OFFICE OF SURFACE MINING

Annual Evaluation Summary Report

for the

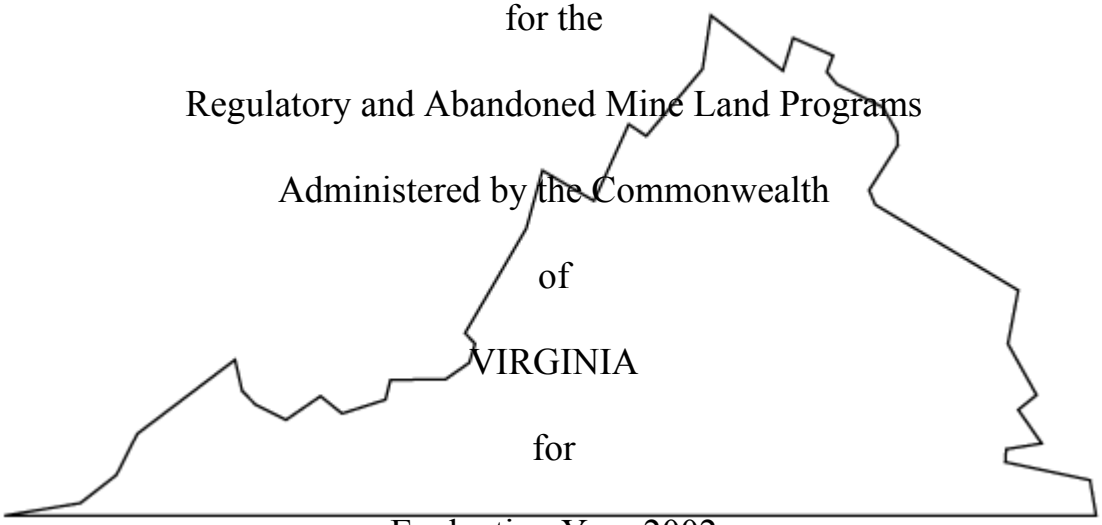
Regulatory and Abandoned Mine Land Programs

Administered by the Commonwealth

of

VIRGINIA

for



Evaluation Year 2002

(October 1, 2001 to September 30, 2002)

DECEMBER 2002

Table of Contents

I. Introduction

The Surface Mining Control and Reclamation Act of 1977 (SMCRA) created the Office of Surface Mining Reclamation and Enforcement (OSM) in the Department of the Interior. SMCRA provides authority to us to oversee the implementation of and provide Federal funding for State regulatory and abandoned mine land programs that have been approved by us as meeting the minimum standards specified by SMCRA. This report contains summary information regarding the Virginia program and its effectiveness in meeting the applicable purposes of SMCRA as specified in section 102. This report covers the period of October 1, 2001, to September 30, 2002. Detailed background information and comprehensive reports for the program elements evaluated during the period are available for review and copying at the Big Stone Gap OSM Office.

The following list contains acronyms used in this report:

AML	Abandoned Mine Land
DMLR	Division of Mined Land Reclamation
EY	Evaluation Year
NEPA	National Environmental Policy Act
SMCRA	Surface Mining Control and Reclamation Act

II. Overview of the Virginia Coal Mining Industry

Coal is Virginia's most abundant indigenous energy resource and has been important to the State's development since the colonial period. The first commercial production of coal in the United States was in 1748 from the Richmond Coalfield just west of Richmond, Virginia. This coalfield flourished until the Civil War, which destroyed much of Virginia's coal fueled industry. In 1883, the Norfolk and Western Railway opened the first major production mine in Southwestern Virginia at Pocahontas in Tazewell County. Since that time, the seven counties comprising the Southwestern Virginia Coalfields: Wise, Buchanan, Dickenson, Tazewell, Lee, Russell and Scott (in descending order based on 1998 production) have dominated Virginia coal production, accounting for 100 percent of Virginia's production.

The Southwestern Virginia Coalfield is part of the Central Appalachian Coalfield that includes Eastern Kentucky and Southern West Virginia. In Virginia, the bituminous coal is produced from over two dozen Pennsylvanian age coal seams that vary in thickness from under one foot to occasionally over six feet. The coalfield area is characterized by steep slopes and narrow valleys with some local areas having a less rugged, rolling topography. Due to steep topography, Virginia mines are predominantly drift mouth underground and contour surface operations. There are a limited number of mountaintop removal, deep shaft, and area-type operations.

Since the effective date of SMCRA, Virginia coal production increased from 29 million tons in 1978 to a high of 47 million tons in 1990. A previous trend of declining coal production has ended and production has stabilized around 32 million ton per year. According to 2000 U. S. Department of Energy statistics Virginia ranked eighth among the coal producing states. Approximately 70 percent of the production comes from underground mines and 30 percent from surface mining. Virginia produces higher quality coal with higher BTU's (British Thermal Units) and lower sulfur content than the national average. This has historically made Virginia coal attractive for metallurgical coke production and for the export market. However, foreign competition continues to have a major impact on Virginia's export market.

During 2000, coal accounted for less than one percent (0.19) of Virginia's Gross State Product (Source: U. S. Bureau of Economic Analysis). Coal production and related industries have a significant economic impact in Southwest Virginia. In the seven coal producing counties, coal mining is one of the major industries. Total earnings of $364,729,000 were derived from the coal industry during 2000 down from 1999 earnings of $402,340,000 (Source: U. S. Bureau of Economic Analysis). In 2001, approximately 8 percent of the coalfield counties' workforce worked in the mining industry. In 2001 unemployment in the coalfield counties ranged from 4.4 to 16.9 percent (Source: Virginia Employment Commission (VEC)) and averaged 7.5 percent. In 2000 unemployment in the area averaged 5.9 percent. The overall State unemployment average was 2.2 and 3.5 percent for 2000 and 2001. (Source: VEC).

Of the 676 inspectable mining units in Virginia, 171 are surface mines, 330 are underground mines, 112 are support activities, and 63 are exploration notices. There are 136 producing surface mines and 264 producing underground mines. The average permitted acreage is 323 acres for surface mines, 30 acres for underground mines, and 84 acres for support facilities. For comparative purposes, in 1991, we had 1,130 inspectable units of which 298 were surface mines, 492 underground mines, 163 support facilities, and 177 exploration notices. In 1991, the average permitted acreage was 124 acres for surface mines, 18 acres for underground mines, and 54 acres for support facilities. Although we have seen a reduction in the number of inspectable units during the past ten years, the trend toward fewer, larger operations is evident.

Since the 1950's, Virginia has documented twelve deaths associated with coalfield abandoned mine land hazards. Five deaths were drowning, three were falls from highwalls, two were burning refuse suffocations, one was caused by a gob waste landslide into a residence, and one was caused by a rock slide associated with abandoned underground mine subsidence. Two injuries have been documented from a collapsing refuse pile and one injury is documented from a slumping underground face-up area that slid into a residence. A large number of AML related hazards are still present in the coalfields and are being addressed on a priority basis.

The abandoned mine land program has had a significant impact in Virginia. The following is just a sampling of the many accomplishments that the abandoned mine reclamation program has had in Virginia. Since 1978, Virginia has restored 75 miles of

streams and reclaimed 937 acres of clogged stream lands; eliminated 23 dangerous impoundments; reclaimed 274 acres of dangerous piles and embankments; sealed 1132 dangerous mine openings and 114 vertical openings; replaced 1614 water supplies adversely impacted by mining; and reclaimed over 8.2 miles of dangerous highwalls. Funding for this program will expire in 2004 without Congressional extension.

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

At the beginning of the 2002 oversight year, OSM and DMLR developed an annual oversight plan. During the process of developing this plan, we published an announcement in newspapers of general circulation in the coalfields soliciting input into the plan. We also mailed notices to interested citizen, industry and environmental groups. We did not receive any comments as a result of the advertisement but received comments from several individuals as a result of our direct mailing. The comments received were used in formulating this year's annual work plan.

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

DMLR continues to work with the U. S. Army Corp of Engineers, LENWISCO Planning District, and Black Diamond Resource Conservation and Development, Inc. to plan and conduct stream restoration projects related to acid mine drainage in the Powell River. They also participated in numerous meetings of the Upper Tennessee River Watershed Roundtable to address mining related issues in the Clinch and Powell Rivers in Virginia. DMLR also partnered with five local watershed groups to secure non-federal funding to reclaim five priority 3 abandoned mine land sites.

State staff has met with citizens on numerous occasions to discuss citizen concerns. Additionally, several other meetings were held addressing agency permitting initiatives, informational exchange on "mined fields to soccer fields," electronic permitting initiatives, and remining. Also, DMLR began development of a program amendment this year with public participation.

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

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

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

This year marks the 21st anniversary of a primacy program in the Commonwealth of Virginia. DMLR's implementation of its approved program during the past 21 years has provided increased protection to the public and enhanced environmental protection to the resources located within the Virginia coalfields. DMLR has established itself as a highly skilled organization in both surface mine inspection and technical evaluation. DMLR is a leader in annual strategic planning, continually evaluating its plan in order to improve the quality of its services. Over the past year, we have monitored DMLR's performance in meeting the goals and objectives of the approved State program. We found that DMLR is successfully implementing both its regulatory and abandoned mine land programs. A list of the oversight reviews used to reach this conclusion is included in section VII of this report. We expect DMLR to continue to provide leadership to industry and citizens during the coming year. We look forward to working cooperatively with Virginia during the next year.

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

DMLR and OSM continue to develop an inventory of long-term pollutional discharges from Title V permits in the state of Virginia. This inventory comprises a segment of the inventory for the entire Appalachian region (Pennsylvania, Maryland, Virginia, West Virginia, Ohio, Kentucky, and Tennessee). We, and the states, will use the inventory to pinpoint the geographic location where coal mine drainage problems occur, to characterize the extent of water pollution problems for defined geographic areas, and to establish strategies for addressing the impacts of actual and defined discharges.

During the year DMLR used innovative approaches to achieve reclamation on abandoned mined lands and to assist in economic development in the region. DMLR entered into several "no cost" reclamation contracts with industry, using excess spoil from permitted mining operations to eliminate several miles of abandoned mine highwalls that normally would not be reclaimed. DMLR used its abandoned mine land enhancement rule to remove a dangerous highwall near a recreational area in Buchanan County. The park gained additional space for parking and athletic fields, public health and safety was protected and minimal funds were expended to complete the project. Additionally, DMLR has encouraged the use of experimental practices to develop several industry and commercial sites for the region.

As a result of studies into the impacts of approximate original contour variances and post mining land uses in Virginia and the need to limit stream degradation, DMLR has capitalized on the availability of previously mined lands to dispose of excess spoil from mining operations. In addition to reclaiming abandoned mine lands, the practice also minimizes the development of new valley and hollow fills and reduces impacts to coalfield streams.

DMLR and the U.S. Army Corp of Engineers continue to study the impacts of acid mine drainage in the Powell River watershed. Efforts continue toward a comprehensive construction project, the Powell River Ecosystem Restoration Project, to mitigate acid mine drainage impacts.

DMLR is an active participant in the Guest River Restoration Project cooperating with federal, state, and local agencies to restore the Guest River. During 1999, OSM provided $80,000 and technical support through the Appalachian Clean Streams initiative to assist the restoration effort. The project was successfully completed in August 2001. A second phase of the project is currently under development and we expect funding in early EY 2003. This year, DMLR partnered with the Guest River Reclamation Project and the Black Diamond RC&D to secure a $100,000 Clean Stream Initiative grant for acid mine drainage remediation at the University of Virginia's College at Wise. Reclamation in these areas would not be possible without the pooled financial resources and expertise of each of the partners.

DMLR's approved program is current. An amendment responsive to a Federal Part 732 Notice on Valid Existing Rights is currently being developed by DMLR. DMLR is waiting on settlement of Federal litigation on VER before submitting the amendment. Virginia continues to be a leader among primacy states in keeping their program current with Federal regulations.

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

DMLR is a leader in developing electronic permitting capabilities. DMLR successfully implemented its electronic permitting program. Approximately 80 percent of current permitting activity is in an electronic format. Electronic, and "hard copy," permitting forms and guides are available via DMLR's Internet homepage (www.mme.state.va.us.)

During EY 2001 DMLR hosted a national computer technology meeting that showcased their electronic permitting capabilities. Attendees gathered to share ideas on electronic permitting and learn techniques from leading edge states like Virginia. Due to the success of the original meeting, DMLR presented a second program for the western states earlier this year.

The U. S. Environmental Protection Agency has delegated their Clean Water Act responsibilities for regulating mine discharges directly to the DMLR. DMLR issues joint mining and National Pollutant Discharge Elimination Systems permits. Jointly issued National Pollutant Discharge Elimination Systems and SMCRA permits are convenient for both permitting and regulatory purposes.

For the last several years, DMLR worked with the National Soccer Federation to secure world-class soccer facilities in a program called "mined fields to soccer fields." DMLR and the sponsoring government entities were hopeful for National Soccer Federation funding to develop such facilities in the coalfield region. This year the National Soccer Federation provided funding for the University of Virginia's College at Wise for program development. Work on abandoned mined lands in on College property helped make this grant a reality. The National Soccer Federation also approved a "starter kit" consisting of goals, balls, etc. to the Russell County School system for a project at the Givens Elementary School in Swords Creek, Virginia. One potential site for this initiative utilized the newly approved "AML enhancement rule," which allows limited mining to offset the cost of the AML project, unfortunately the National Soccer Federation did not fund the site this year.

During 2001, the Department of Mines, Minerals and Energy received the prestigious 18th Annual United States Senate Productivity and Quality Award-Award for Continuing Excellence (ACE). The award is presented to organizations demonstrating "sustained exemplary performance in quality and productivity improvements."

The Black Diamond Resource Conservation and Development recognized DMME for exemplary assistance by an organization to a RC&D council. Also the Virginia Association of Resource Conservation and Development Councils present its 2002 Distinguished Service Award to DMME. This was in recognition of DMME's exemplary assistance to the RC&D Program. The U.S. Army Corps of Engineers also presented to DMLR's Abandoned Mined Land Services Manager the Commander's Award for Public Service this year for efforts associated with the Powell River Restoration Project.

During the evaluation period the abandoned mine land program completed 15 non-emergency projects, 20 emergency projects, and one post-Act emergency. The AML hazards or features have been effectively abated on these project areas.

DMLR continues to partner with the Nature Conservancy promoting carbon sequestration. The agreement provides for a cooperative effort between the two Agencies related to reforestation of selected abandoned mine land sites.

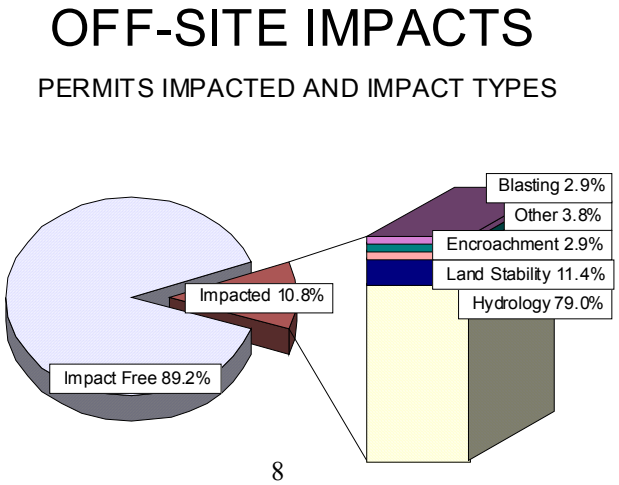
V. Success in Achieving the Purposes of SMCRA as Measured by the Number of Observed Off-Site Impacts and the Number of Acres Meeting the Performance Standards at the Time of Bond Release

To further the concept of reporting end results, the findings from performance standard evaluations are being reported nationally in terms of the number and extent of observed off-site impacts and the number of acres that have been mined and reclaimed and which meet the bond release requirements for the various phases of reclamation. Individual topic reports are available in the Big Stone Gap OSM Office. These reports provide additional details on how the following evaluations and measurements were conducted.

A. Off-Site Impacts:

During the evaluation year, DMLR inspectors conducted 6,406 inspections on 676 mines and exploration notices. We analyzed off-site impact data (Table 4) from 2,929 complete (includes 354 complete inspections on exploration notices) and 3,477 partial State inspections. Eighty nine percent of the mine sites inspected were free of off-site impacts. Thirty-five percent of the 295 violations identified by DMLR resulted in off-site impacts. The number of sites having off-site impacts has increased by two percent since last year. Data indicates that hydrology standards are violated most often (74 percent) and result in the most off-site impacts (68 percent) compared to 40 percent and 75 percent last year. A significant increase in water monitoring violations this year account for the increase in overall hydrology related violations for the year. Water is the resource impacted most often (79 percent) by violations, an increase of 28 percent since last year. Other reasons for off-site impacts included land stability violations, blasting, encroachment, and "other" violations. DMLR considered the impacts to resources as moderate or minor 98 percent of the time, an increase of 7 percent since last year.

We inspected 131 sites and gathered data on off-site impacts to verify DMLR findings. Inspectors found that 82 percent of the sites visited were free of off-site impacts. The data collected by us shows trends similar to those found by DMLR in the larger population. Both DMLR and our data indicates that the off-site impacts to resources are being minimized.



B. Bond Release:

During the evaluation year, we found that 952 acres of land were reclaimed to Phase I bond release standards. This implies that only this amount of acreage was reclaimed to approximate original contour and topsoil replaced. This is misleading because a Phase I release depends on the permittee applying for the Phase I reduction. In reality, most permittees do not apply for a Phase I bond reduction and often do not apply for Phase II reductions, opting to apply for a Phase III (final) bond release only.

We found that 1,411 acres of land were successfully revegetated with surface stability achieved in order to receive a Phase II bond release. This figure is significantly lower than last year's Phase II bond release acreages. Last year's figure represented a one-time effort of several large permittees to reduce bond liability.

DMLR records indicate that 3,031 acres of land received Phase III bond release during the evaluation year. As part of a special study, we reviewed 11 of 34 operations that applied for Phase III bond release between July 1, 2000, and June 30, 2001. We 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 States strategic planning. The Department of Mines, Minerals and Energy maintains a "client assistance center" in its office in Big Stone Gap to better serve its customers. We believe that the State is providing the utmost in service to all of its customers. Our review of DMLR's bond release program found that DMLR responded to public comments and concerns in a timely manner.

The DMLR's awards from the U.S. Army Corps of Engineers and the two resource conservation and development councils attest to DMLR's customer service orientation.

VI. OSM Assistance

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

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

We partnered with DMLR on a remote sensing program this year, that if successful will potentially improve the safety of impoundments by allowing mapping of previously unknown underground mine voids. OSM continues support for the TIPS workstation applications.

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

VII. General Oversight Topic Reviews

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

- *Active/reclamation active permit inspections* - We inspected, jointly with DMLR, 75 active mine sites during the 2002 evaluation year. We focused on compliance with performance standards and assessment of off-site impacts, if applicable. Off-site impacts are discussed in section V. A. of this report.

  Additionally, we targeted four areas, acid mine drainage inventory verification, stream buffer zone variances, water monitoring requirements, and excess spoil fill certifications. If any of these areas was in violation during the inspection, immediate action was taken to correct the problem.

  The focus study on water monitoring resulted in a number of procedural changes and a number of violations to industry for non-reporting. We are discussing with DMLR the addition of a few sites to the AMD inventory, and AMD bonding authority is still being evaluated. The other focus areas identified successful implementation of these program activities.

- *Phase III Bond Release Reclamation Success* - Our joint OSM/DMLR team evaluated eight Phase III bond release applicants to: 1) determine if public notice was provided for all bond release applications and all interested parties were properly notified of the intent to release the bond, 2) determine "on-the-ground" reclamation success, and 3) document that all applicable bond release standards had been achieved before complete bond release was granted. The draft report on this topic did not identify any significant problems.

- *Bond Forfeiture Release Reclamation Success* - Our joint OSM/DMLR team evaluated reclamation on completed bond forfeiture sites to determine DMLR's

adherence to program procedural requirements in: 1) collecting forfeited bonds, 2) pursuing and completing any attendant litigation, and 3) initiating and completing forfeited site reclamation. The draft report on this topic did not identify any significant problems.

- *Enforcement Actions* – We looked at DMLR's adherence to its approved regulatory program in initiating and terminating enforcement in a timely manner; prescribing effective and timely remedial measures and abatement periods; and documenting the reasons for all modifications, terminations, and vacations of enforcement, including abatement period extensions. Our review found that DMLR is successfully implementing this area of its approved program.

- *Processing Permit Revisions* – We examined DMLR's performance in applying its approved program requirements at §4 VAC 774.13(b)(2) and its established guidelines when reviewing and classifying revisions. Depending on classification some revisions must meet all the permit application requirements and procedures of Subchapter VG, including notice, public participation, and notice of decisions. Preliminary results didn't find any significant problems. A detailed report is expected by early 2003.

- *Approximate Original Contour Variances and Post-Mining Land Uses* – This review served as a follow-up to the 1999 report entitled "Approximate Original Contour Variances and Post-mining Land Uses in Virginia." We looked to see if Virginia is adhering to the guidance documents developed as a result of the 1999 study. This includes the guidance documents and/or other commitments related to:
  - AOC determinations,
  - Post-mining land uses and mine type data entry clean-up,
  - Approval of AOC variances for only compatible post-mining land uses,
  - Watershed improvement determinations for steep slope variances,
  - And determinations of "need and market" for permits receiving a mountaintop removal variance.

  We found that DMLR has implemented all the guidance documents and commitments.

- *AML "No Cost" Remining* - During EY 2001 and EY 2002, a joint OSM/DMLR team reviewed AML "no cost" remining projects to determine if DMLR followed NEPA consultation procedures, the approved reclamation agreement, and all other Title IV and V requirements. We found that DMLR met all of the requirements.

- *AML Non-Emergency Construction Management* – A joint team reviewed activities related to DMLR's performance in managing AML non-emergency construction. Although the team generated some recommendations for improving administrative portions of program implementation, we found that DMLR is effectively managing these projects.

- *National Environmental Policy Act (NEPA) Compliance Reviews* - During EY 2002, we conducted reviews of environmental documents submitted by DMLR for NEPA compliance and issued authorizations on 19 non-emergency AML sites. We also conducted NEPA reviews and declared emergencies on 23 sites with AML hazards.

- *Drawdowns and Disbursements of OSM Grant Funding* - A review of this subject found that DMLR is properly administering grant funding.

APPENDIX A

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

TABLE 1

COAL PRODUCTION (Millions of short tons)			
Period	**Surface mines**	**Underground mines**	**Total**
Coal production[A] for entire State:			
Annual Period			
1999	9.472	21.800	**31.272**
2000	9.695	23.415	**33.110**
2001	10.112	22.193	**32.305**
Total	**29.279**	**67.408**	**96.687**

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

TABLE 2

INSPECTABLE UNITS
As of September 30, 2002

Coal mines and related facilities	Number and status of permits								Insp. Units[D]	Permitted acreage[A] *(hundreds of acres)*		
	Active or temporarily inactive		Inactive Phase II bond release		Abandoned		Totals					
	IP	PP	IP	PP	IP	PP	IP	PP		IP	PP	Total
STATE AND PRIVATE LANDS REGULATORY AUTHORITY: STATE												
Surface mines	0	136	0	32	0	3	0	171	171	0	542	542
Underground mines	0	264	0	57	0	6	0	327	327	0	97	97
Other facilities	0	100	0	9	0	3	0	112	112	0	92	92
Subtotals	0	500	0	98	0	12	0	610	610	0	731	731
FEDERAL LANDS REGULATORY AUTHORITY: STATE												
Surface mines	0	0	0	0	0	0	0	0	0	0	0	0
Underground mines	0	3	0	0	0	0	0	3	3	0	0.14	0.14
Other facilities	0	0	0	0	0	0	0	0	0	0	0	0
Subtotals	0	3	0	0	0	0	0	3	3	0	0.14	0.14
ALL LANDS[B]												
Surface mines	0	136	0	32	0	3	0	171	171	0	542	542
Underground mines	0	267	0	57	0	6	0	330	330	0	97	97
Other facilities	0	100	0	9	0	3	0	112	112	0	92	92
Totals	0	503	0	98	0	12	0	613	613	0	731	731

Average number of permits per inspectable unit (excluding exploration sites): 1

Average number of acres per inspectable unit (excluding exploration sites): 120

Number of exploration permits on State and private lands: 0 On Federal lands[C]: 0

Number of exploration notices on State and private lands: 63 On Federal lands[C]: 0

IP: Initial regulatory program sites

PP: Permanent regulatory program sites

[A] When a unit is located on more than one type of land, include only the acreage located on the indicated type of land.

[B] Numbers of units may not equal the sum of the three preceding categories because a single inspectable unit may include lands in more than one of the preceding categories.

[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.

[D] Inspectable Units includes multiple permits that have been grouped together as one unit for inspection frequency purposes by some State programs.

TABLE 3

STATE PERMITTING ACTIVITY
As of September 30, 2002

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[C]	36	10	3,394	9	10	201	5	2	29	50	22	3,624
Renewals	60	22	NA	36	7	NA	25	18	NA	121	47	0
Transfers, sales and assignments of permit rights	17	2		4	1		11	3		32	6	
Small operator assistance	0	0		0	0		0	0		0	0	
Exploration permits	0	0		0	0		0	0		0	0	
Exploration notices[B]		0			0			67			67	
Revisions (exclusive of incidental boundary revisions)		399			29			32			460	
Incidental boundary revisions		60	1,663		29	119		32	690		121	2,472
Totals	**113**	**493**	**5,057**	**49**	**76**	**320**	**41**	**154**	**719**	**203**	**723**	**6,096**

OPTIONAL - Number of midterm permit reviews completed that are not reported as revisions. ____

[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

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	3	0	0	0	0	0	0	1	1	0	0	0	1
	Land Stability	12	0	1	0	5	1	0	7	0	0	1	1	0
	Hydrology	83	16	0	0	18	4	0	63	10	2	11	0	0
	Encroachment	3	0	0	0	1	1	0	1	0	0	0	0	0
	Other	4	0	0	0	0	1	0	2	1	0	0	0	0
	Total	**105**	**16**	**1**	**0**	**24**	**7**	**0**	**74**	**12**	**2**	**12**	**1**	**1**

Total number of inspectable units: 613

Inspectable units free of off-site impacts: 548

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													
	Land Stability													
	Hydrology													
	Encroachment													
	Other													
	Total	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**

Total number of inspectable units:

Inspectable units free of off-site impacts:

Refer to the report narrative for complete explanation and evaluation of the information provided by this table.

TABLE 5

ANNUAL STATE MINING AND RECLAMATION RESULTS

Bond release phase	Applicable performance standard	Acreage released during this evaluation period
Phase I	- Approximate original contour restored - Topsoil or approved alternative replaced	952.00
Phase II	- Surface stability - Establishment of vegetation	1,411.00
Phase III	- Post-mining land use/productivity restored - Successful permanent vegetation - Groundwater recharge, quality and quantity restored - Surface water quality and quantity restored	3,031.00

	Bonded Acreage Status[A]	**Acres**
Total number of acres bonded at end of last review period (September 30, 2001)[B]		62,078.00
Total number of acres bonded during this evaluation year		61,768.18
Number of acres bonded during this evaluation year that are considered remining, if available		Not available
Number of acres where bond was forfeited during this evaluation year (also report this acreage on Table 7)		0.00

[A] Bonded acreage is considered to approximate and represent the number of acres disturbed by surface coal mining and reclamation operations.

[B] Bonded acres in this category are those that have not received a Phase III or other final bond release (State maintains jurisdiction).

OPTIONAL TABLE(S) 6

Not Used

TABLE 7

STATE BOND FORFEITURE ACTIVITY
(Permanent Program Permits)

Bond Forfeiture Reclamation Activity by SRA	Number of Sites	Acres
Sites with bonds forfeited and collected that were unreclaimed as of September 30, 2001 (end of previous evaluation year)[A]	6	74.27
Sites with bonds forfeited and collected during Evaluation Year 2002 (current year)	0	0.00
Sites with bonds forfeited and collected that were re-permitted during Evaluation Year 2002 (current year)	0	0.00
Sites with bonds forfeited and collected that were reclaimed during Evaluation Year 2002 (current year)	0	0.00
Sites with bonds forfeited and collected that were unreclaimed as of September 30, 2002 (end of current year)[A]	6	74.27
Sites with bonds forfeited but uncollected as of September 30, 2002 (end of current year)	0	0.00
Surety/Other Reclamation (In Lieu of Forfeiture)[D]		
Sites being reclaimed by surety/other party as of September 30, 2001 (end of previous evaluation year)[B]	0	0.00
Sites where surety/other party agreed to do reclamation during Evaluation Year 2002 (current year)	8	206.05
Sites being reclaimed by surety/other party that were re-permitted during Evaluation Year 2002 (current year)	0	0.00
Sites with reclamation completed by surety/other party during Evaluation Year 2002 (current year)[C]	7	109.95
Sites being reclaimed by surety/other party as of September 30, 2002 (current evaluation year) [B]	1	96.10

[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

[D] Due to litigation all sites in this category were reclassified from previous year.

TABLE 8

VIRGINIA STAFFING (Full-time equivalents at the end of evaluation year)	
Function	**EY 2002**
Regulatory Program	
Permit review	22.00
Inspection	28.00
Other (administrative, fiscal, personnel, etc.)	29.00
Regulatory Program Total	**79.00**
AML Program Total	**15.00**
TOTAL	**94.00**

TABLE 9

FUNDS GRANTED TO VIRGINIA BY OSM

(Millions of dollars)

EY 2002

Type of Grant	Federal Funds Awarded	Federal Funding as a Percentage of Total Program Costs
Administration and Enforcement		
State Lands	$3.180	50%
Federal Lands	$0.003	100%
Small Operator Assistance	$0.000	
Totals	$3.183	
AML Consolidated Grant	$7.092	100%
Totals	**$10.275**	

TABLE 10

STATE OF VIRGINIA
INSPECTION ACTIVITY

PERIOD: OCTOBER 1, 2001 - SEPTEMBER 30, 2002

Inspectable Unit Status	Number of Inspections Conducted	
	Complete	Partial
Active*	1,631	3,138
Inactive*	895	315
Abandoned*	49	24
Total	**2,575**	**3,477**
Exploration	**354**	**0**

* Use terms as defined by the approved State program.

TABLE 11

STATE OF VIRGINIA
ENFORCEMENT ACTIVITY

PERIOD: OCTOBER 1, 2001 - SEPTEMBER 30, 2002

Type of Enforcement Action	Number of Actions*	Number of Violations*
Notice of Violation	302	302
Failure-to-Abate Cessation Order	0	0
Imminent Harm Cessation Order	4	4

* Does not include those violations that were vacated.

TABLE 12

LANDS UNSUITABLE ACTIVITY

PERIOD: OCTOBER 1, 2001 - SEPTEMBER 30, 2002

Number of Petitions Received	0		
Number of Petitions Accepted	0		
Number of Petitions Rejected	0		
Number of Decisions Declaring Lands Unsuitable	0	Acreage Declared as Being Unsuitable	0
Number of Decisions Denying Lands Unsuitable	0	Acreage Denied as Being Unsuitable	0

APPENDIX B

STATE COMMENTS ON THE REPORT

OSM DISPOSITION OF STATE COMMENTS

From: "Vincent, Les" <lsv@mme.state.va.us>
To: "Ian Dye (E-mail)" <idye@osmre.gov>
Date: 12/16/02 4:13PM
Subject: annual rept

After reviewing the draft annual report, I have only one comment. On page 9, the last sentence in the section C. Customer Service: - it appears that this sentence should be moved to the end of section B. Bond Release.

Page 8 - Offsite Impacts 9th line "significant increase water monitoring violations ..." should be "significant increase in water monitoring violations ..."

Good Job

Thanks

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

CC: "Collins, Gerald D." <gdc@mme.state.va.us>, Ernie Barker <ejb@mme.state.va.us>, Roger Williams <rlw@mme.state.va.us>

From: Ian B. Dye Jr.
To: Vincent, Les
Date: 12/17/02 2:07PM
Subject: Re: annual rept

Thank you the Division's comments. We have made the recommended changes and will be sending the report to the printer soon. We will provide copies to DMLR when printing is completed.

>>> "Vincent, Les" <lsv@mme.state.va.us> 12/16/02 04:29PM >>>
After reviewing the draft annual report, I have only one comment. On page 9, the last sentence in the section C. Customer Service: - it appears that this sentence should be moved to the end of section B. Bond Release.

Page 8 - Offsite Impacts 9th line "significant increase water monitoring violations ..." should be "significant increase in water monitoring violations ..."

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Thanks

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