABLE 9		
State Inspection Activity During Current Evaluation Year		
Inspectable Unit Status	Number of Inspections Conducted	
	Complete	Partial
Active ^A	1,438	2,697
Inactive ^A	465	55
Abandoned ^A	24	111
Total	1,927	2,863
Exploration	351	6
^A Use terms as defined by the approved State program.		

TABLE 10		
State Enforcement Activity		
During Current Evaluation Year		
Type of Enforcement Action	Number of Actions^A	Number of Violations^A
Notice of Violation	140	153
Failure-to-Abate Cessation Order	2	4
Imminent Harm Cessation Order	14	17
^A Do not include those violations that were vacated.		

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

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	265
Grazing Land	556
Forest	835
Residential	0
Fish & Wildlife Habitat	8
Developed Water Resources	0
Public Utilities	0
Industrial/Commercial	35
Recreation	1
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	1,700

APPENDIX B
STATE COMMENTS ON THE REPORT
OSM DISPOSITION OF STATE COMMENTS

Memorandum

TO: Ian Dye, Manager

FROM: Bradley Lambert, Division Director

SUBJECT: Draft 2007 Annual Evaluation Report for Virginia

DATE: August 14, 2007

After review of the Draft 2007 Annual Evaluation Report for Virginia, DMLR offers the following comments:

Page 5: Left column, first bullet: Authored articles for the National Association of Abandoned Mine Land Program newsletter and the National Association of ~~Sate~~ **State** Land Reclamationists newsletter.

Left column, seventh bullet: Requested WQIF grant funds from the Virginia Department of Conservation and Recreation for ~~Priority 3 AML features~~ **non-AML watershed projects**.

Page 9: Right column, first bullet: Financial Reporting of AML Grant Funds – This review included an on-site interview to discuss the recent state-developed alternative distribution method for chargeable expenses for the AML and Regulatory Programs grants (24% and 76% respectively) as they relate to personnel costs and equipment. ~~DMME is in the process of making modifications to their distribution approach.~~ During evaluation year 2008, OSM will do an in-depth review of DMME's distribution approach.

-----Original Message-----

From: Zentmeyer, Jan [<mailto:Jan.Zentmeyer@dmme.virginia.gov>]
Sent: Thursday, August 02, 2007 4:52 PM
To: Ian B. Dye, JR
Subject: FW: CORRECTED Virginia State Staffing for EY2007
Importance: High

Ian, I did find a mistake in the table. It should be as follows.

Virginia State Staffing for EY2007	
(FTE's as of 6/30/07)	
Regulatory Program	
Permit Review	19
Inspection	25
Other (admin., fiscal, pers., etc.)	27
Regulatory Program Total	71
AML Program	23
Total	94

> -----Original Message-----

> From: Zentmeyer, Jan
> Sent: Wednesday, July 18, 2007 5:15 PM
> To: Ian B. Dye Jr. (E-mail)
> Cc: Vincent, Les; Lambert, Butch
> Subject: Virginia State Staffing for EY2007

>
> Ian, if this is not what you need, please let me know.
> thanks
> jan

>
> Virginia State Staffing for EY2007
> (FTE> '> s as of 6/30/07)
>
> Regulatory Program
> Permit Review 19
> Inspection 25
> Other (admin., fiscal, pers., etc.) 26
> Regulatory Program Total 70
>
> AML Program 24
> Total 94

OSM Disposition of State Comments

OSM adopted the changes as outlined in the previous memorandum and email. This report reflects all changes.