SURFACE MINING CONSERVATION AND RECLAMATION ACT RECLAMATION AND REMINING INCENTIVES REPORT 2008

Prepared for:
Senate Environmental Resources and Energy Committee
and
House Environmental Resources and Energy Committee

Prepared by: Pennsylvania Department of Environmental Protection Office of Mineral Resources Management



TABLE of CONTENTS

| I. | Executi | ve Summary | 1 | | | | | | |
|-------|----------------|--|----|--|--|--|--|--|--|
| II. | Conclus | sions and Recommendations | 3 | | | | | | |
| III. | | groundground | | | | | | | |
| IV. | | Individual Program Descriptions | | | | | | | |
| 1 V . | marvi | dual Flogram Descriptions | | | | | | | |
| | A. | SMCRA Section 4.8 – Government-Financed Reclamation and Construction Contracts | 5 | | | | | | |
| | B. | SMCRA Section 4.9 - Designating Areas Suitable for Remining | 6 | | | | | | |
| | C. | SMCRA Section 4.10 - Remining Operator's Assistance Program | 6 | | | | | | |
| | D. | SMCRA Section 4.12 - Financial Guarantees | 7 | | | | | | |
| | E. | SMCRA Section 4.13 - Reclamation Bond Credits | 9 | | | | | | |
| | F. | Additional Remining Incentives Projects | 10 | | | | | | |
| V. | Remi | ning Environmental Enhancement Fund | 10 | | | | | | |
| VI. | Remi | ning Financial Assurance Fund | 10 | | | | | | |
| App | endices | | | | | | | | |
| | A) B) C) D) E) | Mining and Reclamation Advisory Board Comments Government-Financed Reclamation and Construction Contracts Project List Remining Operator's Assistance Program Project List Remining Financial Guarantees to Ensure Reclamation Project List Reclamation Bond Credit Project List | | | | | | | |
| | , | J | | | | | | | |

I. Executive Summary

In accordance with the requirements of Section 4.11(b) of the Commonwealth's Surface Mining Conservation and Reclamation Act (SMCRA) regarding the Department's reclamation and remining programs, this report is submitted to the Senate Environmental Resources and Energy Committee and to the House Environmental Resources and Energy Committee. This report provides the status of the Department's reclamation and remining programs authorized under the SMCRA Sections 4.8, 4.9, 4.10, 4.12, 4.13, and 18. Information is current to December 31, 2008.

Since its inception, Pennsylvania's reclamation and remining incentives programs have been very successful. Coal mine operators using these programs have reclaimed 5,045 abandoned mine land (AML) acres equivalent to \$27,301,271 in reclamation value.

The Government-Financed Reclamation Contracts program benefits the public and the mining operators by establishing contracts for mining companies to conduct operations that will reclaim abandoned mine lands sites at little or no cost to the public. Between January 1991 and December 31, 2008, 197 contracts were issued, with a total reclamation value of \$7,939,200.

The Remining Operator Assistance Program (ROAP) creates an incentive to remine and reclaim abandoned mine land areas by providing financial assistance for most of the cost of permitting the remining area. Between August 1996 and December 31, 2008, 30 operators requested participation in this program on 60 remining sites. Through December 31, 2008, 45 projects have resulted in approved remining permits that have reclaimed 409.2 acres of abandoned mine land with an approximate reclamation value of \$2,455,200.

Under the Financial Guarantees program, the Department of Environmental Protection provides low-cost bonding of remining areas. As of December 31, 2008, 158 coal mine operators used Financial Guarantees to bond 599 mining permit increments. Those operations have reclaimed 2,393.8 acres of abandoned mine land, saving the Commonwealth an estimated \$16,689,600.

The Bond Credits program also provides an incentive for operators to reclaim an abandoned area by earning a "bond credit" under a Consent Order and Agreement with the Department. Four licensed mine operators have completed five Bond Credit projects. Five projects have been completed under this program, reclaiming 31 acres. In 2006 Sky Haven Coal, became the fifth company to use the Bond Credit program. Sky Haven is reclaiming the Maney bond forfeiture site. The Maney Project is ahead of schedule and will be completed in 2009. The five completed projects represent a reclamation value of \$217,271.

The Department has not promulgated regulations nor established final criteria for the Designating Areas Suitable for Remining program. Presently, this program is not workable. It sounds good in theory; however, there is not a practical way to implement the program.

Summary of Reclamation and Remining Incentives Programs 1996-2007

| Program | Year | Number of Companies | Number of Projects | AML Acres Reclaimed as of 12/31/07 | Reclamation Value of Projects Completed by 12/31/07 |
|---|-------|------------------------|-----------------------|--|---|
| Government- Financed Rec. Contracts | 91-07 | 77 | 171 | 1,511.5 | \$6,069,000 |
| Remining Operator Assistance Program | 97-07 | 30 | 60 | 360.3 | \$2,161,800 |
| Financial Guarantee | 96-07 | 154 | 567 | 2,2653.1 | \$15,918,600 |
| Bond Credits | 96-07 | 5 | 6 | 31 | \$217,271 |
| Totals | | | 804 | 4,555.9 | \$24,366,671 |

Summary of Reclamation and Remining Incentives Programs 2008

| Program | Year | Number of New Companies | Number of New Projects | AML Acres Reclaimed During 2008 | Reclamation Value of Projects Completed 2008 |
|---|------|----------------------------|---------------------------|---------------------------------------|--|
| Government- Financed Rec. Contracts | 2008 | 6 | 26 | 311.7 | \$1,870,200 |
| ROAP | 2008 | No new ones | No new ones | 48.9 | \$293,400 |
| Financial Guarantee | 2008 | 4 | 32 | 128.5 | \$771,000 |
| Bond Credits | 2008 | 0 | 0 | 0 | 0 |
| Totals | 2008 | | | 489.1 | \$2,934,600 |

II. Conclusions and Recommendations

The Department recommends (1) Section 4(d) of SMCRA be amended to allow reclamation bonds posted for "lands eligible for remining" to be released similar to the provisions of the federal Surface Mining Control and Reclamation Act (SMCRA). This would mean reducing the minimum amount of time bonds are held after reclamation work is complete from 5 years to 2 years; (2) continuing the reclamation and remining incentives programs; and (3) continuing to identify and develop reclamation and remining incentives.

The Department has developed four of the five reclamation and remining incentive programs authorized by the 1992 amendment to the Surface Mine Conservation and Reclamation Act (SMCRA): Government-Financed Reclamation Contracts, Remining Operator's Assistance Program (ROAP), Financial Guarantees and Bond Credits. The fifth program - Designating Areas Suitable for Remining - is not practical. In the time the four programs have been available, coal mine operators have used them to aid in completing reclamation of 5,045 acres of abandoned mine land. This equates to an approximate reclamation value of \$27,301,271 (completed reclamation areas only). In general, it takes several years to negotiate leases, obtain permits, and then remine and reclaim a site. There are many projects in progress with remining or reclamation not yet completed.

Department costs to operate the programs are minimal. Existing staff absorbed the reclamation and remining program work as additional duties.

These programs are encouraging abandoned mine land reclamation at a dramatic cost saving to the Commonwealth. The environment is being enhanced, the mine operators are receiving support, and the Commonwealth's abandoned mine land burden is being reduced. The "Reclaim PA" program aims to maximize reclamation of Pennsylvania's \$15 billion abandoned mine legacy. Remining by industry is a major component of this reclamation effort. This program encourages reclamation with financial incentive for operators to remine and reclaim abandoned mine lands as opposed to surface mining on virgin lands. These remining incentives have become the keystone in the Commonwealth's "Reclaim PA" program. The Department will continue to identify and develop incentives to encourage and expand reclamation and remining operations.

- The Department will continue these reclamation and remining incentive programs.
- The Department will continue to identify and develop incentives to encourage reclamation and expand reclamation through remining operations.
- The Department will initiate changes to Chapter 86 to update the regulations to make the existing remining incentives more compatible with conventional bonding. Currently Remining Financial Guarantees are intended to cover only a remining area, while under DEPs convential bonding process, the bonded area

floats across the entire surface of the permit to cover the area being actively mined. The Department has begun the process to update the Chapter 86 regulations.

III. Background

This report has been prepared in accordance with the requirements of Section 4.11(b) and (c) of the Surface Mining Conservation and Reclamation Act (SMCRA). Section 4.11(b) requires the Department to prepare a report regarding the Department's reclamation and remining programs to the Senate Environmental Resources and Energy Committee and to the House Environmental Resources and Energy Committee. Section 4.11(b) was added to the SMCRA by passage of Act 173 on December 18, 1992. This report summarizes the status of the Department's reclamation and remining programs authorized under the SMCRA Sections 4.8, 4.9, 4.10, 4.12, 4.13, and 18.

There are five primary reclamation and remining programs authorized by these sections of the SMCRA:

- Section 4.8 Government-Financed Reclamation Contracts
- Section 4.9 Designating Areas Suitable for Reclamation by Remining
- Section 4.10 Remining Operator's Assistance Program
- Section 4.12 Financial Guarantees to Insure Reclamation
- Section 4.13 Reclamation Bond Credits

Section 18 of the SMCRA includes the creation of the Remining Environmental Enhancement Fund and the Remining Financial Assurance Fund. The status of both of these funds is included in Sections V and VI, of this report, respectively.

In addition to the program descriptions contained in this report, appropriate tables for each program showing site/operator lists, project cost, reclamation dollar value, acres reclaimed and pertinent dates are included in the appendices to this report. Many of the remining incentive program descriptions refer to a "remined area." A "remined area," as defined in these descriptions, includes the abandoned mine land (AML) area to be reclaimed and up to 300 feet of adjacent previously unmined area that is needed to complete the reclamation.

This report was submitted to the Mining and Reclamation Advisory Board (MRAB) as required by Section 4.11(c)(5) of SMCRA. The MRAB's comments are included as Appendix A.

IV. Individual Program Descriptions

A. SMCRA Section 4.8 - Government-Financed Reclamation Contracts

The Government-Financed Reclamation Contracts program involves contracted operations that will reclaim abandoned mine land sites at little or no cost to the public. This program was previously known as the No-Cost Government-Financed Reclamation Contracts Program. Regulations were deemed unnecessary for implementation of this program. This program allows removal of incidental coal or coal refuse during the reclamation of an abandoned mine land site. Occasionally, coal removal is necessary in order to effectively and efficiently reclaim an abandoned mine land site. The value of the coal or coal refuse that must be removed to reclaim the site offsets the cost of the reclamation project.

Coal refuse is the waste product generated from the physical or chemical cleaning or processing of coal. It contains pyrite (the major culprit in the formation of acid mine drainage pollution), residual coal and various types of rocks and spoil. The Department's Bureau of Abandoned Mine Reclamation's state inventory at the end of 2006 showed 823 abandoned coal refuse piles, covering 9,082 acres in 36 of the 67 Pennsylvania counties. The estimated cost to reclaim these piles is over \$102 million.

Under the Government-Financed Reclamation Contract program, the mining industry has made progress in reclaiming coal refuse and other abandoned mine land sites at no additional direct cost to the Commonwealth. Between January 1991 and December 31, 2008, 197 contracts were issued. Using these 197 contracts at the end of 2008, 1, 823.2 acres had been reclaimed for a total reclamation value of \$7,968,023. The projects contracted during 2008 are listed in Appendix B.

The Government-Financed Reclamation Contracts program was modified in 1999 and is one of the initiatives of the "Reclaim PA" program. The United States Department of Interior, Office of Surface Mining Reclamation and Enforcement approved the new program as an amendment to Pennsylvania's Abandoned Mine Reclamation Plan. The Government-Financed Construction Contracts program allows incidental coal removal as part of abandoned mine land reclamation contracts, authorizes no cost reclamation contracts and allows reclamation of abandoned mine land adjacent to active mining operations using excess spoil.

Government-Financed Reclamation Contracts Overview:

| | As of 12/ | /31/07 | As of 12/21/08 | | |
|---------------------------|-----------|----------|----------------|--|--|
| Number of acres completed | 1,511.5 | 2,2781.6 | | | |
| Number of companies | 77 | | 83 | | |
| Number of projects | 171 | | 197 | | |

B. SMCRA Section 4.9 - Designating Areas Suitable for Reclamation by Remining

The Department has not promulgated regulations nor established a program for designating areas suitable for remining. The Department also found that, considering the broad industry acceptance of the other incentive programs such as the Remining Financial Guarantee Program, the scope and benefits of designating areas suitable for remining required considerably more analysis. The analysis has been completed and there is no feasible way to implement this program at this time.

There are several issues with the Designating Areas Suitable for Reclamation by Remining (DASRR) program.

To designate a property as 'Suitable for Remining,' the Department would need to gather the same information that is required for an approved surface mining permit application. It is unclear whether the property owner or the mine operator would be responsible for submitting this information.

There is no fair, competitive way to determine which property to designate. Determining which surface mine operator should receive the benefits of the designation is also quite arbitrary.

If the Department would gather information on a property that would not be mined in the following ten years, to designate it 'Suitable for Remining', the information would become dated. Mining processes and "best management practices" would probably have advanced enough that it would become necessary for the information to be gathered again.

The Department does not have advanced notice as to which operator will mine the property, if any. Different mine operators use very different equipment and therefore different mining methods. The varying mining methods require different mining and reclamation plans, resulting in different pre-permit information packages needed.

Pre-permit information gathering may cost between \$25,000 and \$200,000. This is a substantial amount to spend for a project that may not move ahead. The Department does not have either the money or the staffing necessary to perform this type of work.

C. SMCRA Section 4.10 - Remining Operator's Assistance Program (ROAP)

The regulations for the ROAP program were promulgated as 25 Pa. Code Sections 86.261-86.270 and became effective on August 24, 1996. The ROAP program provides an incentive to an operator to remine and reclaim an abandoned mine land area that the operator would not otherwise reclaim. This incentive is in

the form of Department financial assistance towards the cost of obtaining a permit for the remining area. The ROAP program pays qualified consultants to collect and analyze permit-specific hydrogeologic data and prepare reports used in the mine permit application.

Between August 1997 and April 2003, 31 operators applied to this program for 60 remining ROAP projects. As of December 31, 2008, 45 ROAP projects became mining permits. When completed, these 45 operations will have provided 2,106.9 acres of surface abandoned mine land (AML) reclamation and 1052.2 acres of AML underground reclamation. The cost to the Department in ROAP assistance for these 45 permits was \$859,493.

The Department or the applicant cancelled 15 of the 60 projects. The Department's cost for these 15 projects totaled \$121,305. Two projects failed to materialize and in one of these cases the operator reimbursed the Department for cost and services provided by ROAP. In the second case the Department is seeking reimbursement from the operator in the amount of \$14,205. Of the 45 ROAP applications which became mining permits, 17 of these permits are actively or eligible to mine coal while 28 are in various stages of reclamation. No additional applications have been taken into the program since 2003 because funding for the program has ceased.

The complete ROAP program projects are listed in Appendix C.

Remining Operator's Assistance Program (ROAP) Overview:

ROAP AML Reclaimed between December 31, 2007 and December 31, 2008 are as follows:

AML surface acres reclaimed - 48.9 DEP's ROAP cost - \$37,618 Value of reclamation completed - \$293,400

Total ROAP AML reclaimed as of December 31, 2008:

AML surface acres reclaimed – 409.2 DEP's ROAP cost - \$414,333

Total AML Reclaimed Upon Completion of ROAP Projects:

Estimated total AML acres surface reclamation – 2,106.9 DEP ROAP Dollars - \$980,798

D. SMCRA Section 4.12 - Financial Guarantees to Insure Reclamation

The Financial Guarantees program regulations were promulgated as 25 Pa. Code Sections 86.281-86.284 and became effective on August 24, 1996. Under this

program, the Department provides low-cost bonds to guarantee reclamation of the remining area of a surface mine permit.

Each operator and each permit must meet the regulatory criteria to participate in this program. An operator is limited to a maximum Financial Guarantee value of 30 percent of the amount allocated in the Financial Guarantee Special Account within the Remining Financial Assurance Fund (RFAF). Each permit is limited to a maximum Financial Guarantee value of 10 percent of the amount allocated in the Financial Guarantee Special Account within the RFAF.

During 2006, with the support of the Mining and Reclamation Advisory Board, the Department increased the amount allocated from \$800,000 to \$1,000,000. This allowed the Department to raise the maximum amount of Remining Financial Guarantees that an operator may use at any one time from \$240,000 to \$300,000 and the maximum permit limit from \$80,000 to \$100,000. This amount is adjusted periodically by the Department based on premium payments made by the operators as well as bond forfeitures. An operator may not substitute Financial Guarantees for existing bonds, and Financial Guarantees may not be rolled over.

An operator is not required to pay the \$100/acre permit fee on any area bonded with Financial Guarantees. Bond release is the same as for any other bond; however, Financial Guarantees are the first bond released on a surface mining permit.

The operator pays an annual fee for Financial Guarantees of one percent per year. The fee is paid in advance and is not refundable. The one percent fee goes into the RFAF. This is the only source of income to the fund.

Since inception of the program on January 3, 1996, about one in every five (19.2 percent) bonding instruments issued have included Financial Guarantees. About half of the reclamation of abandoned mine lands in 2008 accomplished by the mining industry was done in conjunction with the Remining Financial Guarantee program.

One hundred fifty-eight coal mine operators have used Financial Guarantees 599 times as of December 31, 2008. Those operators have reclaimed 2,781.6 acres of abandoned mine land. This has saved the Commonwealth an estimated \$15,995,700 in reclamation costs, based on an average of \$6,000/acre. The Commonwealth's cost to operate this program is approximately 2.5 employee-years of Department staff effort each year.

Appendix D lists the individual projects that were issued in 2008.

Remining Financial Guarantees Overview:

| | As of 12/31/07 | As of 12-31-08 |
|---------------------------------------|----------------|----------------|
| Reclamation value of abandoned | \$15,918,600 | \$15,995,700 |
| mine projects | | |
| Number of acres of AML completed | 2,653.1 | 2,781.6 |
| Number of operators participating | 154 | 158 |
| Number of financial guarantees issued | 567 | 599 |

E. SMCRA Section 4.13 - Reclamation Bond Credits

The Bond Credits program regulations were promulgated as 25 Pa. Code Sections 86.291-86.295 and took effect on August 24, 1996.

The Bond Credits program provides an incentive to an operator to voluntarily reclaim an abandoned mine area that the industry would not ordinarily reclaim. An operator may earn a "bond credit" under a Consent Order and Agreement with the Department by reclaiming an abandoned mine land area. The area does not have to be associated with a mining permit. The value of the bond credit is equal to the lesser of either the Department's cost or the operator's cost to reclaim the stipulated area. Once earned, the operator may use the bond credit instead of normal bonding on future mining permits.

Each bond credit may be used twice by the operator in lieu of a normal bond on a mining permit. The bond credit may be transferred to another operator.

Four licensed mine operators have completed five Bond Credit projects. The earned "bond credits" are being used. During 2006 Sky Haven Coal entered into an agreement for the sixth and largest project. Sky Haven proposed to reclaim the Maney primacy bond forfeiture site for a Reclamation Bond Credit value of \$335,968. This project includes approximately 1200 feet of highwall most of which is over 100' high. There was approximately 531,600 cubic yards of material to be moved to close this pit. The first phase (\$177,856) was backfilled by Sky Haven before July 2007. During 2008 many of Sky Haven's operations were transferred to RES Coal, LLC including this one. RES is finishing this project. The project is well ahead of schedule, almost all backfilling has been competed and the remainder of the site will be planted in 2009.

The Commonwealth's cost in operating this program is approximately one employee/month of Department staff effort for each project.

Reclamation Bond Credits (Bond Credits) Overview:

| | As of 12-31-07 | As of 12-31-08 |
|--|----------------|----------------|
| Reclamation value for completed projects | \$217,271 | \$217,271 |
| Number of acres reclaimed | 31 | 31 |

| Number of projects completed | 5 | 5 |
|-------------------------------|---|---|
| Number of projects in process | 0 | 1 |

F. Additional Remining Incentives Projects

The Department used some of the Growing Greener 2 (GG2) funds to augment the existing Remining Incentive programs by paying for implementation of best management practices and expanded information gathering at eligible remining sites.

Total cost of GG2 projects = \$3,421,886 Potential acres to be reclaimed = 470 Potential miles of stream to be improved = 103

There are 15 approved and one pending projects within the bituminous coal fields in Pennsylvania where Growing Greener 2 (GG2) funding were or will be used to defray the costs of best management practices so that otherwise uneconomical remining projects could go forward. When these projects are completed there will be significant improvement to Pennsylvania's land and water.

V. Remining Environmental Enhancement Fund (REEF)

Section 18 of the Surface Mine Conservation and Reclamation Act (SMCRA), as amended by Act 173 of 1992, authorizes the Secretary to transfer a maximum of \$1,000,000/year into the Remining Environmental Enhancement Fund (REEF). This transfer shall be aggregated from revenue sources in the Surface Mining Conservation and Reclamation Fund, the Clean Water Fund, the Coal Refuse Disposal Control Fund, and the Bituminous Mine Subsidence and Land Conservation Fund. REEF is used to fund the ROAP program and the Designating Areas Suitable for Remining program.

To date, the ROAP program has received appropriations of \$850,000 from REEF (\$450,000 from the Surface Mining Conservation and Reclamation Fund, \$125,000 from the Coal Refuse Disposal Control Fund, \$125,000 from the Bituminous Mine Subsidence and Land Conservation Fund, and \$150,000 from the Clean Water Fund). The ROAP program spent about \$806,136 over 5 years, which is sufficient to fund approximately 10 projects per year. This Fund is now depleted. The money remaining in the Surface Mining Conservation Fund, the Coal Refuse Disposal Control Fund, and the Bituminous Mine Subsidence and Land Conservation Fund is obligated to complete reclamation of forfeited sites, etc.

VI. Remining Financial Assurance Fund (RFAF)

The Legislature also authorized the establishment of the Remining Financial Assurance Fund (RFAF) in the 1992 amendments to the Surface Mining Conservation and Reclamation Act (SMCRA). This fund is used to provide the reserve for the Financial Guarantee and Bond Credits Programs. These amendments authorized the Department to

transfer up to \$5,000,000 from the Land and Water Development Fund to the RFAF. In 1996 \$1,000,000 was transferred into the RFAF. A second \$1,000,000 was transferred into the RFAF in 1997.

There are no planned expenditures from the RFAF. The money in this fund is used as a reserve to guarantee the bonds written in the Bond Credit and Financial Guarantee programs. The Bond Credit program is required to have funds in the RFAF at least equal to funds issued as Bond Credits. The Financial Guarantee program is authorized to use an actuarial formula (mine permit forfeiture rate + a safety factor) to leverage the amount of money in the reserve to write more financial guarantees than are actually allocated in the fund, based on the historical rate of bond forfeitures. Currently, \$1,000,000 is allocated for financial guarantees, allowing the Department to write \$10,600,000 in financial guarantees.

The only other source of funding for the Financial Guarantee and Bond Credit Programs stems from the one percent annual fee that the permittees pay for the use of the Financial Guarantees. Since the financial guarantee program became available in January 1997, participating coal mine operators have paid \$959,751 in annual fees. The annual fees must be held in reserve until the Fund for Financial Guarantees is considered actuarially sound. The Fund is actuarially sound when there is a sufficient amount of money in reserve to cover any expected losses.

The Department has allocated \$1,000,000 to the Financial Guarantee Special Account to act as the reserve for the Financial Guarantee Program. The Department has allocated \$479,064 to the Bond Credit Account to act as the reserve for the Bond Credit Program.

Appendix A Mining and Reclamation Advisory Board Comments

The Surface Mining Conservation and Reclamation Act, Remining Incentives Report, 2008, was presented to the Mining and Reclamation Advisory Board on April 23, 2009. The Mining and Reclamation Advisory Board (MRAB) made the following comments...

Appendix B
New Government-Financed Reclamation and Construction Contracts Project List for 2008

GFCCs

| GI CC | J | | | | | |
|-------|--------------|--------------------------|----------|-------------|----------------|----------------|
| Year | County | Company | Contract | Contr. Date | No. Acres Prop | Bond Amount |
| 2008 | Allegheny | QUALITY AGGREGATES INC | 02-08-01 | 07/24/08 | 30.00 | \$190,000.00 |
| 2008 | Butler | QUALITY AGGREGATES INC | 10-06-02 | 05/01/08 | | \$3,245,000.00 |
| 2008 | Cambria | KB COAL INC | 11-07-02 | 03/27/08 | | \$97,328.00 |
| 2008 | Centre | CMT ENERGY INC | 14-06-01 | 03/06/08 | 10.80 | \$1,800.00 |
| 2008 | Centre | JUNIOR COAL CONTR INC | 14-07-01 | 11/12/08 | 42.60 | \$298,200.00 |
| 2008 | Clearfield | FAIR COAL CO LLC | 17-07-08 | 04/25/08 | 3.50 | \$21,000.00 |
| 2008 | Clearfield | FINNEY ENTERPRISES INC | 17-06-08 | 01/15/08 | 3.00 | \$18,000.00 |
| 2008 | Clearfield | HILLTOP COAL CO | 17-07-02 | 01/16/08 | 4.90 | \$2,940.00 |
| 2008 | Clearfield | JOHN & JUSTIN WELKER | 17-07-12 | 10/14/08 | 9.70 | \$7,350.00 |
| 2008 | Clearfield | RES COAL LLC | 17-08-08 | 11/26/08 | 49.20 | \$19,950.00 |
| 2008 | Clearfield | RH DOTTS ENERGY | 17-07-11 | 10/07/08 | 3.15 | \$16,200.00 |
| 2008 | Clearfield | SWISHER CONTR INC | 17-07-05 | 02/25/08 | 18.80 | \$112,800.00 |
| 2008 | Clearfield | SWISHER CONTR INC | 17-07-14 | 07/28/08 | 10.80 | \$7,560.00 |
| 2008 | Clearfield | SWISHER CONTR INC | 17-07-13 | 12/10/08 | 23.60 | \$9,450.00 |
| 2008 | Clearfield | WAROQUIER COAL CO | 17-07-03 | 02/13/08 | 26.50 | \$125,000.00 |
| 2008 | Clearfield | WHITETAIL CONTR | 17-07-15 | 03/19/08 | 29.30 | \$75,000.00 |
| 2008 | Fayette | PATTERSON COAL CO | 26-07-05 | 12/29/08 | 9.00 | \$1,650.00 |
| 2008 | Fayette | WHITE ENERGY SVC | 26-07-09 | 03/28/08 | 5.00 | \$2,500.00 |
| 2008 | Indiana | ROBINDALE ENERGY SVC INC | 32-07-05 | 06/09/08 | | \$108,480.00 |
| 2008 | Jefferson | P & N COAL CO INC | 33-07-12 | 03/31/08 | | \$7,030.00 |
| 2008 | Somerset | FUTURE IND INC | 56-07-01 | 08/20/08 | | \$14,003.00 |
| 2008 | Westmoreland | COAL LOADERS INC | 65-04-05 | 01/08/08 | 9.50 | \$5,000.00 |
| 2008 | Westmoreland | COAL LOADERS INC | 65-06-07 | 04/11/08 | 28.00 | \$90,306.00 |
| 2008 | Westmoreland | COAL LOADERS INC | 65-07-01 | 06/26/08 | 8.80 | \$64,773.81 |
| 2008 | Westmoreland | COAL LOADERS INC | 65-07-02 | 07/31/08 | 19.80 | \$5,338.90 |
| 2008 | Westmoreland | COAL LOADERS INC | 65-06-06 | 12/16/08 | 40.00 | \$16,611.90 |
| 2008 | Westmoreland | VP SMITH CO INC | 65-07-06 | 07/31/08 | 13.60 | \$75,000.00 |
| | | | | | | |

Appendix C Remining Operator's Assistance Program Project List for 2008

Total ROAP Inventory

| ROAP # | SMP# | SMP ISSD | Operator | District | Status |
|-----------|----------|-------------|-------------------------|------------|------------------------------------|
| 1 | 17990101 | 2/7/2001 | Sky Haven Coal Co. | Hawk Run | Active |
| 2 | 17980101 | 2/9/2000 | Ed Hanslovan Coal Co. | Hawk Run | Bond in forfeiture |
| 3 | 32980109 | 7/28/1999 | Amerikohl Mining Co. | Cambria | Reclamation Completed |
| 4 | 32980105 | 5/11/1999 | Amerikohl Mining Co. | Cambria | Reclamation Completed |
| 5 | | | Hepburnia Coal Co. | Hawk Run | Over Burdern Analysis Only, NPHC |
| 6 | 32980108 | 1/27/1999 | Amerikohl Mining Co. | Cambria | Reclamation Completed |
| 7 | | | Amerikohl Mining Co. | Cambria | Cancelled |
| 8 | 17990107 | 7/5/2001 | River Hill Coal Company | Hawk Run | Active |
| 9 | 54980103 | 2/4/1999 | Gale Coal Co. | Pottsville | Active |
| 10 | 54980201 | 12/4/1999 | A C Fuels Co. | Pottsville | Active |
| 11 | 26980102 | 9/11/1998 | Patterson Coal Co. | Greensburg | Reclamation Completed |
| 12 | 11980202 | 10/2/1998 | Smith Energy | Cambria | Reclamation Completed |
| 13 | 56980110 | 5/3/1999 | Fritz Coal Co. | Cambria | Reclamation Completed |
| 14 | | | Reichard Contracting | Greensburg | Cancelled |
| 15 | 56990101 | 12/22/1999 | Hoffman Mining Inc. | Cambria | Stage two eligible |
| 16 | 03990103 | 12/3/1999 | Amerikohl Mining Co. | Greensburg | Reclamation Completed |
| 17 | 32990103 | 3/8/2001 | T L H Coal Co. | Cambria | Stage One Regraded |
| 18 | 63990102 | PBNM | Robinson Coal Co. | Greensburg | Withdrawn, rails to trails barrier |
| 19 | 17980124 | 10/18/1999 | River Hill Coal Company | Hawk Run | Stage two eligible |
| 20 | 03990102 | 11/13/2000 | Thomas J. Smith Inc. | Greensburg | Reclamation Completed |

Total ROAP Inventory

| ROAP | | SMP | _ | | |
|------|----------|------------|-------------------------|------------|---|
| # | SMP# | ISSD | Operator | District | Status |
| 21 | 32000108 | 12/23/2004 | River Hill Coal Company | Cambria | Active |
| 22 | 26990101 | PBNM | PBS Coal Inc. | Greensburg | Returned 10-25-02 |
| 23 | 17000101 | 9/13/2001 | River Hill Coal Company | Hawk Run | Stage One Regraded |
| 24 | 33990101 | 7/19/1999 | Amerikohl Mining Co. | Knox | Stage two eligible |
| 25 | 17990102 | 9/13/2001 | River Hill Coal Company | Hawk Run | Active |
| 26 | | | Marquise Mining Corp. | Greensburg | Cancelled, coal too deep |
| 27 | 17990103 | 8/4/2002 | River Hill Coal Company | Hawk Run | Active |
| 28 | | | Energy Resource Inc. | Hawk Run | Cancelled, high alk & high quality stream |
| 29 | | | Hepburnia Coal Co. | Cambria | Cancelled, bad overburden & NPHC |
| 30 | 11990102 | 7/16/2003 | AMFIRE Mining Co. | Cambria | Stage One Regraded |
| 31 | 40990101 | 9/15/2000 | Hazleton Shaft Corp. | Pottsville | Active |
| 32 | 03000101 | 10/10/2000 | Amerikohl Mining Co. | Greensburg | Reclamation Completed |
| 33 | | | Larson Enterprises Inc. | Hawk Run | Cancelled, bad overburden |
| 34 | 65990106 | 5/11/2000 | Ralph Smith & Son | Greensburg | Primacy Bond Forfieture |
| 35 | | | Cooney Bros. Coal Co. | Cambria | Denied, AVS block |
| 36 | 17000105 | 2/15/2001 | Hilltop Coal Co. | Hawk Run | Stage 2 approved. |
| 37 | 32010105 | 9/4/2003 | Amerikohl Mining Co. | Cambria | Active |
| 38 | 56000103 | 11/6/2000 | Hoffman Mining Inc. | Cambria | Stage 1/Regraded |
| 39 | 56000105 | 3/8/2001 | Hoffman Mining Inc. | Cambria | Stage 1/Regraded |
| 40 | 33010101 | 8/21/2001 | Sky Haven Coal Co. | Knox | Stage two Approved |
| 41 | 17010110 | 8/15/2002 | River Hill Coal Company | Hawk Run | Active |
| 42 | | | Energy Resource Inc. | Knox | Cancelled, Alk add to high |
| 43 | 24010101 | 10/4/2001 | Energy Resource Inc. | Knox | Active |
| 44 | 11000104 | 6/8/2001 | Hoffman Mining Inc. | Cambria | Stage One Regraded |

Total ROAP Inventory

| ROAP # | SMP# | SMP ISSD | Operator | District | Status |
|-----------|----------|-------------|--------------------------|------------|--|
| 45 | 33010103 | 7/10/2002 | Sky Haven Coal Co. | Knox | Active |
| 46 | 17030102 | 12/13/2006 | River Hill Coal Company | Hawk Run | Not started |
| 47 | 03010108 | PBNM | T D K Coal Sales | Greensburg | Reimbursement Pending |
| 48 | | | T D K Coal Sales | Knox | Reimbursement paid in full |
| 49 | 14040103 | 11/13/2007 | River Hill Coal Company | Hawk Run | Active |
| 50 | 02020102 | 2/20/2004 | Amerikohl Mining Co. | Greensburg | Stage two Approved |
| 51 | 14040101 | 8/30/2007 | River Hill Coal Company | Hawk Run | Not started |
| 52 | 32000101 | 12/1/2000 | Amerikohl Mining Co. | Cambria | Stage One Regraded |
| 53 | | | RSK Mines | Pottsville | Waived Reimbursement |
| 54 | 56030103 | 8/4/2003 | Hoffman Mining Inc. | Cambria | Stage One Regraded |
| 55 | 56030102 | 4/8/2004 | Mountaineer Mining Corp. | Cambria | Stage two eligible |
| 56 | 54030201 | 8/10/2003 | Devil's Hole, Inc. | Pottsville | Active |
| 57 | 26040102 | 2/3/2006 | Amerikohl Mining Co. | Greensburg | Stage two eligible |
| 58 | | _ | Cooney Bros. Coal Co. | Cambria | Cancelled until additional funds available |
| 59 | 54030103 | 4/21/2004 | Jett Contracting Inc. | Pottsville | Active |
| 60 | 56040105 | 10/19/2005 | Berwind Coal Sales Co. | Cambria | Stage One Regraded |

Appendix D New Remining Financial Guarantees to Ensure Reclamation Project List for 2008

Remining Financial Guarantees

| Year | County | Company | Permit No. | FG Number | Issuance Date | Original Amount | Aml Surf Acres | Aml Udg Acres |
|------|----------------|---------------------------|------------|-----------|------------------|--------------------|-------------------|------------------|
| | | | | | | | | |
| 2008 | Allegheny | NEISWONGER CONST INC | 02070105 | 483079FG | 07/22/2008 | \$81,100.00 | 8.7 | .0 |
| 2008 | Armstrong | BEDROCK MINES LP | 03020115 | 483078FG | 05/30/2008 | \$100,000.00 | 24.5 | |
| 2008 | Cambria | EBENSBURG POWER CO | 11070202 | 4840161FG | 08/22/2008 | \$100,000.00 | 57.8 | |
| 2008 | Cambria | RIDGE ENERGY CO | 11070203 | 4840160FG | 01/10/2008 | \$100,000.00 | 18.0 | |
| 2008 | Cameron | ALLEGHENY ENTERPRISES INC | 12060101 | 4820171FG | 01/08/2008 | \$90,000.00 | 7.3 | 16.7 |
| 2008 | Centre | RIVER HILL COAL CO INC | 14040103 | 4820155FG | 02/06/2008 | \$50,000.00 | 7.7 | 9.0 |
| 2008 | Centre | RIVER HILL COAL CO INC | 14040103 | 4820179FG | 11/17/2008 | \$49,830.00 | 7.7 | 9.0 |
| 2008 | Clearfield | AMFIRE MINING CO LLC | 17070103 | 4820172FG | 01/22/2008 | \$100,000.00 | 44.1 | 2.7 |
| 2008 | Clearfield | HEPBURNIA COAL CO | 17040103 | 4820173FG | 02/19/2008 | \$60,230.00 | 11.8 | |
| 2008 | Clearfield | JUNIOR COAL CONTR INC | 17070106 | 4820174FG | 03/25/2008 | \$25,330.00 | 49.0 | 1.0 |
| 2008 | Clearfield | RES COAL LLC | 17030120 | 4820177FG | 09/22/2008 | \$27,416.00 | | |
| 2008 | Clearfield | RES COAL LLC | 17060107 | 4820176FG | 08/26/2008 | \$80,000.00 | 56.2 | |
| 2008 | Clearfield | RES COAL LLC | 17070101 | 4820175FG | 07/21/2008 | \$91,584.00 | | |
| 2008 | Clearfield | RES COAL LLC | 17930124 | 482096FG | 11/04/2008 | \$1,410,600.00 | .0 | .0 |
| 2008 | Clearfield | RIVER HILL COAL CO INC | 17990103 | 4820180FG | 12/09/2008 | \$92,754.00 | 70.3 | 10.2 |
| 2008 | Elk | AMFIRE MINING CO LLC | 24990101 | 4860105FG | 03/04/2008 | \$31,500.00 | 98.0 | 19.4 |
| 2008 | Indiana | ALVERDA ENTERPRISES INC | 32010110 | 4840159FG | 05/21/2008 | \$14,600.00 | 12.1 | 4.9 |
| 2008 | Indiana | ALVERDA ENTERPRISES INC | 32010110 | 4840162FG | 07/22/2008 | \$16,724.00 | 12.1 | 4.9 |
| 2008 | Indiana | ALVERDA ENTERPRISES INC | 32010111 | 4840156FG | 08/04/2008 | \$20,629.00 | 6.5 | .3 |
| 2008 | Jefferson | BEN HAL MINING CO | 33070108 | 4860107FG | 04/22/2008 | \$71,206.00 | 4.6 | |
| 2008 | Jefferson | COOKPORT COAL CO INC | 33070104 | 4860106FG | 03/24/2008 | \$61,500.00 | 9.8 | 9.3 |
| 2008 | Jefferson | ORIGINAL FUELS INC | 33080105 | 4860108FG | 06/03/2008 | \$63,700.00 | 65.0 | 27.0 |
| 2008 | Jefferson | WAROQUIER COAL CO | 33010107 | 4860104FG | 07/23/2008 | \$100,000.00 | 40.0 | |
| 2008 | Luzerne | NEW GENERATION COAL INC | 40060201 | 481055FG | 07/15/2008 | \$52,215.00 | | |
| 2008 | Northumberland | D MOLESEVICH & SONS CONS. | 49070101 | 481085FG | 08/05/2008 | \$21,560.00 | | |
| 2008 | Schuylkill | COAL CASTLE FUELS INC | 54890201 | 481084FG | 07/17/2008 | \$13,336.00 | 82.2 | .0 |

Remining Financial Guarantees

| Year | County | Company | Permit No. | FG Number | Issuance | Original | Aml Surf | Aml Udg |
|------|------------|-------------------------|------------|-----------|------------|-------------|----------|---------|
| | • | | | | Date | Amount | Acres | Acres |
| 2008 | Schuylkill | FREDERICK CONSULTING | 54040202 | 481082FG | 02/15/2008 | \$6,422.00 | | |
| 2008 | Schuylkill | JETT CONTR CO | 54030103 | 481072FG | 09/24/2008 | \$12,887.00 | 90.0 | |
| 2008 | Schuylkill | PREMIUM FINE COAL INC | 54970101 | 481083FG | 07/10/2008 | \$21,731.00 | 632.0 | .0 |
| 2008 | Schuylkill | SUMMIT ANTHRACITE INC | 54020101 | 481086FG | 09/02/2008 | \$45,386.00 | 300.0 | |
| 2008 | Schuylkill | WHITEY WASH ENTERPRISES | 54070201 | 481077FG | 05/06/2008 | \$28,656.00 | | |
| 2008 | Schuylkill | WILBUR WHITE COAL CO | 54940203 | 481081FG | 02/06/2008 | \$8,275.00 | .0 | .0 |
| 2008 | Washington | MULLIGAN MINING INC | 63080101 | 483080FG | 11/03/2008 | \$73,000.00 | 36.0 | 33.5 |

Appendix E Reclamation Bond Credit Project List

Years 1997 - 2008

| County | Fiscal Year | Company Name | Original Issuance Date | Remine Acres Agreed To Reclaim | Value of Bond Credit | AML Acres Reclaimed | Value of Reclamation |
|----------------|----------------|----------------------------|---------------------------|-----------------------------------|-------------------------|------------------------|----------------------|
| Armstrong | 1998 | Amerikohl Mining Inc. | 07/16/1998 | 7.3 | \$41,747 | 7.3 | \$43,800 |
| Clarion | 1998 | MSM Coal Company, Inc. | 07/08/1998 | 3.9 | \$20,645 | 3.9 | \$23,400 |
| Clearfield | 1999 | Larson Enterprises, Inc | 10/20/1999 | 15.0 | \$43,150 | 15.0 | \$82,500 |
| Northumberland | 1999 | Blaschak Coal | 10/13/2000 | 2.6 | \$28,832 | 3 | \$28,832 |
| Columbia | 2001 | Blaschak Coal | 10/2001 | | \$34,466 | 1.8 | \$38,739 |
| Clearfield | 2006 | Sky Haven Coal | 07/ 2006 | 14.7 | \$335,968 | 0 | 0 |
| | | Totals | | 43.5 | \$504,808 | 31.0 | \$217,271 |