

**SURFACE MINING CONSERVATION AND RECLAMATION ACT**  
**2020**  
**RECLAMATION AND REMINING INCENTIVES REPORT**



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



**pennsylvania**  
DEPARTMENT OF ENVIRONMENTAL  
PROTECTION

**Prepared by:**  
**Pennsylvania Department of Environmental Protection**  
**Office of Active and Abandoned Mine Operations**

**5600-RE-DEP4249**

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*Cover pictures: Examples of successful reforestation of previously mined land using the Appalachian Regional Reforestation Initiative (ARRI) approach. This project is located in eastern Clearfield County, Boggs Township. The trees were planted by DEP mining staff from the Moshannon and Cambria District Offices after reclamation was completed by the Bureau of Abandoned Mine Reclamation.*

## 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 of Environmental Protection's (DEP) reclamation and remining programs, DEP submits this report to the Senate Environmental Resources and Energy Committee and to the House Environmental Resources and Energy Committee. This report provides the status of DEP's reclamation and remining programs authorized under the SMCRA.

There are five primary reclamation and remining programs authorized by 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 (ROAP)
- Section 4.12 – Remining Financial Guarantees to Insure Reclamation
- Section 4.13 – Reclamation Bond Credits

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

Since its inception, Pennsylvania's reclamation and remining incentives programs have been very successful. Coal mine operators using these programs have reclaimed 9,854 acres of abandoned mine land (AML) equivalent to an estimated \$93.6 million in reclamation value. Current reclamation costs for grading and revegetation of abandoned mine sites average about \$9,500 per acre.

The **Government-Financed Reclamation Contract (GFCC)** program benefits the public and the mining operators by establishing contracts for mining companies to conduct operations that will reclaim AML sites at little or no cost to the public. Between January 1991 and December 31, 2020, there were 283 contracts issued, with an estimated total reclamation value of approximately \$38.8 million.

The **Remining Operator Assistance Program (ROAP)** created an incentive to remine and reclaim AML areas by providing financial assistance for most of the cost of permitting the remining area. Between August 1996 and December 31, 2020, there were 30 mine operators participating in this program on 60 remining sites. The total cost to the Commonwealth from these ROAP projects was \$913,284.00. Through December 31, 2020, there were 45 projects with approved remining permits at a cost to the Commonwealth of \$800,971.00. Of these ROAP permits, two became bond forfeitures and two projects had their ROAP funds reimbursed to DEP by the mine operator because of reimbursement liability regulations. The remaining 41 permits will eventually reclaim approximately 1,923 acres of AML with an approximate reclamation value of \$18.3 million (the

\$18.3 million figure includes estimated costs, which are \$9,500/acre). The ROAP figures provided here reflect revised ROAP status for several cases.

Under the **Remining Financial Guarantees** program, DEP provides low cost bonding of remining areas. As of December 31, 2020, 151 coal mine operators used financial guarantees to bond 670 mining permit increments. When completed, those operations will have reclaimed more than 5,500 acres of AML, saving the Commonwealth more than \$52 million.

The **Reclamation Bond Credits** program also provides an incentive for operators to reclaim an AML area by earning a “bond credit” under a Consent Order and Agreement with DEP. Five licensed mine operators have completed six bond credit projects. The projects that have been completed under this program reclaimed 50.1 acres and represent a reclamation value of \$475,950.00. A Consent Order and Agreement for a seventh project was signed on August 21, 2013. The project plans to reclaim 50.6 acres and reconstruct over 3,600 feet of stream channel. Reclamation started in calendar year 2014 and continues at the time of this report.

Because of implementation feasibility, DEP has not promulgated regulations nor established final criteria for the **Designating Areas Suitable for Remining** program.

Details of these programs can be found in the Pennsylvania’s Remining Incentives Fact Sheet on the eLibrary: [Pennsylvania's Remining Incentives](#).

Section 18 of SMCRA includes the creation of the Remining Environmental Enhancement Fund and the Remining Financial Assurance Fund.

The **Remining Environmental Enhancement Fund (REEF)** 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.

The Pennsylvania Legislature also authorized the establishment of the **Remining Financial Assurance Fund (RFAF)** in the 1992 amendments to SMCRA. This fund is used to provide the reserve for both the “Remining Financial Guarantees to Insure Reclamation” and “Reclamation Bond Credit” programs. These amendments authorized DEP to transfer up to \$5 million from the Land and Water Development Fund to the RFAF. In 1996, \$1 million was transferred into the RFAF and an additional \$1 million was transferred into the RFAF in 1997. Act 157 of October 24, 2012 authorized the transfer of up to \$500,000 to the RFAF for use in supporting remining financial guarantees issued by DEP.

The money in this fund is used as a reserve to guarantee the bonds issued under the Reclamation Bond Credit and Remining 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 Remining 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, \$1.7 million is allocated for financial guarantees, allowing DEP to write \$22.6 million in financial guarantees. As of December 31, 2020, \$6,183,240.83 was designated to financially assure reclamation obligations on mining permits with approved remining areas.

There have been 21 permits forfeited with a total of 30 financial guarantees since the program was established. Reclamation has been completed on 12 of the permits using other options without spending any money from the RFAF. Five permits still require the reclamation to be completed with a total of \$379,938.29 obligated in financial guarantees to assure the reclamation of these permits.

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 \$2,237,332.20 in annual fees. The amount paid into the fund in 2020 was \$69,320.26. 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.

DEP has allocated \$1.7 million to the Financial Guarantee Special Account to act as the reserve for the Financial Guarantee Program. DEP had allocated \$500,000 to the Bond Credit Account to act as the reserve for the Bond Credit Program. In July 2014, DEP allocated an additional \$600,000 within the RFAF to the Bond Credit Account bringing the total amount in the account to \$1,100,000.

## **II. Conclusions and Recommendations**

DEP has implemented four of the five reclamation and remining incentive programs authorized by the 1992 amendment to SMCRA. They are: Government-Financed Reclamation Contracts, Remining Operator's Assistance Program, Remining Financial Guarantees to Insure Reclamation, and Reclamation Bond Credits. The fifth program - Designating Areas Suitable for Remining has not been implemented. Mine operators utilizing these four programs have reclaimed over 9,800 of AML. This equates to an approximate reclamation value of nearly \$93.3 million (completed reclamation areas only). There are projects in progress with remining or reclamation yet to be completed.

Summary of Reclamation and Remining Incentives Program  
1996-2019

| <b>Program</b>                     | <b>Year</b> | <b>Number of Companies</b> | <b>Number of Projects</b> | <b>AML Acres Reclaimed as of 12/31/2019</b> | <b>Reclamation Value of Projects Completed by 12/31/2019</b> |
|------------------------------------|-------------|----------------------------|---------------------------|---|--|
| Government-Financed Rec. Contracts | 91-19       | 105                        | 276                       | 4,070.7                                     | \$38,671,650   |
| ROAP                               | 97-19*      | 30                         | 41                        | 920.1                                       | \$8,740,950  |
| Financial Guarantees               | 96-19       | 151                        | 670                       | 4,774.5                                     | \$45,357,750   |
| Bond Credits                       | 96-19       | 6                          | 7                         | 50.1  | \$553,239  |
| <b>Totals</b>                      |             | <b>292</b>                 | <b>994</b>                | <b>9,815.4</b>                              | <b>\$93,323,589</b>  |

\*This program was ceased after 2014, reclamation continues for the remaining sites.

Summary of Reclamation and Remining Incentives Programs  
Issued or Completed in 2020

| <b>Program</b>                     | <b>Year</b> | <b>Number of Companies</b> | <b>Number of New Projects</b> | <b>AML Acres Reclaimed During 2020</b> | <b>Reclamation Value of Projects Completed in 2020</b> |
|------------------------------------|-------------|----------------------------|-------------------------------|--|--|
| Government-Financed Rec. Contracts | 2020        | 7                          | 7                             | 16.6                                   | \$157,700  |
| ROAP                               | 2020        | Program Ceased             | Program Ceased                | 30.0                                   | \$285,000  |
| Financial Guarantees               | 2020        | 0                          | 0                             | 9.7                                    | \$92,150   |
| Bond Credits                       | 2020        | 0                          | 0                             | 0                                      | \$0  |
| <b>Totals</b>                      |             | <b>7</b>                   | <b>7</b>                      | <b>56.3</b>                            | <b>\$534,850</b>                                       |

## **Appendix A**

### **Mining and Reclamation Advisory Board (MRAB) Comments**

This report was submitted to the Mining and Reclamation Advisory Board (MRAB) as required by Section 4.11(c)(5) of SMCRA at the <<DATE>> quarterly meeting. The MRAB had <<the following, or, no comments>> on the report.



**Appendix B**  
**New Government-Financed Reclamation and Construction Contracts Project List for 2020**

| <b>Year</b> | <b>County</b> | <b>Company</b>               | <b>Contract</b> | <b>Contract Date</b> | <b>No. Acres Proposed</b> | <b>Bond</b>  |
|-------------|---------------|------------------------------|-----------------|----------------------|---------------------------|--------------|
| 2020        | Somerset      | David L<br>Patterson Jr.     | 65-20-01        | 11/4/2020            | 12.8                      | \$133,679.00 |
| 2020        | Cambria       | Ebensburg<br>Power Co.       | 11-19-01        | 3/5/2020             | 26.8                      | \$394,460.00 |
| 2020        | Fayette       | Fayette Coal<br>and Coke Inc | 26-16-03        | 4/9/2020             | 13.1                      | \$81,510.00  |
| 2020        | Somerset      | Gary Gioia Coal<br>Co.       | 65-18-02        | 12/4/2020            | 38.9                      | \$78,144.00  |
| 2020        | Somerset      | P&N Coal Co<br>Inc           | 65-19-02        | 01/24/2020           | 2.5                       | \$55,440.00  |
| 2020        | Clearfield    | RES Coal LLC                 | 17-18-02        | 08/26/2020           | 43                        | \$760,100.00 |
| 2020        | Schuylkill    | Waste Mgmt<br>&Proc Inc      | 54-19-01        | 01/07/2020           | 14.8                      | \$69,777.00  |

**Appendix C**  
**Remining Operator's Assistance Program Project List**

| <b>ROAP #</b> | <b>SMP #</b> | <b>SMP ISSD</b> | <b>Operator</b>         | <b>District</b> | <b>Status</b>         |
|---------------|--------------|-----------------|-------------------------|-----------------|-----------------------|
| 1             | 17990101     | 2/7/2001        | Sky Haven Coal Co.      | Moshannon       | Reclamation Completed |
| 2             | 17980101     | 2/9/2000        | Ed Hanslovan Coal Co.   | Moshannon       | Bond 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.      | Moshannon       | Cancelled             |
| 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 | Moshannon       | Reclamation Continues |
| 9             | 54980103     | 2/4/1999        | Gale Coal Co.           | Pottsville      | Reclamation Completed |
| 10            | 54980201     | 12/4/1999       | A C Fuels Co.           | Pottsville      | Reclamation Continues |
| 11            | 26980102     | 9/11/1998       | Patterson Coal Co.      | New Stanton     | 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    | New Stanton     | Cancelled             |
| 15            | 56990101     | 12/22/1999      | Hoffman Mining Inc.     | Cambria         | Reclamation Completed |
| 16            | 03990103     | 12/3/1999       | Amerikohl Mining Co.    | New Stanton     | Reclamation Completed |
| 17            | 32990103     | 3/8/2001        | T L H Coal Co.          | Cambria         | Reclamation Completed |
| 18            | 63990102     | PBNM            | Robinson Coal Co.       | New Stanton     | Cancelled             |
| 19            | 17980124     | 10/18/1999      | River Hill Coal Company | Moshannon       | Reclamation Completed |
| 20            | 03990102     | 11/13/2000      | Thomas J. Smith Inc.    | New Stanton     | Reclamation Completed |

**Appendix C (Continued)**  
**Remining Operator's Assistance Program Project List**

| <b>ROAP #</b> | <b>SMP #</b> | <b>SMP ISSD</b> | <b>Operator</b>         | <b>District</b> | <b>Status</b>         |
|---------------|--------------|-----------------|-------------------------|-----------------|-----------------------|
| 21            | 32000108     | 12/23/2004      | River Hill Coal Company | Cambria         | Reclamation Continues |
| 22            | 26990101     | PBNM            | PBS Coal Inc.           | New Stanton     | Cancelled             |
| 23            | 17000101     | 9/13/2001       | River Hill Coal Company | Moshannon       | Reclamation Completed |
| 24            | 33990101     | 7/19/1999       | Amerikohl Mining Co.    | Knox            | Reclamation Completed |
| 25            | 17990102     | 9/13/2001       | River Hill Coal Company | Moshannon       | Active                |
| 26            |              |                 | Marquise Mining Corp.   | New Stanton     | Cancelled             |
| 27            | 17990103     | 8/4/2002        | River Hill Coal Company | Moshannon       | Active                |
| 28            |              |                 | Energy Resource Inc.    | Moshannon       | Cancelled             |
| 29            |              |                 | Hepburnia Coal Co.      | Cambria         | Cancelled             |
| 30            | 11990102     | 7/16/2003       | AMFIRE Mining Co.       | Cambria         | Reclamation Completed |
| 31            | 40990101     | 9/15/2000       | Hazleton Shaft Corp.    | Pottsville      | Active                |
| 32            | 03000101     | 10/10/2000      | Amerikohl Mining Co.    | New Stanton     | Reclamation Completed |
| 33            |              |                 | Larson Enterprises Inc. | Moshannon       | Cancelled             |
| 34            | 65990106     | 5/11/2000       | Ralph Smith & Son       | New Stanton     | Bond Forfeiture       |
| 35            |              |                 | Cooney Bros. Coal Co.   | Cambria         | Cancelled             |
| 36            | 17000105     | 2/15/2001       | Hilltop Coal Co.        | Moshannon       | Reclamation Completed |
| 37            | 32010105     | 9/4/2003        | Amerikohl Mining Co.    | Cambria         | Reclamation Completed |
| 38            | 56000103     | 11/6/2000       | Hoffman Mining Inc.     | Cambria         | Reclamation Completed |
| 39            | 56000105     | 3/8/2001        | Hoffman Mining Inc.     | Cambria         | Reclamation Completed |
| 40            | 33010101     | 8/21/2001       | Sky Haven Coal Co.      | Knox            | Reclamation Completed |
| 41            | 17010110     | 8/15/2002       | River Hill Coal Company | Moshannon       | Active                |
| 42            |              |                 | Energy Resource Inc.    | Knox            | Cancelled             |
| 43            | 24010101     | 10/4/2001       | Energy Resource Inc.    | Knox            | Reclamation Completed |
| 44            | 11000104     | 6/8/2001        | Hoffman Mining Inc.     | Cambria         | Reclamation Completed |

**Appendix C (Continued)**  
**Remining Operator's Assistance Program Project List**

| <b>ROAP #</b> | <b>SMP #</b> | <b>SMP ISSD</b> | <b>Operator</b>          | <b>District</b> | <b>Status</b>         |
|---------------|--------------|-----------------|--------------------------|-----------------|-----------------------|
| 45            | 33010103     | 7/10/2002       | Sky Haven Coal Co.       | Knox            | Reclamation Completed |
| 46            | 17030102     | 12/13/2006      | River Hill Coal Company  | Moshannon       | Reimbursed            |
| 47            | 03010108     | PBNM            | T D K Coal Sales         | New Stanton     | Cancelled             |
| 48            |              |                 | T D K Coal Sales         | Knox            | Reimbursed            |
| 49            | 14040103     | 11/13/2007      | River Hill Coal Company  | Moshannon       | Reclamation Continues |
| 50            | 02020102     | 2/20/2004       | Amerikohl Mining Co.     | New Stanton     | Reclamation Completed |
| 51            | 14040101     | 8/30/2007       | River Hill Coal Company  | Moshannon       | Reimbursed            |
| 52            | 32000101     | 12/1/2000       | Amerikohl Mining Co.     | Cambria         | Reclamation Completed |
| 53            |              |                 | RSK Mines                | Pottsville      | Cancelled             |
| 54            | 56030103     | 8/4/2003        | Hoffman Mining Inc.      | Cambria         | Reclamation Completed |
| 55            | 56030102     | 4/8/2004        | Mountaineer Mining Corp. | Cambria         | Reclamation Completed |
| 56            | 54030201     | 8/10/2003       | Devil's Hole, Inc.       | Pottsville      | Reclamation Completed |
| 57            | 26040102     | 2/3/2006        | Amerikohl Mining Co.     | New Stanton     | Reclamation Completed |
| 58            |              |                 | Cooney Bros. Coal Co.    | Cambria         | Cancelled             |
| 59            | 54030103     | 4/21/2004       | Jett Contracting Inc.    | Pottsville      | Active                |
| 60            | 56040105     | 10/19/2005      | Berwind Coal Sales Co.   | Cambria         | Reclamation Completed |

**Appendix D**  
**New Remining Financial Guarantees to Ensure Reclamation Project List for 2020**

| <b>Year</b> | <b>County</b> | <b>Company</b>                         | <b>Permit No.</b> | <b>FG Number</b> | <b>Issuance Date</b> | <b>Original Amount</b> |
|-------------|---------------|--|-------------------|------------------|----------------------|------------------------|
|             |               | There were no new RFGs issued in 2020. |                   |                  |                      |                        |
|             |               |  |                   |                  |                      |                        |
|             |               |  |                   |                  |                      |                        |
|             |               |  |                   |                  |                      |                        |
|             |               |  |                   |                  |                      |                        |
|             |               |  |                   |                  |                      |                        |
|             |               |  |                   |                  |                      |                        |
|             |               |  |                   |                  |                      |                        |
|             |               |  |                   |                  |                      |                        |

**Appendix E**  
**Reclamation Bond Credit Project List**  
**Years 1997 – 2020**

| <b>County</b>  | <b>Fiscal Year</b> | <b>Company Name</b>      | <b>Original Issuance Date</b> | <b>Remine Acres Agreed to Reclaim</b> | <b>Value of Bond Credit</b> | <b>AML Acres Reclaimed</b> | <b>Value of Reclamation</b> |
|----------------|--------------------|--------------------------|-------------------------------|---------------------------------------|-----------------------------|----------------------------|-----------------------------|
| Armstrong      | 1998               | Amerikohl Mining, Inc.   | 7/16/1998                     | 7.3                                   | \$41,747                    | 7.3                        | \$43,800                    |
| Clarion        | 1998               | MSM Coal Company Inc.    | 10/22/1999                    | 3.9                                   | \$20,645                    | 3.9                        | \$23,400                    |
| Clearfield     | 1999               | Larson Enterprises, Inc. | 10/20/1999                    | 19.4                                  | \$43,150                    | 19.4                       | \$82,500                    |
| Northumberland | 1999               | Blaschak Coal            | 10/13/2000                    | 2.6                                   | \$28,832                    | 3                          | \$28,832                    |
| Columbia       | 2001               | Blaschak Coal            | 10/4/2001                     | 1.8                                   | \$34,466                    | 1.8                        | \$38,739                    |
| Clearfield     | 2006               | Res Coal                 | 07/2006                       | 14.7                                  | \$335,968                   | 14.7                       | \$335,968                   |
| Schuylkill     | 2013               | BET Associates IV, LLC   | 8/21/2013                     | 50.6                                  | \$562,305                   | Ongoing                    |                             |
|                |                    | <b>Totals</b>            |                               | <b>100.3</b>                          | <b>\$1,067,113</b>          | <b>50.1</b>                | <b>\$553,239</b>            |