

ANNUAL SUMMARY EVALUATION
of the
UTAH ABANDONED MINE RECLAMATION PROGRAM
for
EVALUATION YEAR 2009
(July 1, 2008, through June 30, 2009)



September 15, 2009



TABLE OF CONTENTS

I.	Introduction.....	1
II.	General Information on the Utah Program	2
III.	Noteworthy Accomplishments	2
IV.	Results of Enhancement and Performance Reviews	4
V.	Accomplishments and Inventory Reports	12
<u>Appendix 1</u> - Coal Reclamation Accomplishments Since June 3, 1983 and Unfunded Coal Problems Remaining.....		16
<u>Appendix 2</u> - Coal Reclamation Accomplishments and Inventory Changes in the 2009 Evaluation Year.....		17
<u>Appendix 3</u> - Noncoal Reclamation Accomplishments Since 1983, and Unfunded Noncoal Problems Remaining.....		18
<u>Appendix 4</u> - Noncoal Reclamation Accomplishments and Inventory Changes in the 2009 Evaluation Year.....		19
<u>Appendix 5</u> - State comments on the report.....		20

ACRONYMS

AML	abandoned mine lands
AMLIS	Abandoned Mine Land Inventory System
AMR	Abandoned Mine Reclamation
BLM	Bureau of Land Management (of the U.S. Dept. of the Interior)
CIMRP	Colorado Inactive Mine Reclamation Program
DFD	Denver Field Division (of the Office of Surface Mining)
DOGM	Utah Division of Oil, Gas and Mining
DNR	Utah Department of Natural Resources
FBMS	Federal Business Management System
NAAML P	National Association of Abandoned Mine Land Programs
NEPA	National Environmental Policy Act of 1969, as amended
OIG	Office of the Inspector General (of the U.S. Dept. of the Interior)
OSM	Office of Surface Mining Reclamation and Enforcement
SMCRA	Surface Mining Control and Reclamation Act of 1977, as amended
USDI	United States Department of the Interior
USFS	Forest Service (of the U.S. Dept. of Agriculture)

Cover photo: Hand backfill closure in opening HO-2 above old loadout structure at the Bryce Coal and Coke site of the Grand Staircase-Escalante National Monument 2 project. 6/17/09

I. Introduction

Title IV of the Surface Mining Control and Reclamation Act of 1977 (SMCRA or “the Act”), as amended, provides moneys to States and Indian tribes from the Abandoned Mine Reclamation Fund (the Fund) and the general Treasury of the United States. The Office of Surface Mining Reclamation and Enforcement (OSM) administers Title IV of SMCRA on behalf of the Secretary of the Interior. The primary purpose of Title IV is to pay the costs of mitigating past mining effects. On December 20, 2006, the President signed the Tax Relief and Health Care Act of 2006 (P.L. 109-432). That legislation included the Surface Mining Control and Reclamation Act Amendments of 2006 (the 2006 Act or the 2006 SMCRA amendments). The 2006 Act amended Title IV of SMCRA to make significant changes in the abandoned mine reclamation fee and the AML program. OSM published final regulations implementing the 2006 Act in the November 14, 2008, **Federal Register** (73 FR 67576). Those final regulations took effect January 13, 2009.

OSM awards grants to States and Indian tribes with moneys from the Fund and the general Treasury to pay their administration costs and reclaim abandoned mines. SMCRA puts the highest priority on correcting the most serious abandoned mine land (AML) problems that endanger public health, safety, and property. As amended, it also allows certain lower priority problems to be addressed if they are in conjunction with, or adjacent to, higher priority problems. OSM, State, and Indian tribal AML programs work together to achieve the goals of the national program. OSM also works cooperatively with the States and Indian tribes to monitor their AML programs.

Directive AML-22 generally describes how OSM evaluates State and Tribal AML reclamation programs in “enhancement and performance reviews.” Following that Directive, a team of State and Federal personnel, called the Colorado-Utah AML Review Team, has been evaluating the Utah Abandoned Mine Reclamation Program (UAMRP) since January 1996. The team includes representatives of UAMRP, the Colorado Inactive Mine Reclamation Program (CIMRP), and OSM’s Denver Field Division (DFD). Luci Malin, UAMRP Administrator, and Loretta Pineda, CIMRP Director, are Team members. Frank Atencio and Ron Sassaman, OSM-DFD, are on the Team. The Team also includes other individuals on an ad-hoc basis as needed. For the 2009 evaluation, Steve Fluke and Louie Amodt, UAMRP, helped us evaluate the 1(a) performance measure. UAMRP employees Steve Fluke, Tony Gallegos, Luci Malin, Jan Morse, and Chris Rohrer helped us evaluate the 2(h) performance measure. Luci Malin and Utah Division of Oil, Gas and Mining (DOGM) employees Jill Marriott and Paula Dupin Zahn helped us with the 3(b) performance measure evaluation. They, and DOGM employee Rose Nolton, also helped us evaluate the 3(c) performance measure. Ron Sassaman wrote this report.

This report summarizes our review and evaluation of the Utah Abandoned Mine Reclamation Program for the 2009 evaluation year, which included the period of July 1, 2008, through June 30, 2009.

II. General Information on the Utah Program

On June 3, 1983, the Secretary of the Interior approved Utah's AML reclamation plan ("State Reclamation Plan") under Title IV of SMCRA. That approval enables the AMR Program to reclaim the State's abandoned mines using SMCRA funds in non-emergency projects. The AMR Program is part of the Division of Oil, Gas and Mining (DOGM) in Utah's Department of Natural Resources (DNR). It administers Utah's Abandoned Mine Reclamation Program under the State's approved Plan. The Denver Field Division of OSM's Western Region works with UAMRP to fund and approve AML projects in Utah and to evaluate AML reclamation and other aspects of the Program.

Section 405(f) of SMCRA authorizes State and Indian tribal AML programs to apply to OSM for annual grants to support their programs and reclaim specific projects. OSM awards grants to Utah to fund the AMR Program's administration costs for the period of July 1st of one year through June 30th of the following year. The same grants also award construction funding that is available to the Program during the same period for each of three years after the initial grant award date.

Utah had three open AML grants during the evaluation year. The 2006 grant funded UAMRP's administrative costs for one year, including 11 positions. It also funded reclamation of two noncoal projects and engineering, design, and other planning for two additional noncoal projects. The 2006 grant expired on June 30, 2009. OSM awarded \$1,626,467 in Utah's 2007 grant for the period of July 1, 2007, through June 30, 2010. That grant funded the Program's 11 positions and administrative costs for one year. It includes funding to reclaim one noncoal project and to engineer, design, and plan two other noncoal projects. Effective November 1, 2007, OSM approved an amendment to that grant increasing the award to \$2,049,219.33. Utah's 2008 grant awarded a total of \$3,644,687 for the period of July 1, 2008, through September 30, 2011. It funded 11 positions, or 10.28 full-time equivalents, as part of UAMRP's administrative costs for one year. That grant includes funding for reclamation of one combined coal/noncoal project. It funds planning costs for a Statewide coal inventory and coal fires assessment, the fifth part in a series of demonstration projects involving an underground mine fire, and inventory and survey work on another combined coal/noncoal project. The amended 2008 grant also funded reclamation of two coal projects and planning activities for three other noncoal projects.

Utah does not have OSM-approved subsidence insurance protection or emergency coal reclamation programs.

III. Noteworthy Accomplishments

Utah received OSM's Western Regional Award for Excellence in Reclamation for the Cottonwood Wash project at the Durango, Colorado, annual conference of the National Association of Abandoned Mine Land Programs (NAAML) in October, 2008. UAMRP partnered with the Utah Division of Drinking Water, the U.S. Forest Service (USFS), and the Bureau of Land Management (BLM) on that noncoal project, the final phase of

which it completed in 2004. UAMRP safeguarded mine openings, USFS focused on reclaiming exploration roads, and BLM funded environmental cleanup. Utah also co-hosted the 2008 NAAMLPL annual conference.

The Program continued its public outreach, partnering, and related activities during the evaluation year. Highlights of those activities included:

- Participating in various events to make presentations and staff information booths, including: The Utah Education Association, Home Education Association, and Mining Association conventions; the Utah State Fair and the Davis County Safe Kids Fair; a Boy Scout Jamboree, the Fillmore National ATV Jamboree, Fivemile Pass ATV event, Utah Outdoor Adventure Expo and the International Sportsmens' Expo; the Richfield Natural Resources Festival; and a St. Patrick's Day parade.
- Publishing and distributing mine safety materials. Staff members distributed 17,883 workbooks for fourth grade students, 234 DVD and VHS "Stay Out – Stay Alive" educational videos, 2,560 pencils, 2,104 abandoned mine reclamation calendars, and 13,248 temporary tattoos;
- Holding five public meetings for the North Tintic, San Rafael, and Silver City projects and for two County Commissions; and
- Partnering with public land management agencies on cooperative projects to leverage its SMCRA funding. Cooperative projects funded entirely or in part during this period with SMCRA moneys included the Grand Staircase-Escalante National Monument 2 coal and noncoal project and the Amazon noncoal project;

The Program also participated in training and technology transfer by:

- Attending the annual conference, mid-winter business meeting, and various committee meetings of the National Association of Abandoned Mine Land Programs;
- Attending three courses OSM sponsors through the National Technical Training Program (NTTP), with staff members occupying three training slots in those courses;
- Attending a uranium mine reclamation safety workshop, with staff occupying one training slots; and
- Providing an instructor for OSM's National Environmental Policy Act (NEPA) Procedures training course.

Utah worked with other agencies during the 2009 evaluation period on projects that are not eligible for SMCRA funding. For example:

- The Program continued its partnership with the BLM, Utah's Department of Environmental Quality – Division of Environmental Response and Remediation, the U.S. Army Corps of Engineers, and the Emery County Public Lands Council to plan and carry out the MK Tunnels noncoal project. As a Formerly Used Defense Site, this project addressed abandoned underground workings previously used to test military munitions. The COE is fully funding the MK Tunnels project, where construction is ongoing;

- UAMRP is partnering with the BLM, Emery County Public Lands Council, and the U.S. Department of the Interior – Geological Survey on the San Rafael project. This project addresses abandoned underground copper, uranium, and base metal mines. It is going through the NEPA compliance documentation process. The BLM fully funds UAMRP's costs for this project;
- The BLM is funding reclamation planning for about 50 mine openings in the Brown's Hole uranium project. That project, however, has been postponed in favor of the higher priority La Sal uranium project;
- The BLM is fully funding UAMRP's costs of helping to plan closures of four adits, structural demolition, mine dump regrading, drainage control, and other reclamation in the La Sal project, which currently is in the engineering process; and
- UAMRP participates in the BLM's ongoing "Fix a Shaft Today" (FAST) initiative. That initiative develops and coordinates rapid response to abandoned mine hazards on public lands.

IV. Results of Enhancement and Performance Reviews

We updated the "Colorado-Utah AML Review Team Performance Agreement" on November 21, 2008, and January 5, 2009, to describe the principles of excellence and performance measures that we planned to review in the 2009 evaluation year. The final updated Agreement is dated February 2, 2009.

Principles of excellence and performance measures emphasize on-the-ground or end-results as much as possible. Each general principle of excellence has one or more specific performance measure(s). Performance measures describe: Why we selected that topic; what the review population and sample sizes will be; how we will do the review and report the results; and our schedule for completing the review. The principles of excellence and the specific performance measures we chose for our 2009 evaluation of the Utah AMR Program are:

Principle of Excellence 1: The State's on-the-ground reclamation is successful.

- *Performance Measure (a):* Does reclamation meet the goals of the project?

Principle of Excellence 2: The State AML procedures are efficient and effective.

- *Performance Measure (e):* Does the information the State entered into AMLIS beginning July 1, 2004, agree with information in its files?
- *Performance Measure (h):* Does the State follow its approved Plan's requirements for public participation in project planning?

Principle of Excellence 3: The State has systems to properly manage AML funds.

- *Performance Measure (b)*: Can the grant application and report procedures be improved?
- *Performance Measure (c)*: Are State procedures for property procurement, management and disposal of property effective?

Results of our 2009 evaluations are described below in Parts IV.A, B, C, D and E. We described our evaluation results in much greater detail in an enhancement and performance review report for each performance measure. Those reports are on file in OSM's Denver Field Division and are the detailed factual basis of this report's summary of our evaluation of performance measures 1(a), 2(e), 2(h), 3(b), and 3(c).

A. Summary Evaluation of Performance Measure 1(a)

Our goal for this evaluation was to determine if reclamation met project goals. The evaluation sample included the Nibble and Clink coal project and the Grand Staircase-Escalante National Monument 2 (GSENM2) project, which combined coal and noncoal problems. We empirically compared UAMRP's reclamation to its project specifications and other completion data and reviewed pre- and post-construction photographs. We considered measures UAMRP approved in change orders during construction to address site-specific conditions. We also considered any requirements resulting from interagency consultation it completed to help OSM comply with NEPA and other laws. Our evaluation focused on determining whether completed reclamation met project goals by continuing to abate original hazards, complying with conditions of interagency consultation, and improving overall site conditions compared to pre-reclamation conditions.

DOGM's specifications reflect proven, standardized measures for safeguarding abandoned mine features that can be adapted to site-specific conditions. They also



Coal mine subsidence abated near home in Nibble and Clink coal project. 4/9/09

serve to improve site conditions overall. Concerning mine closures, we determined if they were still closed or if underground workings were accessible and posed a hazard. In general, we agreed that projects met their goals if abatement measures were intact and functional and no problems that would compromise those measures were evident. Construction of closures that preserve wildlife habitat, maintain the appearance of open mines after closure, and leave historic mine features intact are some of the indicators we looked for to determine if the Program implemented the results of interagency consultation. We considered site conditions improved overall

if hazards to public health and safety were abated and, where applicable, if reclamation reduced environmental problems such as erosion and sedimentation while promoting revegetation. Finally, we considered how UAMRP revised one of the projects in response to public concerns.

We concluded that both sample projects met their goals. The Nibble and Clink project abated a subsidence opening in a residential subdivision and stabilized abandoned underground mine workings. The GSENM2 project safeguarded 26 mine openings, backfilled one subsidence feature, and hand-demolished a collapsed ore bin and removed it for disposal. Backfill material in one portal closure settled since UAMRP completed it and will be scheduled for maintenance. UAMRP also protected wildlife habitat and cultural/historic resources in the areas we visited. It incorporated provisions in its specifications that resulted from its interagency consultation on issues involving wildlife, cultural/historic, and paleontological resources.

The GSENM2 project was not typical of almost all AML projects Utah reclaimed to date. It involved a national monument and its attendant land-use disputes. There was strong opposition to the project despite coordinated efforts to keep the public informed from an early date. Five changes reflect the agreement UAMRP and the Federal land management agency reached with the County to address public concerns. They included: Deleting two portals from the project; and changing the types of closures UAMRP constructed in two portals and one vertical opening. The agreement between parties also affirmed the closure type for a second vertical opening.



Rebar grate closure in Bullet Shafts vertical opening 2 of the GSENM2 project. 6/17/09

B. Summary Evaluation of Performance Measure 2(e)

In September 2004, the U.S. Department of the Interior, Office of the Inspector General (OIG), issued report number 2003-I-0074 based on its review of AMLIS data for four eastern States' AML programs. That report criticized the accuracy of the AMLIS data, concluding that AMLIS data did not match data in the respective States' files. In part, the OIG recommended establishing "a quality control system that ensures that States, Tribes, and OSM, as applicable, review and certify the accuracy of data entered into AMLIS."

In response to that recommendation, we developed performance measure 2(e) to require an annual comparison of data in a sample of Utah's AMLIS PADs to data in UAMRP's files to ensure that they agree. UAMRP uses data from its project managers to complete its project completion summaries. We consider project completion

summaries to be UAMRP's "system" for ensuring that completion data Utah enters into AMLIS match data in its files. We compared data in UAMRP's project completion summaries to data in those projects' respective PADs. Data we reviewed for this evaluation pertained to the Nibble and Clink coal project and the Star District, Amazon, and Park City / Silver Creek – Rail Trail noncoal projects and their respective AMLIS PADs.

Our review of the four sample project closeout reports and their respective PADs found that UAMRP -

- Increased the number of staff members who work with AMLIS and project completion summaries;
- Updated AMLIS PADs with completion data for all four sample projects;
- Completed project completion summaries and priority documentation forms for all four sample projects; and
- Entered performance measures data for all four sample projects.

Our review also found that:

- Data in the project completion summaries for two projects matched data in their respective PADs; and
- Data in the project completion summaries for the other two projects varied slightly from data in their respective PADs and/or performance measures.

Based on our findings, we concluded that -

- UAMRP updated sample AMLIS PADs upon project completion as required in 30 CFR 886.23(b);
- UAMRP completed priority documentation forms as required by OSM Directive AML-1 for coal and noncoal PADs;
- UAMRP's use of project completion summaries to ensure that data in its files match AMLIS PAD data improved but was not completely successful for two of the four sample projects we reviewed; and
- UAMRP did not routinely do quality control checks and comparisons of all project completion summaries and PADs.

Based on our findings and conclusions, we recommended that:

- ▶ UAMRP correct the data in one project completion summary and in either a second completion summary or the respective PAD; and
- ▶ UAMRP perform quality control checks of all project completion summaries and AMLIS PADs to ensure that data are complete, correct and match.

We note that AMLIS would not always enable UAMRP to correct and update data when needed and expect the ongoing AMLIS upgrade to correct those issues.

C. Summary Evaluation of Performance Measure 2(h)

This evaluation determined if UAMRP follows its approved AML Plan's requirements for public participation in project planning. Public participation is a cornerstone of SMCRA. State and Indian tribal regulatory and abandoned mine reclamation programs approved under SMCRA similarly provide for public participation. Until recently, private landowners or public land management agencies showed the most interest in Utah's AML projects. That has changed, however. Increasingly, special interest groups weigh in on UAMRP's and cooperating agencies' project planning. Sometimes, they directly oppose reclamation. In part, that change prompted our decision to evaluate this performance measure.

The evaluation sample included the Star District, Grand Staircase Escalante National Monument 2 (GSENM2), Mammoth, Lakeside, and North Tintic noncoal projects. Though four of those projects were funded for reclamation, only the Star District project was completed by the time of our review. Reclamation of the GSENM2, Lakeside, and Mammoth projects began after our files review.

Part 1, section 884.13(c)(7) of Utah's Abandoned Mine Reclamation Plan (the Plan) contains provisions for public participation and involvement in the preparation of the State reclamation plan and in the State reclamation program. We interpret most of the provisions of that section as applying to the procedures Utah followed to involve the public in developing its plan and its first grant application. Because the Plan does not clearly describe how those provisions apply to UAMRP's activities, we relied most on the part of section 884.13(c)(7) that says "[a]dditional opportunities for public involvement with the [Program] will come at the planning stage of individual projects." It identifies the "planning stage" as that time during which UAMRP prepares environmental assessments and environmental impact statements for compliance with the National Environmental Policy Act (NEPA). It further notes that "[p]ublic participation is an integral part of the preparation of these documents."

This evaluation focused primarily on UAMRP's public participation activities that occurred between grant submittal and project construction, consistent with the reference to the project "planning stage" in Utah's Plan as described above and our wording of this performance measure. We looked at what UAMRP did to provide opportunities for public participation and if it responded to comments it received, whether solicited or not.

As noted above, the Plan links public participation to the NEPA compliance process. That process provides much of the public participation opportunities for some of Utah's AML projects. However, we considered public participation activities whether or not they were directly related to or part of that process.

UAMRP's project planning varies, so the extent to which its planning requires and generates public participation varies too. Projects it reclaims in cooperation with public land management agencies typically involve more extensive planning to meet those agencies' NEPA and other planning responsibilities. Usually those responsibilities require writing environmental assessments (EAs) and providing formal public review, comment and appeal periods. Because of that and, in part, their location on public lands, such projects are likely to generate public interest and input. UAMRP reclaimed all but one of the sample projects in cooperation with the Bureau of Land Management (BLM). On the other hand, projects that are categorically excluded from the requirement to complete an EA do not require extensive public review and comment. That does not mean, however, that such projects are, or always will be, less likely to generate public interest and input.

Our review of the five sample projects found the following:

- File documents for four of the five sample projects showed UAMRP held public meetings, distributed public notices and flyers, provided information for newspaper articles on those projects, and contacted local officials, often in cooperation with other agencies;
- UAMRP received public comments during the planning process for four of the sample projects and responded to comments it received;
- UAMRP revised proposed projects to address concerns raised in public comments received during the project planning process;
- Monthly Board of Oil, Gas and Mining meetings were open to the public, periodically involved UAMRP, and occasionally discussed AML issues; and
- We were unable to find documentation of public notification, contacts with local officials, or public open house meetings in UAMRP's paper and electronic files or in OSM's project and grant files for the one project on private land. We recognize that such activities might have occurred when the project was first proposed around 1994 and were not documented. It also is possible UAMRP did not hold a public open house meeting because interest in the project (i.e., opposition) did not arise until 2008, and then primarily involved one landowner and one comment by an abandoned mine exploration group.

Based on our findings, we concluded the following:

- Overall, UAMRP complied with its Plan's provisions for public participation in project planning as we interpreted them, though we could not confirm that for one project; and
- The Plan's requirement that provides for public comment from the affected area prior to submitting the grant application is not clear as to whether it applies to current public participation activities.

Based on our findings and conclusions, we recommend that:

- ▶ Utah revise its Plan (in conjunction with other Plan revisions prompted by the 2006 SMCRA amendments) to more clearly describe how it provides for public participation in the Program, and if some of those activities are to occur before submitting grant applications to OSM.

D. Summary Evaluation of Performance Measure 3(b)

This evaluation determined if Utah's grant application and report procedures can be improved. We reviewed the current methods Utah uses to apply for OSM grant funds. We looked at changes to the Federal Business Management System (FBMS) subaccount numbering schemes and their allowable use for the Utah program. Our evaluation sample included subaccounts created as a result of the 2006 SMCRA amendments. We concentrated on funding available under the 2006 SMCRA amendments, their identifying FBMS subaccount numbers, and any problems that Utah's financial system may be encountering as a result of the changes. UAMRP worked through the uncertainty it experienced in grant management as a result of changes the 2006 SMCRA amendments and the November 14, 2008, regulations made in the AML Program.

Utah, as an uncertified State, is eligible to receive the following funding under the 2006 amendments and the revised Federal regulations at 30 CFR Part 886:

- prior balance replacement funds (SMCRA Sec. 411(h)(1));
- mandatory State share funds (SMCRA Sec. 402(g)(1)) and historic coal funds (SMCRA Sec 402(g)(5)); and
- minimum program make up funds (SMCRA Sec. 402(g)(8)).

Utah is not eligible to receive emergency program funding because it does not have an approved emergency abatement program.

Introduction of the new fund types and FBMS subaccount numbers in fiscal year 2008 created some confusion, especially concerning how funds and subaccounts are to be used for coal and noncoal project and administrative costs. Because the changes were implemented in the middle of the year, Utah had to change existing subaccounts to the new coal and noncoal subaccounts. On the positive side, the result of those changes is

a new program expenditure summary DOGM used for its 2008 AML grant. It includes a budget breakdown that clearly distinguishes between total coal and noncoal project and administrative expenditures and makes tracking expenditures easier.

Utah experienced other problems with the new approach that show where procedures could be improved. Now it must manually calculate amounts in administrative subaccounts before it can enter them into FBMS. The increased number of subaccounts complicates the grant application process and record keeping. Also, closing-out grants is more difficult and the procedures are not readily apparent. Changing FBMS to allow annual reporting would facilitate Utah's bookkeeping.

Other areas our evaluation found to be problematic included:

- The FBMS screen that asks for cash needs is useless because it presents a four quarter format, which does not allow forecasting for three year AML grants;
- It is not possible to view carry over funds deobligated from previous years. So, it is not possible to determine which funds are Federal share, State share or historic coal funds. That, in turn, is important because there are restrictions on what those funds may be used for;
- Currently, the State has to contact OSM to ask for the remaining balance under each type of funding;
- Old progress reports in FBMS cannot be deleted. This occasionally blocks the System, preventing DOGM from entering a new annual report; and
- Paper copies of grant assurances cannot be printed. DOGM needs to route paper copies of these assurances to certain individuals before full Departmental approval can be granted. The fact that some of the individuals in that routing process are not approved to log on to FBMS compounds the problem.

The 2006 SMCRA amendments created many new changes for DOGM financial staff and management. DOGM adjusted its bookkeeping system where possible to accommodate changes in FMBS resulting from the SMCRA amendments. However, systemic problems continue to arise. DOGM believes OSM training on FBMS and the 2006 SMCRA amendments can resolve many of these problems.

E. Summary Evaluation of Performance Measure 3(c)

This evaluation determined if State procedures for property procurement, management and disposal of property are effective. We reviewed the Program's inventory records and the process it uses to track purchases. We also considered UAMRP's procurements of \$5,000 or more under current, open AML grants and its property disposal records. The evaluation sample included purchases DOGM made during fiscal

years 2006 and 2007. We reviewed the State Inventory Report for Federally Purchased Property, how property records are kept, and State property disposal procedures.

All Utah departments and agencies follow the purchasing procedures contained in the State Purchasing Manual. That manual details procedures that DOGM administrative and purchasing staff must consider when making certain purchases, especially those costing \$5,000 or more.

No items listed in the Inventory Report of Federally Purchased Property were valued at \$5,000 or more. Most listed items were computers, computer equipment, cameras, and liquid crystal display projectors. Only two items appeared whose original purchase price was above \$5,000; both were scanners DOGM's AMR Program and Coal Regulatory Program (which OSM also funds) use. Both scanners now are now valued less than \$5,000 so they are not considered long term fixed assets. DOGM noted that UAMRP does not purchase long term fixed assets with SMCRA grant funds. AMR Program vehicles are leased through the Utah DNR's motor pool, so UAMRP does not need to keep vehicles on the inventory. UAMRP did not purchase land, buildings, or other capital assets, and did not improve land or infrastructure.

DOGM uses OSM Form 60 to report material and supply purchases with OSM federal grant funds. UAMRP made no major purchases within the past two fiscal years that exceeded the \$5,000 threshold.

Utah property disposal policy calls for semi-annual reviews of inventoried items that may no longer serve a useful purpose. This policy assists with inventory control by identifying items that are seldom used or have become obsolete. After each inventory review, warehouse personnel compile a list of stock items to be removed from inventory. The State tries to return stock items to the originating vendor for credit or cash. Some items are transferred or sold to other Utah departments or agencies that may have use for them. The Central Warehouse keeps all records of property surplus or disposition.

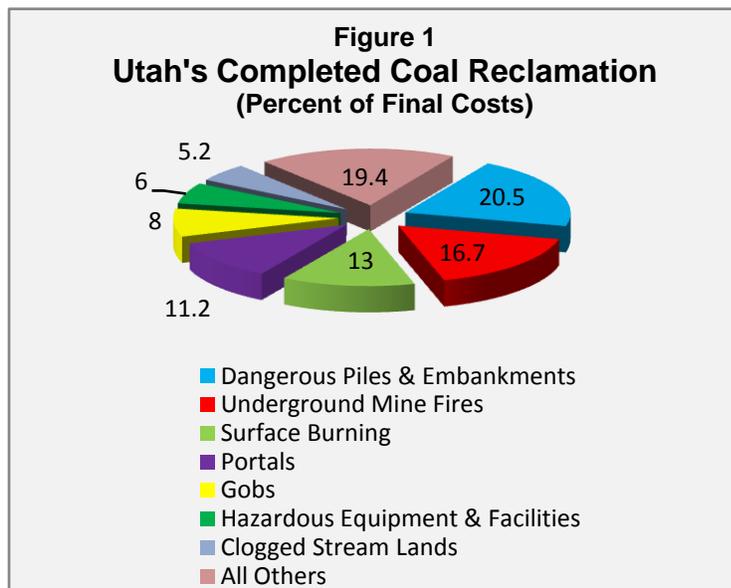
We concluded that DOGM's procedures for procuring, managing, and disposing of property are effective. DOGM keeps adequate documentation of all purchases made with OSM grant funds of supplies and equipment used to administer the AMR Program. Purchases comply with the procurement guidelines of chapter 1-47 and property disposition requirements of chapter 1-410 of OSM's Federal Administrative Manual.

V. Accomplishments and Inventory Reports

Title IV of SMCRA, as amended, emphasizes reclamation of abandoned coal mine-related problems in uncertified States such as Utah while allowing limited noncoal reclamation as well. Utah maintains an inventory of abandoned coal and noncoal mine problems in AMLIS from which UAMRP selects problems to reclaim. The State's inventory of abandoned noncoal mine problems in AMLIS does not include all Utah's noncoal problems. We note that UAMRP's maintenance of AMLIS inventory data

improved significantly during this evaluation period. The numbers discussed below and shown in the tables and appendices that follow reflect changes and updates made as part of that improvement.

OSM funded Utah to reclaim 54 coal projects since the Secretary approved the State's program effective June 3, 1983, excluding maintenance and cancelled projects. The State completed all of them by early June 2009. Based on AMLIS data, that coal



reclamation cost \$10,507,275, an increase of \$62,030 over the \$10,445,245 reported for the 2008 period. As reported in the previous period, the State's reclamation of coal problems to date abated 25 types of priority 1, 2, and 3 hazards. About 80.6 percent of that total cost is attributed to abating seven types of AML problems, based on current AMLIS data. As percentages of final reclamation costs, those problems included: Dangerous piles and embankments (20.5%); underground mine fires (16.7%);

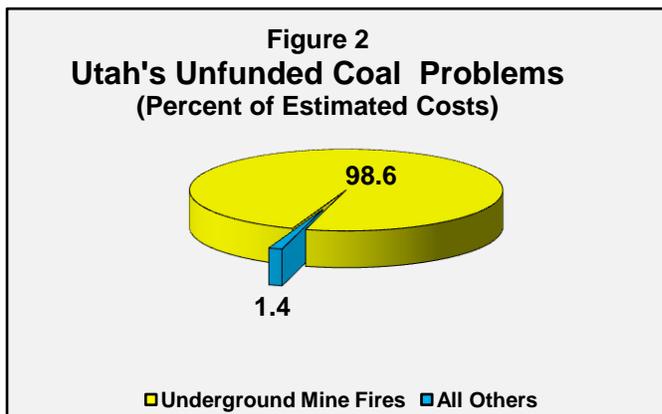
surface burning (13%); portals (11.2%); gobs (8%); hazardous equipment and facilities (6%); and clogged stream lands (5.2%). The other 18 problem types required the remaining 19.4 percent of final costs. Figure 1 (above, left) illustrates the coal problems Utah abated so far. Appendix 1 shows the Program's coal reclamation accomplishments and costs to date in greater detail.

Abandoned coal mine problems have not figured prominently in Utah's recent reclamation, however. Excluding maintenance, two projects Utah reclaimed in the 2009 evaluation year were the first to address coal problems in the last five evaluation years. Appendix 2 shows the changes in AMLIS data based on Utah's funded coal reclamation. Those data were not up-to-date for Utah's 2009 coal reclamation accomplishments at the time this report was written, however. Completion accomplishments included abating hazards attendant to three subsidence openings, 18 mine openings, and one structure.

Consistent with the 2006 amendments to SMCRA and the November 14, 2008, final regulations, in the 2009 evaluation year OSM renewed emphasis on addressing unfunded coal problems remaining in Utah. Utah's 2008 grant application requested funding for a Statewide coal inventory to systematically assess the current status of abandoned coal mine problems throughout the State. Utah will determine the need for additional work based on that inventory, with the goal of completing its remaining coal work. Utah's 2008 AML grant also funds a Statewide coal fires assessment. That work

should update a previous investigation by looking at the current status of coal fires in the State to recommend future actions as appropriate.

Twenty six years after the Secretary approved its program, the State still inventories over \$4.9 million in unfunded abandoned coal mine problems in AMLIS. Eight types of problems remain unfunded at an estimated abatement cost of slightly more than \$4.9

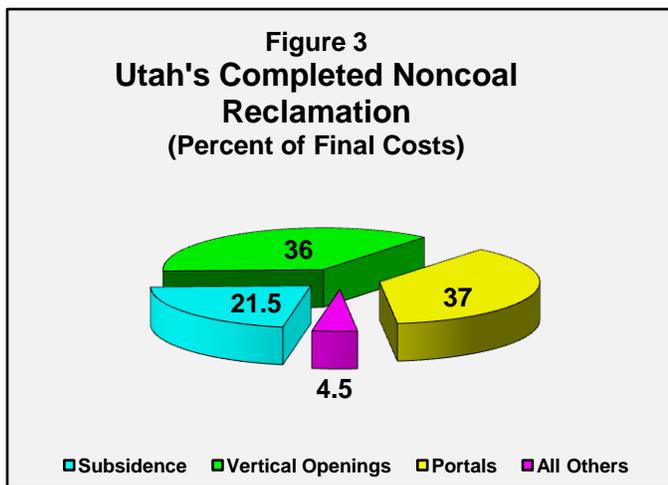


million, only slightly changed from the previous two years. Unfunded coal problems include priority 1 dangerous highwalls, hazardous and explosive gases, subsidence, and underground mine fires. Remaining coal problems also include priority 2 clogged streams and underground mine fires and priority 3 gobs, spoil areas, and water problems. Figure 2 (left) shows that priority 2 underground mine fires make up 98.6 percent of the estimated cost to reclaim Utah's remaining, unfunded

coal problems. All the problems noted above except priority 2 underground mine fires are shown as "all others" in Figure 2. Utah's inventory of unfunded priority 1 dangerous highwalls, hazardous and explosive gases, subsidence, and underground mine fires in AMLIS does not include valid cost estimates because the State is not sure if, and how, it will address them. Their small associated costs serve only to maintain the data entries in AMLIS.

Despite the 2006 Act's emphasis on coal reclamation, SMCRA still allows limited noncoal reclamation based on requests made under section 409(c). Utah continues to address priority 1 abandoned noncoal mine problems. UAMRP received construction funding in SMCRA grants for 47 noncoal projects since June 3, 1983. Forty-two of those projects were complete by the end of the 2009 evaluation year.

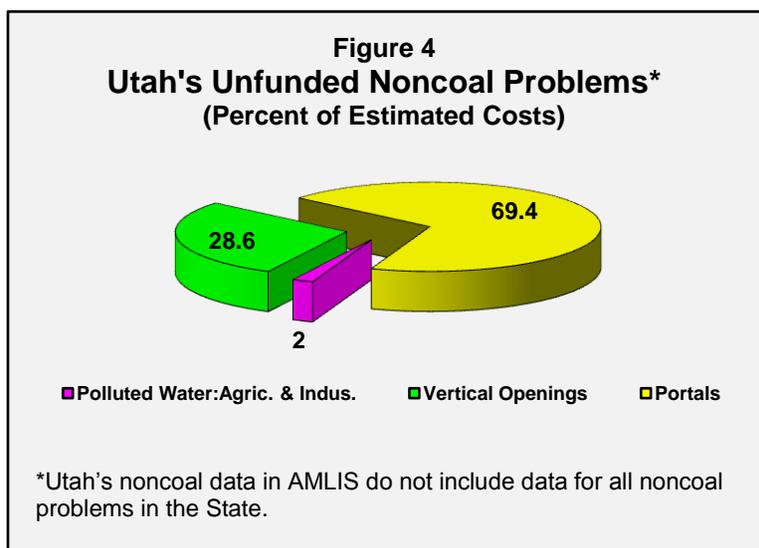
Utah spent over \$9.67 million from all sources to reclaim abandoned noncoal mine problems to date. Those problems include portals, vertical openings, subsidence, dangerous piles and embankments, hazardous equipment and facilities, and lower priority gobs and haulroads reclaimed as part of addressing higher priority problems. Safeguarding portals made up the largest percentage of final costs funded from all sources (37%), followed by vertical openings (36%),



and subsidence (21.5%). Together, those three problems comprise 94.5 percent of the total cost of Utah’s noncoal reclamation to date. The other problems mentioned above make up the remaining 4.5 percent of final expenditures for noncoal reclamation. Figure 3 (previous page, right) shows UAMRP’s noncoal reclamation expressed as percentages of final costs. Appendix 3 shows the results of Utah’s noncoal reclamation completed so far in greater detail.

UAMRP completed five noncoal projects in the 2009 evaluation year, including one combined coal / noncoal project. Appendix 3 shows Utah’s cumulative noncoal reclamation accomplishments to date. Appendix 4 shows reclamation accomplishments and changes in AMLIS data during the 2009 evaluation year. Those data show 158 portals and 200 vertical openings were safeguarded and 0.2 acre of subsidence abated. These accomplishments correspond to similar reductions in unfunded and funded noncoal problems in Utah’s inventory.

Utah’s noncoal data in AMLIS show vertical openings, portals, and polluted water used for agricultural and industrial purposes remain to be funded. The estimated costs of reclaiming inventoried vertical openings and portals are about 69.4 percent and 28.6 percent, respectively, of the \$1,257,055 estimated total unfunded cost. Polluted water used for agricultural and industrial purposes makes up the remaining 2 percent. Figure 4 (below) shows a comparison of the three problems’ estimated unfunded reclamation costs. Appendix 3 shows the same data in more detail. Significantly, current AMLIS data show an 85.8 percent decrease in the estimated cost of addressing Utah’s inventoried, unfunded vertical openings from the amount reported in the 2008 evaluation year. Appendix 4 shows that change and others in more detail.



Appendix 1

Utah Abandoned Mine Reclamation Program

Coal Reclamation Accomplishments Since June 3, 1983, and Unfunded Coal Problems Remaining*

Problem Type and Description	Unfunded		Funded		Completed		Total	
	Units	Costs	Units	Costs	Units	Costs	Units	Costs
Bench	0	0	0	0	4 acres	\$154,544	4 acres	\$154,544
Clogged Streams	0.2 mile	\$10,000	0	0	14.1 miles	\$455,376	14.3 miles	\$465,376
Clogged Stream Lands	0	0	0	0	9 acres	\$546,126	9 acres	\$546,126
Dangerous Highwalls	4,500 feet	\$3	0	0	3,425 feet	\$444,871	7,925 feet	\$444,874
Dangerous Impoundments	0	0	0	0	1 (count)	\$14,600	1(count)	\$14,600
Dangerous Piles & Embankments	0	0	0	0	150 acres	\$2,150,933	150 acres	\$2,150,933
Dangerous Slides	0	0	0	0	3 acres	\$29,825	3 acres	\$29,825
Equipment & Facilities	0	0	0	0	64 (count)	\$47,850	64 (count)	\$47,850
Gases: Hazardous & Explosive	5 (count)	\$1	0	0	19 (count)	\$55,000	24 (count)	\$55,001
Gobs	11 acres	\$50,000	0	0	255 acres	\$846,349	266 acres	\$896,349
Highwall	0	0	0	0	550 feet	\$1	550 feet	\$1
Hazardous Equipment & Facilities	0	0	1 (count)	\$1,250	156 (count)	\$630,623	157 (count)	\$631,873
Haul Road	0	0	0	0	3 acres	\$35,000	3 acres	\$35,000
Industrial / Residential Waste	0	0	0	0	9 acres	\$76,800	9 acres	\$76,800
Portals	0	0	10 (count)	\$30,413	507 (count)	\$1,182,500	517 (count)	\$1,212,913
Pits	0	0	0	0	8 acres	\$23,266	8 acres	\$23,266
Polluted Water: Agric. & Industrial	0	0	0	0	3 (count)	\$55,700	3 (count)	\$55,700
Subsidence	180 acres	\$3	1.1 acres	\$1,875	4.1 acres	\$168,947	185.2 acres	\$170,825
Spoil Area	2 acres	\$5,034	0	0	55 acres	\$264,484	57 acres	\$269,518
Surface Burning	0	0	0	0	38.8 acres	\$1,368,636	38.8 acres	\$1,368,636
Slurry	0	0	0	0	1 acre	\$2,830	1 acre	\$2,830
Slump	0	0	0	0	16 acres	\$24,143	16 acres	\$24,143
Underground Mine Fire	306 acres	\$4,840,006	0	0	18 acres	\$1,757,873	324 acres	\$6,587,879
Vertical Openings	0	0	0	0	31 (count)	\$53,913	31 (count)	\$53,913
Water Problems	0.5 gal/min	\$4,000	0	0	20.3 gal/min	\$117,085	20.8 gal/min	\$121,085
UTAH TOTAL COAL COSTS		\$4,909,047		0		\$10,507,275		\$15,449,860

* This table is based on a Problem Type Unit and Cost Summary Report from the Abandoned Mine Land Inventory System as of July 27, 2009. Coal accomplishments and costs shown are the same whether reported as SMCRA-funded only or as funded by all sources.

NOTE: Unfunded costs of \$1 or \$3 are data points only used to retain the problem(s) in AMLIS. They do not reflect estimated reclamation costs. A completion cost of \$1 means UAMRP reclaimed that problem type incidental to reclamation of another problem type.

Appendix 2

Utah Abandoned Mine Reclamation Program

Coal Reclamation Accomplishments and Inventory Changes in the 2009 Evaluation Year*

Problem Type and Description	Unfunded		Funded		Completed		Total	
	Units	Costs	Units	Costs	Units	Costs	Units	Costs
Gobs	+1 acre						+ 1 acre	
Hazardous Equipment & Facilities			+1 (count)	+\$1,250			+1 (count)	+\$1,250
Portals			+10 (count)	+\$30,413			+10 (count)	+\$30,413
Subsidence			+0.1 acre	+\$1,875	+0.1 acre	+\$62,030	+0.2 acre	+\$63,905
UTAH COAL COST CHANGES				+\$33,538		+\$62,030		+\$95,568

* This table is based on a comparison of Problem Type Unit and Cost Summary Reports from the Abandoned Mine Land Inventory System as of July 22, 2008, and July 27, 2009. Coal accomplishments and costs shown are the same whether reported as SMCRA-funded only or as funded by all sources.

Appendix 3

**Utah Abandoned Mine Reclamation Program
Noncoal Reclamation Accomplishments Since June 3, 1983, and Unfunded Noncoal Problems Remaining***

Problem Type and Description	Unfunded		Funded		Completed		Total	
	Units	Costs	Units	Costs	Units	Costs	Units	Costs
Dangerous Piles & Embankments	0	0	0	0	205 acres - SMCRA ; 244 acres-all sources	\$226,036 - SMCRA ; \$284,753 - all sources	205 acres - SMCRA ; 244 acres-all sources	\$226,036 - SMCRA ; \$284,753 - all sources
Gobs	0	0	0	0	1 acre-all sources	\$173 - all sources	1 acre -all sources	\$173 - all sources
Hazardous Equipment & Facilities	0	0	0	0	50 (count) - SMCRA ; 68 (count)-all sources	\$31,816 - SMCRA ; \$45,620 - all sources	50 (count) - SMCRA ; 68 (count) - all sources	\$31,816 - SMCRA ; \$45,620 - all sources
Haul Road	0	0	0	0	0.5 acre - SMCRA ; 68 acres - all sources	\$48,171 - SMCRA ; \$184,901- all sources	0.5 acre - SMCRA ; 68 acres-all sources	\$48,171 - SMCRA ; \$184,901 - all sources
Other	0	0	0	0	53 -SMCRA; 54 -all sources	\$13,354 - SMCRA ; \$13,459 - all sources	53 - SMCRA; 54 - all sources	\$13,354 - SMCRA ; \$13,459 - all sources
Portals	667 (count)	\$872,555	87 (count)	\$208,000	2,998 (count) - SMCRA ; 3,109 (count) - all sources	\$3,378,390 - SMCRA ; \$3,581,778 - all sources	3,771 (count) - SMCRA ; 3,882 (count) - all sources	\$4,522,358 - SMCRA ; \$4,725,746 - all sources
Polluted Water: Agri. & Indus.	1 (count)	\$25,000	0	0	0	0	1 (count)	\$25,000
Subsidence	0	0	0	0	179.4 acres - SMCRA ; 182.4 acres - all sources	\$2,078,205 - SMCRA ; \$2,081,650 - all sources	179.2 acres - SMCRA ; 182.2 acres - all sources	\$2,066,914 - SMCRA ; \$2,070,359 - all sources
Vertical Openings	138 (count)	\$359,500	183 (count)	\$912,130	1,542 (count)- SMCRA ; 1,573 (count)-all sources	\$3,440,454- SMCRA ; \$3,483,766 - all sources	1,867 (count) - SMCRA ; 1,898 (count) - all sources	\$7,224,167 - SMCRA ; \$7,267,479 - all sources
UTAH TOTAL NONCOAL COSTS		\$1,257,055		\$1,120,130		\$9,216,426 - SMCRA ; \$9,676,100 - all sources		\$11,593,611 - SMCRA ; \$12,053,285 - all sources

* This table is based on a Problem Type Unit and Cost Summary Report from the Abandoned Mine Land Inventory System as of July 27, 2008. AMLIS does not include a complete inventory of Utah's unfunded noncoal problems.

Appendix 4

Utah Abandoned Mine Reclamation Program

Noncoal Reclamation Accomplishments and Inventory Changes in the 2009 Evaluation Year*

Problem Type and Description	Unfunded		Funded		Completed		Total	
	Units	Costs	Units	Costs	Units	Costs	Units	Costs
Portals	-136 (count)	-\$377,245	-41 (count)	+\$58,000	+158 (count)	+\$255,832	-19 (count)	-\$63,413
Subsidence					+0.2 acre	+\$11,291	+0.04 acre	+\$11,291
Vertical Openings	-235 (count)	-\$4,155,000	+30 (count)	+\$662,130	+200 (count)	+\$980,787	-4 (count)	-\$2,512,083
UTAH NONCOAL COST CHANGES		-\$4,532,245		+\$720,130		+\$1,247,910		-\$2,564,205

* This table is based on a comparison of Problem Type Unit and Cost Summary Reports from the Abandoned Mine Land Inventory System as of July 22, 2008, and July 27, 2009. Noncoal accomplishments and costs shown are the same whether reported as SMCRA-funded only or as funded by all sources.

Appendix 5

State Comments on the Report

From: Lucia Malin [luciamalin@utah.gov]
Sent: Wednesday, September 09, 2009 3:23 PM
To: Sassaman, Ronald
Subject: Utah 2009 annual summary evaluation report

Ron,
I agree with the findings in the 2009 Annual Summary Evaluation for the Utah AMRP.
Luci

Luci Malin
Administrator
Utah Abandoned Mine Reclamation Program
1594 West North Temple Suite 1210
PO Box 145801
Salt Lake City, Utah 84114-5801
801-538-5323 office
801-440-3776 Blackberry
801-359-3940 fax
LUCIAMALIN@utah.gov

Working 4 Utah 7:00am to 6:00 pm
Monday - Thursday. Closed Friday.