

**OFFICE OF SURFACE MINING
RECLAMATION AND ENFORCEMENT**

**Annual Evaluation Summary Report
For the
Regulatory Program
Administered by the State
Of
Utah**

**For
Evaluation Year 2007
(July 1, 2006, through June 30, 2007)**

(September 2007)



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I. Introduction

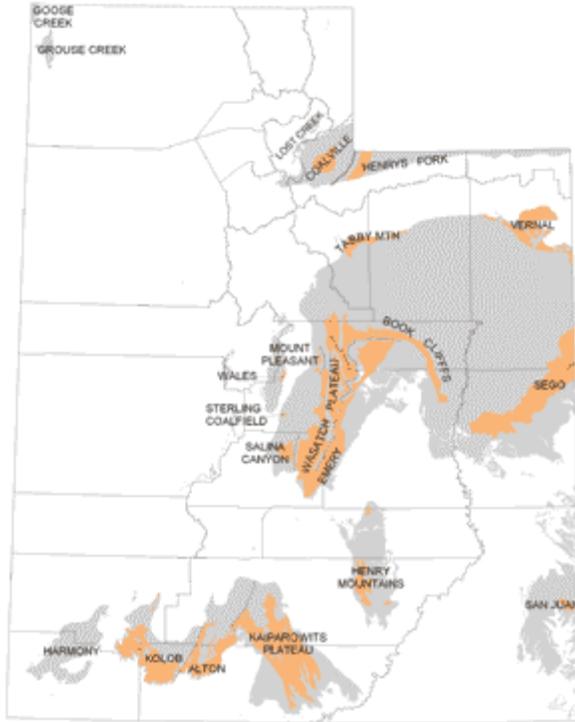
The Surface Mining Control and Reclamation Act of 1977 (SMCRA) created the Office of Surface Mining Reclamation and Enforcement (OSM) in the Department of the Interior. SMCRA provides authority to OSM to oversee the implementation of and provide Federal funding for the State regulatory programs that have been approved by OSM as meeting the minimum standards specified by SMCRA. This report contains summary information regarding the Utah Program and the effectiveness of the Utah Program in meeting the applicable purposes of SMCRA as specified in section 102. This report covers the period of July 1, 2006, through 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 Denver OSM Office.

The following list of acronyms is used in this report:

AML	Abandoned Mine Land
BLM	Bureau of Land Management
CFR	Code of Federal Regulations
DFD	Denver Field Division
DOGM	Division of Oil, Gas and Mining
EY	Evaluation Year
NEPA	National Environmental Policy Act
NTTP	National Technical Training Program
OSM	Office of Surface Mining
SMCRA	Surface Mining Control and Reclamation Act of 1977
SUWA	Southern Utah Wilderness Alliance
TIPS	Technical Innovation and Professional Services Program
UMA	Utah Mining Association
UMLRA	Utah Mined Land Reclamation Act
USFS	United States Forest Service
WR	Western Region
WRTT	Western Region Technology Transfer

II. Overview of the Utah Coal Mining Industry

Coal is found beneath approximately 18 percent of the state of Utah, but only 4 percent is considered mineable at this time. The demonstrated coal reserve base ranges from 5.4 to 14 billion tons. The Federal government holds most of Utah's coal resources. Utah coal fields are shown on the figure below (Utah Geological Survey web site, Coal & Coalbed Methane at [Http://geology.utah.gov](http://geology.utah.gov), August 2006). In 2007, the Wasatch Plateau, Book Cliffs, and Emery coal fields were being actively mined.



Most of the coal is bituminous and is of Cretaceous age. The Btu value is high compared to most other western States. Sulfur content ranges from medium to low in the more important coal fields.

Coal production steadily increased from the early 1970's and peaked in 1996 at 28.9 million tons. Production in 2006 was 25.5 million tons (Table 1). The majority of the coal production is produced by underground mining operations.

As of June 30, 2007, Utah had 25 active or temporarily inactive operations, two inactive operations, and six abandoned sites that had disturbed 2,196 acres. Each of these 33 sites is an inspectable unit (Table 2). Of the 27 non-abandoned

operations, 11 were underground mines that use the longwall mining method, 10 were underground mines that use the room-and-pillar mining method, two were surface mining operations that extract coal from an underground mine refuse pile, and four were coal preparation plants/loadout facilities. As of June 30, 2007, Utah had also reclaimed 472 acres of disturbance for the six abandoned sites. Utah's coal mining industry has a direct, significant impact on the local economies where mining occurs. Coal mining currently occurs in Carbon, Emery, and Sevier Counties. The Utah Department of Workforce Services reported that through the third quarter of 2006 mining companies, including coal mining companies, respectively, employed on average 916, 842, and 500 persons in Carbon, Emery, and Sevier Counties. In Carbon County, coal mining companies represented three of the sixteen largest employers and one was the second largest employer. In Emery County, two out of the five largest employers were coal companies and coal mining companies represented four of the ten largest employers. In Sevier County, a coal mining company was the second largest employer. Preliminary coal mining employment rose significantly in 2006 for all three counties. See <http://jobs.utah.gov/wi/regions/county.asp> for more information on coal related employment in Utah.

The climate of the Wasatch Plateau and Book Cliffs coal fields is characterized by hot, dry summers, the late-summer so-called *monsoon* rains, and cold, relatively moist winters. Normal precipitation varies from six inches in the lower valleys to more than 40 inches on some high plateaus. The growing season ranges from five months in some valleys to only 2 ½ months in mountainous regions.

III. Overview of Public Participation in the Utah Program

Evaluation Process

OSM's WR-DFD and the Utah Department of Natural Resources' DOGM formed an Evaluation Team (the Team) to conduct annual evaluations of Utah's Coal Regulatory Program and make recommendations for improving the administration, implementation, and maintenance of the Program. The Team structure is comprised of three to four core members each from the WR and DOGM. The Team cooperatively: solicits public participation; selects and conducts joint inspections and evaluation topics; and reports, discusses, and tracks off-site impacts. This evaluation method fosters a shared commitment to the implementation of SMCRA. However, due to staffing constraints at DOGM some of these joint evaluation methods were suspended at mid-year.

The Team solicits comments or suggestions from persons and groups who may have an interest in coal mining and, specifically, an interest in the oversight process. DOGM posted a notice on its web page requesting suggestions for oversight topics from the public, industry, and environmental groups. One comment was received from the Utah Department of Natural Resources, Division of Water Rights for this evaluation period. The Team has responded to these comments and will provide additional information as needed.

The Team has made a copy of the 2007 Annual Evaluation Summary Report available on both the OSM internet site at www.osmre.gov and the DOGM site at <http://www.ogm.utah.gov/>.

Utah Program

The approved SMCRA program for the State of Utah is administered by DOGM. The Utah Board of Oil, Gas, and Mining (Board) is the policy making body for DOGM. The Board consists of seven members knowledgeable in oil, gas, mining, environmental, geology, and royalty matters. The Board convened eleven monthly meetings during this evaluation year. The meetings were all held in Salt Lake City.

The mission of the Utah Coal Regulatory Program at the Division of Oil, Gas, and Mining is to regulate exploration for, and development of, coal in the State of Utah which:

- Supports the existence of a viable coal mining industry to meet the nation's energy needs; and

- Implements standards that safeguard the environment and protect public health and safety, and achieves the successful reclamation of land affected by coal mining activities.

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

Accomplishments

DOGM performed outreach to the public, operators, agencies, and stakeholders by providing opportunities to discuss issues.

- Quarterly throughout the evaluation year, DOGM representatives meet with Emery County water user associations, Emery County Coal Operators, Water Rights, USFS, BLM, Emery County Commission and other interested parties to discuss water issues relating to coal mining in the Emery County area. The group discusses cumulative hydrologic impacts, DOGM's water monitoring database, water replacement rules and general issues related to coal mining. The water users provide updates on water availability and systems.

DOGM performed outreach to citizens and communities by participating in programs that help to educate the public about mining.

- The Board of Oil, Gas and Mining sponsors an Earth Day Awards Program to recognize operators or individuals for going beyond what is required by regulation to protect the environment while providing society with essential natural resources. The Board recognized:
 - Canyon Fuel Company's Skyline Mine and the Sanpete and Carbon Districts Boy Scouts of America for their work on the James Canyon musk thistle noxious weed control;
 - Canyon Fuel Company's SUFCO Mine for wildlife and stockpond habitat improvement; and
 - C.W. Mining Company's Bear Canyon #2 Mine for outstanding final mine site reclamation.
- The Division's Associate Director of Mining is an adjunct professor teaching a mine permitting and reclamation class for Mining Engineering students at the University of Utah. Division employees assist in some segments of the class.
- The Division maintains information on their web site at <http://www.ogm.utah.gov/>. Information includes: Water Quality Database, announcements of pending rules, mine information, contact information, links, technical information, and an FTP site.

DOGM provides leadership and outreach in the coordination with other State and Federal agencies involved in coal.

DOGM conducts monthly interagency conference calls to coordinate permitting issues. Agencies who participate in these calls include the BLM, State Trust Lands, OSM, United States Fish and Wildlife Service, and the USFS. Utah's cooperative agreement is somewhat unique in that it requires the state to obtain federal agency concurrence rather than OSM performing this coordination effort as in other federal lands states.

- DOGM participated in regular interagency coal manager meetings half-way through the evaluation year to cooperatively facilitate coal mining in an environmentally sound manner that ensures maximum benefit to the public. These meetings have since been suspended.

DOGM is in the process of maintaining and developing a database and data processing for electronic permitting. Elements of the database include permit review tracking, automated inspection reports, document indexing, and annotation of digital photographs. Currently implemented activities have been reduced but previously included:

- Files and mining plans are being converted from paper to electronic PDF files;
- Electronic documents on DOGM's network are in an electronic filing system that makes documents electronically available to DOGM staff. Permitting information including permits, bonds, acreages, mine and permit status, inspections and compliance information are tracked in the database;
- Staff permitting tasks are assigned, scheduled and tracked; and
- A relational database of people and companies that associates them with each other, permits, projects and other activities has been created and used for notifications, mailing lists, inspection reports, fees and other DOGM related work.

Issues

The following is a description of significant regulatory issues DOGM has addressed on mining operations during EY 2007. Some of the issues may be ongoing and DOGM continues to monitor them.

SUFECO Mine – Water Replacement

As a result of subsidence from longwall mining water flow from the Pines 105 spring diminished. The water is source for 1500 head of cattle in the summer months. Normally, this would require water replacement as required by regulation. However in this case, no water rights had been filed for this spring. The Division made a Finding of Material Damage to the water source on May 22, 2006, and required action to be taken by the mine operator. The operator, who was fully cooperative, developed a short term

replacement plan and is in the process of developing a long-term mitigation plan to ensure future grazing on the Manti LaSal National Forest lands. The damage from longwall mining and a subsequent plan for the return of the post mining land use is being closely followed by the Division and Emery County Water Users.

Coal Hollow Mine (Alton Coal Development, LLC) (635.64 Acres)

A new permit application for fee surface/fee coal (635.64 acres) was submitted to the Division on June 27, 2006. This application is now under the second administrative completeness review. The BLM is commencing the Environmental Impact Statement process for future federal leases. This proposed surface mine is located in the Alton coal field which currently has no coal mining activity.

Horse Canyon Mine – Lila Canyon

An application for this permit extension was received in September of 1998. After six rounds of deficiencies, a permit was issued in May of 2001 and Mining Plan Approval was granted in November of 2001. SUWA filed an objection to the permit, and a subsequent hearing before the Board reversed the Division's decision, denying the permit in December of 2001. The application has since been refiled, an informal hearing held, and numerous rounds of deficiency reviews were completed. The application was approved on May 2, 2007. The conditioned permit was issued on May 18, 2007 for 4664 acres for the Lila Canyon Extension. SUWA appealed the permit decision on June 1, 2007. A procedural hearing was held on June 27, 2007 where the Board heard arguments from SUWA, UtahAmerican Energy, Inc., and the Division on June 27, 2007 about the type of hearing that should be held.

SUWA submitted an unsuitability petition to OSM on July 25, 2006 to designate all lands lying within the zone of subsidence of the proposed Lila Canyon Extension to the Horse Canyon Mine ("subject lands") as unsuitable for surface coal mining operations. SUWA urged the Secretary to designate the subject lands as unsuitable for surface coal mining operations because such lands are either known to contain or likely to contain a significant number of historic and prehistoric sites. OSM notified SUWA on August 24, 2006 that it was exercising its discretion to not process the petition because an administratively complete permit application had been filed, and the first newspaper notice has been published more than two years prior to the petition's submittal. On September 13, 2006, SUWA submitted a revised unsuitability petition. OSM reaffirmed its August 24, 2006 decision and did not process SUWA's revised petition.

Federal Lease Addition - Bear Canyon Mine (Co-Op Mining Company)
(7591.25 Acres)

An application to add 7,591.29 acres of fee and federal acreages to the Bear Canyon Mine was submitted on July 22, 2005. At a May 16, 2006 meeting of the USFS, OSM, and the Division, the USFS decided that a supplemental NEPA analysis was required for the USFS lands affected.

Meetings were conducted with the BLM, USFS, OSM, the Division, and the applicant concerning the NEPA requirements for this project. Supplemental information was collected for the NEPA adequacy. Four rounds of technical deficiencies and responses resulted in the Division sending a Decision Document including several conditions to OSM on April 5, 2007, that required USFS consent. USFS consent was granted on June 5, 2007. The Secretary approved the mining plan on July 3, 2007.

UMA – Five Potential Rule Changes

The UMA submitted a letter on November 27, 2006 outlining five potential rule changes in the Utah Coal Regulatory Program: #1 – Should the area above the underground workings be included in the permit area; #2 – the coal mine operator should not be responsible for a third party disturbance within the disturbed area; #3 – clarify the requirements for sealing of wells and drill holes; #4 – requests for information from the Division based on rules with verbiage “as required” will include a finding by the Division as to why the additional information is required; and #5 – remove the one square mile criteria from the intermittent stream to clarify that this does not include ephemeral streams. The Board requested the Division to work with UMA on the five potential rule changes. The Division met with the UMA on February 5, 2007, May 24 and June 14, 2007. The Division reported to the Board on June 27, 2007.

Innovations

DOGM has been a facilitator and participant in holding regular discussions among various agencies that deal with coal mining in the State of Utah. Approximately, 90 percent of the mining in Utah involves Federal coal and/or Federal lands. A subcommittee of the Interagency Coal Group is the wildlife subcommittee. This group was organized to review wildlife issues.

V. Success in Achieving the Purposes of SMCRA

The Team evaluates the number and extent of observed off-site impacts, the number and percentage of inspectable units free of off-site impacts, the number of acres that have been mined and reclaimed and which meet the bond release requirements and have been released for the various phases of reclamation, and the effectiveness of customer service provided by the State. Individual topic reports which are available in the WR-DFD Office provide additional details on how the following evaluations and measurements were conducted.

Off-site Impacts

An “off-site impact” is anything resulting from a surface coal mining and reclamation activity or operation that causes a negative effect on resources (people, land, water, structures) outside the area authorized by the permit for conducting mining and reclamation activities.

Table 4 shows the number and type of off-site impacts that were observed and documented as having occurred during EY 2007, both for permitted sites and bond forfeiture sites.

Sites Where DOGM Has Not Forfeited Reclamation Performance Bonds

The Team assessed whether off-site impacts had occurred on each of the 27 non-forfeited mine sites that existed at some time during the evaluation period. The Team did so through the following 328 on-the-ground observations: 121 DOGM complete inspections including 4 OSM and DOGM joint, complete inspections; 203 DOGM partial inspections (Table 9); and 4 special focus/topic evaluation observations discussed in section VII below. Based on the above, and DFD monthly review of all DOGM inspection reports and enforcement actions, the Team finds that DOGM has met or exceeded the required inspection frequency on all inspectable units.

For EY 2007, the Team documented two minor, hydrology, off-site impacts to a water resource resulting from active coal mining operations (Table 4). Ninety-three percent of Utah mines were free of off-site impacts. In comparison, the Team found 96, 96, 100, and 96 percent of the mines free of off-site impacts in EY's 2003, 2004, 2005, and 2006, respectively.

Sites Where DOGM Had Forfeited Reclamation Performance Bonds

Since 1981 when OSM approved the Utah permanent regulatory program, DOGM has forfeited reclamation performance bonds for six mines. (The White Oak Mines #1 and #2 are counted with the bond forfeiture sites because the Division issued the determination to forfeit; however, bond forfeiture monies were never received. Monies were obtained from the Loadstar Bankruptcy Trustee, Frontier Insurance, and a "General Settlement Fund" outside of the Loadstar bankruptcy estate.)

During EY 2007, DOGM conducted seven complete and eight partial inspections on the six mines (see Table 9). It did not observe any off-site impacts. Table 4 (bottom half) shows that 100 percent of the bond forfeiture sites were free of off-site impacts. The Team has also found 100 percent of these mines to be free of off-site impacts in EY's 2003, 2004, 2005, and 2006, respectively.

Reclamation Success

Sites Where DOGM Has Not Forfeited Reclamation Performance Bonds

For the operations where DOGM has not forfeited reclamation performance bonds, the Team used as the measure of reclamation success the disturbed acreage that had received bond release. Historically, the amount of bond release acreage in Utah is very low due to the following two factors:

- Most of the permitted operations are underground mines (Table 2). Underground mining operations are long-lived and remain active during the entire life of the operation because of their continued use as surface facilities. Although the surface disturbances for underground mines are relatively small (2,196 acres for EY 2007), there are 177,250 permitted acres (Utah includes the area of land over the underground mine workings) for 33 mines, or an average of 5,371 permitted acres per mine in Utah.
- The bond liability period is a minimum of 10 years.

Table 5 shows the permit acreage where DOGM partially released (phases I and II) or totally released (phase III) bonds during the evaluation year. For the 2,250 acres of total disturbance that had not yet received final (phase III) bond release at the beginning of the evaluation year, DOGM granted a phase I bond release of 99 acres at the Des Bee Dove and Willow Creek mines, and a phase II bond release of 32 acres at the Gordon Creek Nos. 2, 7, and 8 mine. An additional 31 acres were bonded and disturbed during the evaluation year at the Centennial and Dugout mines, and DOGM granted a phase III bond release of 85 acres at the Des Bee Dove and Willow Creek mines, thus reducing the total number of disturbed acres to 2,196 as of June 30, 2007.

Customer Service

As was explained previously in this report, some of the joint evaluation methods were suspended at mid-year due to staffing constraints at DOGM. Consequently, the Team was unable to complete the customer service topic evaluation for EY 2007.

VI. OSM Assistance

For the one-year grant period starting July 1, 2006, DOGM requested \$2.5 million in assistance. The lack of any meaningful increase in the appropriation for regulatory grants over the past several years has made it impossible for OSM to fully fund most State regulatory programs, resulting in Utah receiving \$1,698,219 (Table 8) or 68 percent of its request. Through a Federal lands cooperative agreement, OSM reimburses DOGM for permitting, inspection and other activities that it performs for coal mines on Federal lands (Table 7). Because most of the mines in Utah occur on Federal lands, Utah uses the option under the Federal Assistance Manual for Area-Weighted Average Option which would call for OSM to provide funding at an 88 percent level of DOGM's total program costs. As described above the Federal appropriation has not allowed full funding. As a result, Utah has overmatched its share with additional State funds and has been forced to reduce staff. OSM also provided the Utah program with \$2.359 million in abandoned mine land reclamation funding. This amount represents 100 percent of required OSM funding for the Utah AML program (Table 8).

Through NTTIP and TIPS, OSM offers free-of-charge technical training courses to State and Tribal employees. During EY 2007, 23 DOGM employees (students) participated in 12 NTTIP training opportunities, and three employees participated in five TIPS training

opportunities. DOGM, in kind, provided one TIPS instructor/course developer and several NTPP instructors.

OSM's Technical Librarian filled 6 reference requests, and provided 35 journal article reprints to Utah Staff.

DOGM used to be one of the major contributors to the advances in Western electronic permitting, geographic information systems, and hydrology database application. Advances in this area are stalled as energies are limited to permitting and inspection. Utah Staff made significant contributions to the annual WRTT meeting this year held in Salt Lake City, Utah. Utah's Associate Program Director provided opening remarks for the meeting and the Utah WRTT representative arranged a field trip for the team to visit Kennecott's Copper Mine. Mining and reclamation techniques were viewed on the mine tour. Additionally, a member of Utah's Title V program presented case studies for bond release at the meeting. Following the annual TIPS service manager visit, a DOGM employee requested assistance from OSM regarding vegetation surveys at bond forfeiture sites. OSM provided this assistance to Utah in May and worked with the employee to develop vegetation survey skills.

VII. General Evaluation Topic Reviews

Each year OSM and DOGM evaluate topics to determine whether DOGM is effective in ensuring reclamation success, preventing off-site impacts, and ensuring effective customer service. Results of all evaluation topic reviews are available at the WR-DFD Office. For EY 2007, the Team conducted one evaluation topic review.

Reclamation Success and Prevention of Off-site Impacts – Coal Exploration

This evaluation was based on OSM Directive REG-8 for determining whether the DOGM is effective in ensuring reclamation success and preventing off-site impacts. Utah enacted a counterpart to SMCRA section 512(a) in the UMLRA at section 40-10-8. To implement this UMLRA provision, DOGM promulgated rules at R645-200. Utah's rule at R645-200-122 requires that exploration operations that remove 250 tons or less of coal require DOGM review of a Notice of Intention to Conduct Minor Coal Exploration under the requirements of R645-201-200. Utah's rule at R645-200-123 requires that exploration operations that remove more than 250 tons of coal, or which take place on lands designated unsuitable for surface coal mining operations under R645-103, require DOGM approval and issuance of a Major Coal Exploration Permit under the requirements of R645-201-300. Pursuant to R645-200-121, coal exploration is subject to Title 43, Parts 3480-3487 of the CFR. This category of coal exploration is conducted according to the procedures set forth in 43 CFR parts 3480-3487, i.e., the BLM is the lead for exploration for federal coal. The Division only makes recommendations to the BLM on these exploration applications.

The Team considered the following factors in evaluating this topic:

- Visually observe whether roughening techniques were used and determine how roughening affected revegetation success.
- Determine if off-site impacts have occurred.
- Evaluate site conditions for erosion factors.
- Evaluate site regrading for approximate original contour.
- Conduct a site examination to determine revegetation success and presence or lack of noxious weeds.
- Assess overall appearance of reclamation.
- Evaluate the frequency of inspections needed at minor exploration sites to achieve compliance (R645-400-133).

The Team visited four coal exploration sites (two at the Skyline Mine and two at the SUFCO Mine) varying in age from 4 to 11 years. Overall, each site was well vegetated and blended with its surroundings. In comparing one site with the previous 2002 Evaluation report, it was apparent that precipitation strongly impacted vegetation success.

One site exhibited moderate erosion resulting from a lack of vegetation. An Ark Land company representative reported that this site is privately owned and logging had been performed in past years. A large slash pile existed on the site and was burned prior to the evaluation, which may have prevented successful vegetation following exploration.

Based on the Team's observations, surface roughening should be optional at higher elevations. At SUFCO the team observed two sites, one of which utilized surface roughening. Both sites were well vegetated, however, the site that was reclaimed without roughening techniques was more visually appealing. Use of this technique should be based on various site-specific conditions.

The team recommends that an inspection occur immediately following coal exploration site reclamation. The rules require that inspections be conducted as needed, and an inspection immediately following reclamation will provide added assurance that each site has been reclaimed according to the submitted notice of intent.

Appendix 1

Tabular Summary of Core Data to Characterize the Utah Program

These tables present data pertinent to mining operations and State and Federal regulatory activities within Utah. They also summarize funding provided by OSM and Utah 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 Utah's performance is available for review in the evaluation files maintained by the Denver 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.

EY 2007 REG-8 Tabular Data Information and Suggested Changes for Utah

The following suggestion provides additional information to explain why the tables should be modified to more fully represent mining operations in Utah:

Table 5 –

The "Instructions for Completion of Specific Tables in Directive REG-8" for Table 5 requires the entry of "the number of acres upon which the State has approved Phase I bond release and determined that all applicable standards are met including AOC and replacement of topsoil or approved alternative. *(If State does not require resoiling at Phase I the table should be modified to move the soil replacement row to the Phase II section of the table).*" Utah does not require topsoil replacement until Phase II, so the table will need to be modified accordingly for EY 2008.

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	0.007	24.130	24.137
EY 2006	0.004	25.479	25.483
EY 2007	0.024	24.285	24.309

^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.

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	0	2	0	0	0	1	0	3	3	0.0	2.4	0.0	2.0	4.4
Underground mines	0	19	0	2	0	5	0	26	26	0.0	16.4	0.0	0.3	16.7
Other facilities	0	4	0	0	0	0	0	4	4	0.0	0.9	0.0	5.1	6.0
Total	0	25	0	2	0	6	0	33	33	0.0	19.7	0.0	7.4	27.1

Total number of permits: 33

Average number of permits per inspectable unit (excluding exploration sites): 1.00

Average number of acres per inspectable unit (excluding exploration sites): 82.12

Number of exploration permits on State and private lands: 0 On Federal lands^C: 2

Number of exploration notices on State and private lands: 4 On Federal lands^C: 0

IP: Initial regulatory program sites
PP: Permanent regulatory program sites

^A Inspectable units include multiple permits that have been grouped together as one unit for inspection frequency purposes by some State programs.

^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.

^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.

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	1	0	0	0	0	0	1	0	0	2	0	0
Renewals	0	0		7	7		0	0		7	7	
Transfers, sales, and assignments of permit rights	0	0		0	0		0	0		0	0	
Small operator assistance	0	0		0	0		0	0		0	0	
Exploration permits										2	2	
Exploration notices ^B											4	
Revisions (exclusive of incidental boundary revisions)		1			47			2			50	
Revisions (adding acreage but are not incidental boundary revisions)	0	0	0	1	1	7,591	0	0	0	1	1	7,591
Incidental boundary revisions	0	0	0	3	3	499	0	0	0	3	3	499
Totals	1	1	0	11	58	8,090	1	2	0	15	67	8,090

OPTIONAL - Number of midterm permit reviews completed that are not reported as revisions: 3

^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		
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	0	0	0	0	0	0	2	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	2	0	0	0	0	0
Total number of inspectable units (excluding bond forfeiture sites):		27											
Inspectable units free of off-site impacts:		25											
Inspectable units with off-site impacts:		2											
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	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	99		
Phase II	- Surface stability - Establishment of vegetation	32	32	
Phase III	- Post-mining land use/productivity restored - Successful permanent vegetation - Groundwater recharge, quality and quantity restored - Surface water quality and quantity restored	85	85	85
Bonded Acreage ^A		Acres during this evaluation year		
Total number of new acres bonded during this evaluation year		31		
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		0		
Bonded Acreage Status		Cumulative Acres		
Total number of acres bonded as of the end of last review period (June 30, 2006) ^B		2,250		
Total number of acres bonded as of the end of this review period (June 30, 2007) ^B		2,196		
Sum of acres bonded that are between Phase I bond release and Phase II bond release as of June 30, 2007 ^B		393		
Sum of acres bonded that are between Phase II bond release and Phase III bond release as of June 30, 2007 ^B		151		
Disturbed Acreage		Acres		
Number of Acres Disturbed during this evaluation year		31		
Number of Acres Disturbed at the end of the evaluation year (cumulative)		2,825		
^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	0		0
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)	0		0
Sites with bonds forfeited and collected that were unreclaimed as of June 30, 2007 (end of current evaluation year) ^A	0		0
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	12.00
Inspection	2.00
Other (administrative, fiscal, personnel, etc.)	3.25
Regulatory Program Total	17.25
AML Program Total	11.00
Total	28.25

TABLE 8

**Funds Granted To Utah
 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	\$ 1,698,219	88.40 %
Other Regulatory Funding, if applicable	\$ 0	0.00 %
Subtotal	\$ 1,698,219	
Small Operator Assistance Program	\$ 0	100 %
Abandoned Mine Land Reclamation Funding ^A	\$ 2,359,540	100 %
Totals	\$ 4,057,759	

^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	106	189
Inactive ^A	8	6
Abandoned ^A	7	8
Total	121	203
Exploration	2	0

^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	9	9
Failure-to-Abate Cessation Order	0	0
Imminent Harm Cessation Order	0	0
^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	0
Grazing Land	0
Forest	0
Residential	0
Fish & Wildlife Habitat	0
Developed Water Resources	0
Public Utilities	0
Industrial/Commercial	85
Recreation	0
Other (please specify):	0
Total	85

TABLE 6

RECLAMATION STATUS OF ALL AREAS DISTURBED UNDER THE UTAH PERMANENT REGULATORY PROGRAM ^A																		
Acres Disturbed As of June 30, 2007																		
Permittee, mine name, and permit number	Mine type		Disturbed area		Long-term mining or reclamation facilities	Active mining areas (pits and areas in advance of the pits stripped of topsoil)	Areas backfilled and graded		Areas where Utah has released phase I bond		Areas soiled and seeded / planted		Areas where Utah has released phase II bond		Areas final seeded / planted for 10 years		Areas where Utah has released phase III bond	
	Surface	Underground	EY2007	Total (all years)			EY 2007	Total (all years)	EY 2007	Total (all years)	EY 2007	Total (all years)	EY 2007	Total (all years)	EY 2007	Total (all years)	EY 2007	Total (all years)
Active, temporarily inactive, inactive, and abandoned sites																		
Castle Gate Holding Company Castle Gate Mine C/007/004		X		62.42		6.1		62.42		62.42		62.42		56.9				
Canvon Fuel Company, LLC Skyline Mine C/007/005		X		79.12	79.12													
Plateau Mining Corporation Star Point Mine C/007/006		X		113.34	113.34		113.34	113.34		113.34								5.64
Hiawatha Coal Company Hiawatha Mine C/007/011		X		290	290													
Nevada Electric Investment Company Wellington Preparation Plant C/007/012	(preparation plant)			392	392													
Utah American Energy, Inc. Horse Canyon Mine C/007/013		X		122.49	25.35			61.65		61.65		61.65		61.65				
Mountain Coal Company Gordon Creek #2, #7, and #8 C/007/016		X		34.15	34.15			32.25		32.25		32.25		32.25				0.73
Canvon Fuel Company, LLC Soldier Canyon Mine C/007/018		X		24.32	24.32													
Andalex Resources, Inc. Centennial Mine C/007/019		X		40.27	40.27													
Hidden Splendor Resources, Inc. Horizon Mine C/007/020		X		9.5	9.5													
Savage Industries, Inc. Savage Coal Terminal C/007/022	(preparation plant and loadout)			122.28	122.28													
Andalex Resources, Inc. Wildcat Loadout C/007/033	(preparation plant and loadout)			63.7	63.7													
Canvon Fuel Company, LLC Banning Loadout C/007/034	(preparation plant and loadout)			21.6	21.6													
Sunnyside Cogeneration Associates (SCA) SCA C/007/035		X		202	196.5			5.5		5.5								
Plateau Mining Corporation Willow Creek Mine C/007/038		X		154.04	154.04		154.04	154.04	69.9	75.65		75.65				82.6	90.11	
Canvon Fuel Company, LLC Dugout Mine C/007/039		X		76.95	76.95													
West Ridge Resources, Inc. West Ridge Mine C/007/041		X		29.06	29.06													
Sunnyside Cogeneration Star Point Refuse Mine C/007/042		X		88.78	88.78													
Consolidation Coal Company Hidden Valley Mine C/015/007		X		6.7	6.7			6.7		6.7		6.7						
PacifiCorp Trail Mountain Mine C/015/009		X		10.69	10.69													
Consolidation Coal Company Emery Deep Mine C/015/015		X		62.5	62.5													
PacifiCorp Des-Dee-Dove Mine C/015/017		X		36.22	36.22			23.88	29.5	29.5		29.5					2.52	2.52
PacifiCorp Deer Creek Mine C/015/018		X		97.74	97.74													
PacifiCorp Cottonwood/Wilberg Mine C/015/019		X		62.82	62.82			6.12		6.12		6.12						0.01
Co-Op Mining Company Bear Canyon Mine C/015/025		X		40.46	40.46													
Genoval Resources, Inc. Crandall Canyon C/015/032		X		10.7	10.7													
Canvon Fuel Company, LLC SUFCO Mine				27.36														

Appendix 2

State Comments on the Report



JON M. HUNTSMAN, JR.
Governor

GARY R. HERBERT
Lieutenant Governor

State of Utah
DEPARTMENT OF NATURAL RESOURCES

MICHAEL R. STYLER
Executive Director

Division of Oil Gas and Mining

JOHN R. BAZA
Division Director

September 7, 2007

James Fulton, Chief
Office of Surface Mining
Western Regional Coordinating Center
P.O. Box 46667
Denver, Colorado. 80201-6667

Subject: Appended Comments to OSM- Utah EY07, Annual Evaluation Summary Report: July 1, 2006 through June 30, 2007

Dear Mr. Fulton:

Please append this letter to Utah's Annual Evaluation Summary Report for Evaluation Year 2007. Please note that Utah is asking for a response from OSM on Comment #4.

Comment #1. Table 2 in the report does not provide a full picture of Utah's Coal mine permitting work. This table calls for Permitted Acreage but allows under the Reg-8 instructions that only the disturbed acreage is reported. This fundamental discrepancy affects about nine (9) primacy states, including Utah. Reg-8 should be changed to accommodate how different states conduct their programs under SMCRA.

Comment #2. For Table 3, Utah has gone ahead and reported all the acreage that was added onto permits in EY07, which was 7,591 acres. The Utah Coal Regulatory Program analyzed the surface impacts from underground mining in the process of permitting the new coal leases that were added onto permits.

Comment #3. Table 8 should reflect the overmatch that states have been making since OSM's funding has gone flat over the last several years.

Comment #4. Utah requests that OSM prepare "State-specific data on the projected costs of inspection and enforcement and administration under a federal program in the absence of a Cooperative Agreement" for the state of Utah, as stated in the Federal Assistance Manual at 3-10-30.

Should you have questions, please contact Susan White, Evaluation Team Co-lead at (801) 538-5258, or myself at (801) 538-5306.

Sincerely,

Mary Ann Wright
Associate Director, Mining

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