

**§ 3475.4**

on the first day of the month in which it is signed.

(b) Future interest leases shall become effective on the date of vesting of title to the minerals in the United States as stated in the lease.

[44 FR 42643, July 19, 1979. Redesignated at 47 FR 33151, July 30, 1982]

**§ 3475.4 Land description.**

Compliance with § 3471.1 of this title is required.

[44 FR 42643, July 19, 1979. Redesignated at 47 FR 33151, July 30, 1982]

**§ 3475.5 Diligent development and continued operation.**

In accordance with part 3480 of this title, each lease shall require:

(a) Diligent development; and

(b) Either (1) continued operation except when operations under the lease are interrupted by strikes, the elements or casualties not attributable to the lessee, or (2) in lieu thereof, when the Secretary determines that the public interest will be served, payment of an advanced royalty.

[47 FR 33151, July 30, 1982, as amended at 50 FR 8627, Mar. 4, 1985]

**§ 3475.6 Logical mining unit.**

(a) Criteria for approving or directing establishment of an LMU shall be developed and applied in accordance with § 3487.1 of this title.

(b) When a lease is included in an LMU with other Federal leases or with interests in non-Federal coal deposits, the terms and conditions of the Federal lease or leases shall be amended so that they are consistent with or are superseded by the requirements imposed on the LMU of which it has become a part.

(c) The holder of any lease issued or readjusted between May 7, 1976, and the effective date of this regulation, whose lease provides by its own terms that it is considered to be an LMU, may request removal of this provision from any such lease. Such request shall be submitted to the authorized officer.

[47 FR 33151, July 30, 1982, as amended at 50 FR 8627, Mar. 4, 1985]

**PART 3480—COAL EXPLORATION AND MINING OPERATIONS RULES**

NOTE 1: The information collection requirements contained in 43 CFR part 3480 which require the filing of forms have been approved by the Office of Management and Budget (OMB) under 44 U.S.C. 3507. The Coal Production and Royalty Report form in 30 CFR 211.62(d)(1), U.S. Geological Survey Form 9-373A, has been approved by OMB under 44 U.S.C. 3507 and assigned clearance number 1028-0001.

The information is being collected for Federal royalty accounting purposes. The information will be used to permit accounting and auditing of royalties submitted by the operators/lessees of Federal coal leases. The obligation to respond is mandatory for all operators/lessees of Federal coal leases. For nonproducing Federal leases, the report is required on an annual basis. For producing Federal leases, the report is required monthly or quarterly as specified in the Federal lease.

The information collection requirements contained at §§ 3481.1, 3481.2, 3482.2, 3482.3, 3483.3, 3483.4, 3485.1, 3485.2, 3486.3 and 3487.1 of this title have been approved by OMB under 44 U.S.C. 3507 and assigned clearance number 1028-0042. The information may be collected from some operators/lessees to either provide data so that proposed operations may be approved or to enable the monitoring of compliance with approvals already granted. The information will be used to grant approval to begin or alter operations or to allow operations to continue. The obligation to respond is required to obtain the benefit under the Federal lease.

NOTE 2: There are many leases and agreements currently in effect, and which will remain in effect, involving Federal coal leases which specifically refer to the United States Geological Survey, USGS, Minerals Management Service, MMS, or Conservation Division. These leases and agreements also often specifically refer to various officers such as Supervisor, Conservation Manager, Deputy Conservation Manager, Minerals Manager and Deputy Minerals Manager. In addition, many leases and agreements specifically refer to 30 CFR part 211 or specific sections thereof. Those references shall now be read to refer to 43 CFR part 3480 or to the appropriate redesignated section thereof.

**Subpart 3480—Coal Exploration and Mining Operations Rules: General**

Sec.	
3480.0-1	Purpose.
3480.0-4	Scope.
3480.0-5	Definitions.
3480.0-6	Responsibilities.

## Bureau of Land Management, Interior

## § 3480.0-4

### Subpart 3481—General Provisions

- 3481.1 General obligations of the operator/lessee.
- 3481.2 Procedures and public participation.
- 3481.3 Confidentiality.
- 3481.4 Temporary interruption in coal severance.
  - 3481.4-1 Can I temporarily interrupt coal severance and still be qualified as producing?
  - 3481.4-2 What are some examples of circumstances that qualify for a temporary interruption of coal severance?
  - 3481.4-3 Does a temporary interruption in coal severance affect the diligence requirements applicable to my lease or LMU?
  - 3481.4-4 What is the aggregate amount of time I can temporarily interrupt coal severance and have BLM consider my lease or LMU producing?

### Subpart 3482—Exploration and Resource Recovery and Protection Plans

- 3482.1 Exploration and resource recovery and protection plans.
- 3482.2 Action on plans.
- 3482.3 Mining operations maps.

### Subpart 3483—Diligence Requirements

- 3483.1 Diligent development and continued operation requirement.
- 3483.2 Termination or cancellation for failure to meet diligent development and maintain continued operation.
- 3483.3 Suspension of continued operation or operations and production.
- 3483.4 Payment of advance royalty in lieu of continued operation.
- 3483.5 Crediting of production toward diligent development.
- 3483.6 Special logical mining unit rules.

### Subpart 3484—Performance Standards

- 3484.1 Performance standards for exploration and surface and underground mining.
- 3484.2 Completion of operations and permanent abandonment.

### Subpart 3485—Reports, Royalties and Records

- 3485.1 Reports.
- 3485.2 Royalties.
- 3485.3 Maintenance of and access to records.

### Subpart 3486—Inspection, Enforcement, and Appeals

- 3486.1 Inspections.
- 3486.2 Notices and orders.
- 3486.3 Enforcement.
- 3486.4 Appeals.

### Subpart 3487—Logical Mining Unit

- 3487.1 Logical mining units.

AUTHORITY: 30 U.S.C. 189, 359, 1211, 1251, 1266, and 1273; and 43 U.S.C. 1461, 1733, and 1740.

SOURCE: 47 FR 33179, July 30, 1982, unless otherwise noted. Redesignated at 48 FR 41589, Sept. 16, 1983.

### Subpart 3480—Coal Exploration and Mining Operations Rules: General

#### § 3480.0-1 Purpose.

The purposes of the rules of this part are to ensure orderly and efficient development, mining, preparation, and handling operations for Federal coal; ensure production practices that prevent wasting or loss of coal or other resources; avoid unnecessary damage to coal-bearing or mineral-bearing formations; ensure MER of Federal coal; ensure that operations meet requirements for diligent development and continued operation; ensure resource recovery and protection plans are submitted and approved in compliance with MLA; ensure effective and reasonable regulation of surface and underground coal mining operations; require an accurate record and accounting of all coal produced; ensure efficient, environmentally sound exploration and mining operations; and eliminate duplication of efforts by the Minerals Management Service (MMS), OSM, and the States in the Federal coal program.

#### § 3480.0-4 Scope.

The rules of this part shall govern operations for the exploration, development, and production of Federal coal under Federal coal leases, licenses, and permits, regardless of surface ownership, pursuant to the Mineral Leasing Act of February 25, 1920, as amended (MLA), and in conjunction with the rules at 43 CFR Group 3400 and 30 CFR Chapter VII. Included are provisions relating to resource recovery and protection, royalties, diligent development, continued operation, maximum economic recovery (MER), and logical mining units (LMU's). Except as otherwise provided in 25 CFR Chapter I or Indian lands leases, these rules do not apply to operations on Indian lands.

**§ 3480.0-5**

**43 CFR Ch. II (10-1-23 Edition)**

The provisions in these rules relating to advance royalty, diligent development, continued operation, MER, and LMU's shall not apply to Indian lands, leases and permits. The rules governing exploration licenses for unleased Federal coal are codified at 43 CFR part 3410. Until final rulemaking is promulgated and implemented by the Office of Surface Mining Reclamation and Enforcement (OSM) regarding the initial Federal lands Programs, the initial Federal lands Program rules codified at 30 CFR part 211 (1981) shall remain in effect.

**§ 3480.0-5 Definitions.**

(a) As used in the rules of this part, the following terms shall have the following meanings:

(1) *Advance royalty* means a payment under a Federal lease in advance of actual production when authorized by the authorized officer to be made in lieu of continued operation. Payments made under the minimum production clause, in lieu of actual production from a Federal lease issued prior to August 4, 1976, and not readjusted after August 4, 1976, are not advance royalty under the provisions at 43 CFR 3483.4

(2) *Assistant Director for Solid Leasable Minerals* means Assistant Director for Solid Leasable Minerals, Bureau of Land Management;

(3) *Assistant Secretary for Land and Water Resources* means the Assistant Secretary for Land and Water Resources, Department of the Interior;

(4) *Chief, Division of Solid Mineral Operations* means the Chief, Division of Solid Minerals Operations, Bureau of Land Management;

(5) *Coal reserve base* shall be determined using existing published or unpublished information, or any combination thereof, and means the estimated tons of Federal coal in place contained in beds of:

(i) Metallurgical or metallurgical-blend coal 12 inches or more thick; anthracite, semianthracite, bituminous, and subbituminous coal 28 inches or more thick; and lignite 60 inches or more thick to a depth of 500 feet below the lowest surface elevation on the Federal lease.

(ii) Metallurgical and metallurgical-blend coal 24 inches or more thick; an-

thracite, semianthracite, bituminous and subbituminous coal 48 inches or more thick; and lignite 84 inches or more thick occurring from 500 to 3,000 feet below the lowest surface elevation on the Federal lease.

(iii) Any thinner bed of metallurgical, anthracite, semianthracite, bituminous, and subbituminous coal and lignite at any horizon above 3,000 feet below the lowest surface elevation on the Federal lease, which is currently being mined or for which there is evidence that such coal bed could be mined commercially at this time.

(iv) Any coal at a depth greater than 3,000 feet where mining actually is to occur.

(6) *Commercial quantities* means 1 percent of the recoverable coal reserves or LMU recoverable coal reserves.

(7) *Contiguous* means having at least one point in common, including cornering tracts. Intervening physical separations such as burn or outcrop lines and intervening legal separations such as rights-of-way do not destroy contiguity as long as legal subdivisions have at least one point in common.

(8) *Continued operation* means the production of not less than commercial quantities of recoverable coal reserves in each of the first 2 continued operation years following the achievement of diligent development and an average amount of not less than commercial quantities of recoverable coal reserves per continued operation year thereafter, computed on a 3-year basis consisting of the continued operation year in question and the 2 preceding continued operation years.

(9) *Continued operation year* means the 12-month period beginning with the commencement of the first royalty reporting period following the date that diligent development is achieved and each 12-month period thereafter, except as suspended in accordance with 43 FR 3483.3(b).

(10) *Deputy Director for Energy and Mineral Resources* means the Deputy Director for Energy and Mineral Resources, Bureau of Land Management;

(11) *Development* means activities conducted by an operator/lessee, after approval of a permit application package, to prepare a mine for commercial production.

(12) *Diligent development* means the production of recoverable coal reserves in commercial quantities prior to the end of the diligent development period.

(13) *Diligent development period* means a 10-year period which:

(i) For Federal leases shall begin on either—

(A) The effective date of the Federal lease for all Federal leases issued after August 4, 1976; or

(B) The effective date of the first lease readjustment after August 4, 1976, for Federal leases issued prior to August 4, 1976; and

(ii) For LMU's shall begin on either—

(A) The effective approval date of the LMU, if the LMU contains a Federal lease issued prior to August 4, 1976, but not readjusted after August 4, 1976, prior to LMU approval; or

(B) The effective date of the most recent Federal lease issuance or readjustment prior to LMU approval, for any LMU that does not contain a lease issued prior to August 4, 1976, that has not been readjusted after August 4, 1976, prior to LMU approval.

The diligent development period shall terminate at the end of the royalty reporting period in which the production of recoverable coal reserves in commercial quantities was achieved, or at the end of 10 years, whichever occurs first.

(14) *Exploration* means drilling, excavating, and geological, geophysical or geochemical surveying operations designed to obtain detailed data on the physical and chemical characteristics of Federal coal and its environment including the strata below the Federal coal, overburden, and strata above the Federal coal, and the hydrologic conditions associated with the Federal coal.

(15) *Exploration plan* means a detailed plan to conduct exploration; it shows the location and type of exploration to be conducted, environmental protection procedures, present and proposed roads, and reclamation and abandonment procedures to be followed upon completion of operations.

(16) *General mining order* means any numbered formal order, issued by the State Director, which is published in the FEDERAL REGISTER after opportunity for public comment. General Mining Orders apply to coal exploration, mining, and related operations.

(17) *Gross value*, for the purpose of royalty calculations, means the unit sale or contract price times the number of units sold, subject to the provisions at §3485.2(g) of this title under which gross value is determined.

(18) *License* means a license to mine coal pursuant to the provisions of 43 CFR part 3440, or an exploration license issued pursuant to the provisions of 43 CFR part 3410.

(19) *Logical mining unit (LMU)* means an area of land in which the recoverable coal reserves can be developed in an efficient, economical, and orderly manner as a unit with due regard to conservation of recoverable coal reserves and other resources. An LMU may consist of one or more Federal leases and may include intervening or adjacent lands in which the United States does not own the coal. All lands in an LMU shall be under the effective control of a single operator/lessee, be able to be developed and operated as a single operation, and be contiguous.

(20) *Logical mining unit (LMU) recoverable coal reserves* means the sum of estimated Federal and non-Federal recoverable coal reserves in the LMU.

(21) *Maximum economic recovery (MER)* means that, based on standard industry operating practices, all profitable portions of a leased Federal coal deposit must be mined. At the times of MER determinations, consideration will be given to: existing proven technology; commercially available and economically feasible equipment; coal quality, quantity, and marketability; safety, exploration, operating, processing, and transportation costs; and compliance with applicable laws and regulations. The requirement of MER does not restrict the authority of the authorized officer to ensure the conservation of the recoverable coal reserves and other resources and to prevent the wasting of coal.

(22) *Methods of operation* means the methods and manner, described in an exploration or resource recovery and protection plan, by which exploration, development, or mining activities are to be performed by the operator/lessee.

(23) *Minable reserve base* means that portion of the coal reserve base which is commercially minable and includes

all coal that will be left, such as in pillars, fenders, or property barriers. Other areas where mining is not permissible (including, but not limited to, areas classified as unsuitable for coal mining operations) shall be excluded from the minable reserve base.

(24) *Mine* means an underground or surface excavation or series of excavations and the surface or underground support facilities that contribute directly or indirectly to mining, production, preparation, and handling of coal.

(25) *MLA* means the Act of February 25, 1920, as amended, commonly referred to as the Mineral Leasing Act and codified at 30 U.S.C. 181, *et seq.*, and the Mineral Leasing Act for Acquired Lands, as amended, 30 U.S.C. 351-359.

(26) *Notice of availability* means formal notification by the authorized officer to: appropriate Federal, State, and local government agencies; to the surface and mineral owners; and to the public in accordance with 43 CFR 3481.2.

(27) *Operator/lessee* means lessee, licensee, and/or one conducting operations on a Federal lease or license under a written contract or written agreement with the lessee or licensee.

(28) *Permanent abandonment of exploration operations* means the completion of all activities conducted under an approved exploration plan, including plugging of all drill holes, submission of required records, and reclamation of all disturbed surfaces.

(29) *Permanent abandonment of mining operations* means the completion of all development, production, and resource recovery and protection requirements conducted under an approved resource recovery and protection plan, including satisfaction of all Federal rental and royalty requirements.

(30) *Preparation* means any physical or chemical treatment to prepare coal for market. Treatment may include crushing, sizing, drying, mixing, or other processing, and removal of noncoal waste such as bone or other impurities to enhance the quality and therefore the value of the coal.

(31) *Production* means mining of recoverable coal reserves and/or commercial byproducts from a mine using surface, underground, auger, or *in situ* methods.

(32) *Recoverable coal reserves* means the minable reserve base excluding all coal that will be left, such as in pillars, fenders, and property barriers.

(33) *Resource recovery and protection* includes practices to: recover efficiently the recoverable coal reserves subject to these rules; avoid wasting or loss of coal or other resources; prevent damage to or degradation of coal-bearing or mineral-bearing formations; ensure MER of the Federal coal; and ensure that other resources are protected during exploration, development, and mining, and upon abandonment.

(34) *Resource recovery and protection plan* means a plan showing that the proposed operation meets the requirements of MLA for development, production, resource recovery and protection, diligent development, continued operation, MER, and the rules of this part for the life-of-the-mine.

(35) *State Director* means an employee of the Bureau of Land Management who has been designated as the chief administrative officer of one of the Bureau's 12 administrative areas designated as "States".

(36) *Subsidence* means a lowering of surface elevations over an underground mine caused by loss of support and subsequent settling or caving of strata lying above the mine.

(b) The following shall have the meanings as defined at 30 CFR Chapter VII:

- Alluvial valley floors*
- Federal Lands Program*
- Ground water*
- Indian lands*
- Overburden*
- Permit*
- Permit application*
- Permit application package*
- Permit area*
- Regulatory authority*
- Roads*
- Spoil*

[47 FR 33179, July 30, 1982; 47 FR 53366, Nov. 26, 1982. Redesignated and amended at 48 FR 41589, 41590, Sept. 16, 1983]

**§ 3480.0-6 Responsibilities.**

(a) *Responsibilities of other Federal Agencies*—(1) *Office of Surface Mining Reclamation and Enforcement*. The responsibility for administration of the

## Bureau of Land Management, Interior

## § 3480.0-6

Surface Mining Control and Reclamation Act of 1977 (SMCRA) (30 U.S.C. 1201, *et seq.*) is vested in OSM.

(2) *Mine Safety and Health Administration.* The responsibility for enforcement of the Federal Coal Mine Health and Safety Act of 1969, as amended (83 Stat. 742), and the coal mine health and safety rules contained in Chapter I of this title are vested in the Mine Safety and Health Administration, Department of Labor.

(3) *Bureau of Land Management.* The responsibility for the issuance of exploration licenses for unleased Federal coal, the issuance of licenses to mine, and the issuance, readjustment, modification, termination, cancellation, and/or approval of transfers of Federal coal leases pursuant to MLA, as amended, is vested in the Bureau of Land Management.

(b) The BLM has the general responsibility to administer MLA with respect to coal mining, production, and resource recovery and protection operations on Federal coal leases and licenses, and to supervise exploration operations for Federal coal.

(c) Subject to the supervisory authority of the Secretary, the rules of this part shall be administered by BLM through the Director; Deputy Director for Energy and Mineral Resources; Chief, Division of Solid Mineral Operations; State Director and authorized officer.

(d) The authorized officer is empowered to oversee exploration, development, production, resource recovery and protection, diligent development, continued operation, preparation, handling, product verification, and abandonment operations subject to the rules of this part, and shall be responsible for the following:

(1) *Exploration plans.* Approve, disapprove, approve upon condition(s), or require modification to exploration plans for Federal coal.

(2) *Resource recovery and protection plans.* Recommend to the Assistant Secretary for Energy and Minerals the approval, disapproval, or approval upon condition(s) of resource recovery and protection plans.

(3) *LMU applications.* Approve, disapprove, or approve upon condition(s) LMU applications or modifications

thereto; direct the establishment of LMU's in the interest of conservation of recoverable coal reserves and other resources; conduct public hearings on LMU applications, as appropriate, recommend amendments to Federal lease terms when determined necessary to ensure consistency with LMU stipulations; monitor and ensure compliance with LMU stipulations and the rules of this part; and require reports and information for the establishment of an LMU.

(4) *Inspection of operations.* Examine as frequently as necessary, but at least quarterly, federally leased or licensed lands where operations for exploration, development, production, preparation, and handling of coal are conducted or are to be conducted; inspect such operations for product verification, resource recovery and protection, MER, diligent development and continued operation; inspect such operations for the purpose of determining whether wasting or degradation of other resources or damage to formations and deposits or nonmineral resources affected by the operations is being avoided or minimized; and determine whether there is compliance with all provisions of applicable laws, rules, and orders, all terms and conditions of Federal leases and licenses, and all requirements of approved exploration or resource recovery and protection plans.

(5) *Compliance.* Require operators/lessees to conduct operations subject to the rules of this part in compliance with all provisions of applicable laws, rules, and orders, all terms and conditions of Federal leases and licenses under MLA requirements, and approved exploration or resource recovery and protection plans for requirements of production, development, resource recovery and protection, MER, diligent development and continued operation upon commencement of production.

(6) *Waiver, suspension, or reduction of rentals, or reduction of royalties.* Receive and act on applications for waiver, suspension, or reduction of rentals, and receive and act on applications for reduction of royalties, but not advance royalty, filed pursuant to the rules of this part.

(7) *Extensions or suspensions.* Receive and act on applications for extensions

## § 3481.1

or suspensions filed in accordance with 43 CFR 3483.2 and, when appropriate, terminate extensions or suspensions that have been granted, provided that approval of an extension or a suspension shall not preclude the regulatory authority from requiring the operator/lessee to continue to comply with the reclamation requirements of 30 CFR Chapter VII, Subchapter K, or an approved State program.

(8) *Cessation and abandonment.* Upon receipt of notice of proposed abandonment or upon relinquishment of a Federal lease, in accordance with 43 CFR 3452.1-2, or Federal license, in accordance with 43 CFR 3410.3-1(d), the authorized officer shall conduct an inspection to determine whether the applicable exploration, development, production, resource recovery and protection, and abandonment requirements of the Federal lease or license have been met. Relinquishment or abandonment of a Federal lease shall not preclude the regulatory authority from requiring the operator/lessee to comply with the reclamation requirements of 30 CFR Chapter VII, Subchapter K, or an approved State program.

(9) *Exploration drill holes.* Prescribe or approve the methods for protecting coal-bearing formations from damage or contamination that might occur as a result of any holes drilled to, or through, the coal-bearing formations for any purpose under an approved exploration plan.

(10) *Trespass.* Report to the responsible officer of the surface managing agency, with a copy to the regulatory authority, any trespass on Federal lands that involves exploration activities or removal of unleased Federal coal, determine the quantity and quality of coal removed, and recommend the amount of trespass damages.

(11) *Water and air quality.* Inspect exploration operations to determine compliance with air and surface and ground water pollution control measures required by Federal statutes as implemented by the terms and conditions of applicable Federal leases, licenses or approved exploration plans, and promptly notify appropriate representatives of the regulatory authority and Federal Agencies in the event of any noncompliance.

## 43 CFR Ch. II (10-1-23 Edition)

(12) *Implementation of rules.* Issue General Mining Orders and other orders for enforcement, make determinations, and grant consents and approvals as necessary to implement or ensure compliance with the rules of this part. Any oral orders, approvals, or consents shall be promptly confirmed in writing.

(13) *Lease bonds.* (i) Determine whether the total amount of Federal lease bond with respect to operations under the rules of this part is adequate at all times to satisfy the reclamation requirements of the exploration plan.

(ii) Determine whether the total amount of any bond furnished with respect to operations subject to the rules of this part is at all times adequate to satisfy the requirements of the Federal lease or license relating to exploration, development, production, resource recovery and protection, and shall determine if the bond amount is adequate to satisfy any payments of rentals on producing Federal leases and payments of Federal royalties.

(iii) Notify the responsible officer of the surface managing agency of determinations under (c)(13) (i) and (ii) of this section.

[47 FR 33179, July 30, 1982. Redesignated and amended at 48 FR 41589, 41590, Sept. 16, 1983]

### Subpart 3481—General Provisions

#### § 3481.1 General obligations of the operator/lessee.

(a) The operator/lessee shall conduct exploration activities, reclamation, and abandonment of exploration operations for Federal coal pursuant to the performance standards of the rules of this part, applicable requirements of 30 CFR 815.15 (OSM permanent performance standards for coal exploration) or an approved State program, any Federal lease or license terms and/or conditions, the requirements of the approved exploration plan, and orders issued by the authorized officer.

(b) The operator/lessee shall conduct surface and underground coal mining operations involving development, production, resource recovery and protection, and preparation and handling of coal in accordance with the rules of this part, terms and conditions of the Federal leases or licenses, the approved resource recovery and protection plan,

and any orders issued by the authorized officer.

(c) The operator/lessee shall prevent wasting of coal and other resources during exploration, development, and production and shall adequately protect the recoverable coal reserves and other resources upon abandonment.

(d) The operator/lessee shall immediately report to the authorized officer any conditions or accidents causing severe injury or loss of life that could affect mining operations conducted under the resource recovery and protection plan or threaten significant loss of recoverable coal reserves or damage to the mine, the lands, or other resources, including, but not limited to, fires, bumps, squeezes, highwall caving, landslides, inundation of mine with water, and gas outbursts, including corrective action initiated or recommended. Within 30 days after such accident, the operator/lessee shall submit a detailed report of damage caused by such accident and of the corrective action taken.

(e) The principal point of contact for the operator/lessee with respect to any requirement of the rules of this part shall be the authorized officer. All reports, plans, or other information required by the rules of this part shall be submitted to the authorized officer.

(f) The operator/lessee shall provide the authorized officer free access to the Federal premises.

[47 FR 33179, July 30, 1982. Redesignated and amended at 48 FR 41589, 41590, Sept. 16, 1983]

#### § 3481.2 Procedures and public participation.

(a) *Written findings.* All major decisions and determinations of the State Director and District Manager shall be in writing; shall set forth with reasonable detail the facts and rationale upon which such decisions or determinations are based; and shall be available for public inspection, pursuant to § 3481.3 of this title, during normal business hours at the appropriate office.

(b) *Logical mining units (LMU's)*—(1) *Availability of LMU proposals.* Applications for the approval of an LMU or modification thereto submitted under § 3487.1 of this title, or a proposal by the authorized officer to establish an LMU, shall be available for public in-

spection, pursuant to § 3481.3 of this title, in the office of the authorized officer. A notice of the availability of any proposed LMU or modification thereto shall be prepared immediately by the authorized officer, promptly posted at his office, and mailed to the surface and coal owners, if other than the United States; appropriate State and Federal Agencies; and the clerk or other appropriate officer of the county in which the proposed LMU is located. The notice will be posted or published in accordance with the procedures of such offices. The notice shall be submitted by the authorized officer to a local newspaper of general circulation in the locality of the proposed LMU for publication at least once a week for 2 weeks consecutively.

(2) *Notice of proposed decision.* Prior to the final approval or establishment of any LMU, the authorized officer shall have the proposed decision published in a local newspaper of general circulation in the locality of the proposed LMU at least once a week for 2 weeks consecutively and shall not approve the application for at least 30 days after the first publication of the proposed decision. Such notice may be published concurrently with the notice of availability.

(3) *Public participation.* A public hearing shall be conducted upon the receipt by the authorized officer of a written request for a hearing from any person having a direct interest which is or may be affected adversely by approval of the proposed LMU, provided that the written request is received within 30 days after the first publication of the notice of proposed decision in a newspaper of general circulation in the locality of the proposed LMU. A complete transcript of any such public hearing, including any written comments submitted for the record, shall be kept and made available to the public during normal business hours at the office of the authorized officer that held the hearing, and shall be furnished at cost to any interested party. In making any decision or taking any action subsequent to such public hearing, the authorized officer shall take into account all testimony presented at the public hearing.



### § 3481.3

#### § 3481.3 Confidentiality.

(a) Information on file with MMS obtained pursuant to the rules of this part or part 3400 of this title shall be open for public inspection and copying during regular office hours upon a written request, pursuant to rules at 43 CFR part 2, except that:

(1) Information such as geologic and geophysical data and maps pertaining to Federal recoverable coal reserves obtained from exploration licensees under the rules of this part or part 3410 of this title shall not be disclosed except as provided in 43 CFR 2.20(c).

(2) Information obtained from an operator/lessee under the rules of this part that constitutes trade secrets and commercial or financial information which is privileged or confidential or other information that may be withheld under the Freedom of Information Act (5 U.S.C. 552(b)), such as geologic and geophysical data and maps, shall not be available for public inspection or made public or disclosed without the consent of the operator/lessee.

(3) Upon termination of a Federal lease, such geologic and geophysical data and maps shall be made available to the public.

(4) Upon issuance or readjustment of a Federal lease, the estimated Federal recoverable coal reserves figure shall not be made available to the public unless such a release has been included as a Federal lease term.

(b) Information requested by the operator/lessee to be kept confidential under this section shall be clearly marked "CONFIDENTIAL INFORMATION." All pages so marked shall be physically separated from other portions of the submitted materials. All information not marked "CONFIDENTIAL INFORMATION" will be available for public inspection, except as stated at paragraph (a) of this section for data submitted prior to August 30, 1982.

[47 FR 33179, July 30, 1982; 47 FR 53366, Nov. 26, 1982. Redesignated and amended at 48 FR 41589, 41590, Sept. 16, 1983]

### 43 CFR Ch. II (10-1-23 Edition)

#### § 3481.4 Temporary interruption in coal severance.

##### § 3481.4-1 Can I temporarily interrupt coal severance and still be qualified as producing?

Yes, a temporary interruption in coal severance allows you (the lessee/operator) to halt the extraction of coal for a limited period of time without jeopardizing your qualifications under section (2)(a)(2)(A) of MLA to receive additional leases. During the period of a temporary interruption in coal severance, BLM still considers you lease or LMU to be producing so as not to preclude you from receiving a new or transferred lease.

[62 FR 44370, Aug. 20, 1997]

##### § 3481.4-2 What are some examples of circumstances that qualify for a temporary interruption of coal severance?

(a) Movement, failure, or repair of major equipment, such as draglines or longwalls; overburden removal; adverse weather; employee absences;

(b) Inability to sever coal due to orders issued by governmental authorities for cessation or relocation of the coal severance operations; and

(c) Inability to sell or distribute coal severed from the lease or LMU out of or away from the lease or LMU.

[62 FR 44370, Aug. 20, 1997]

##### § 3481.4-3 Does a temporary interruption in coal severance affect the diligence requirements applicable to my lease or LMU?

No, a temporary interruption in coal severance covered by §§ 3481.4-1 to 3481.4-4 does not change the diligence requirements of subpart 3483 applicable to your lease or LMU.

[62 FR 44370, Aug. 20, 1997]

##### § 3481.4-4 What is the aggregate amount of time I can temporarily interrupt coal severance and have BLM consider my lease or LMU producing?

(a) If you (the lessee/operator) want BLM to consider your lease or LMU to be producing, the aggregate of all temporary interruptions in coal severance from your lease or LMU must not exceed 1 year in the 5-consecutive-year

period immediately preceding the date of BLM's determination of lessee qualifications under §3472.1-2 of this chapter.

(b) BLM will not count toward the aggregate interruption limit described in paragraph (a) of this section:

(1) Any interruption in coal severance that is 14 days or less in duration;

(2) Any suspension granted under §3483.3 of this part; and

(3) Any BLM-approved suspension of the requirements of §3472.1-2(e)(1) of this part for reasons of strikes, the elements, or casualties not attributable to the operator/lessee before diligent development is achieved.

[62 FR 44370, Aug. 20, 1997]

### Subpart 3482—Exploration and Resource Recovery and Protection Plans

#### §3482.1 Exploration and resource recovery and protection plans.

(a) *Exploration plans.* For background and application procedures for exploration licenses for unleased Federal coal, see 43 CFR part 3410. For background and application procedures for exploration for Federal coal within an approved permit area after mining operations have commenced, see 30 CFR Chapter VII. For any other exploration for Federal coal prior to commencement of mining operations, the following rules apply:

(1) Except for casual use, before conducting any exploration operations on federally leased or licensed lands, the operator/lessee shall submit an exploration plan to and obtain approval from the authorized officer. Casual use, as used in this paragraph, means activities which do not cause appreciable surface disturbance or damage to lands or other resources and improvements. Casual use does not include use of heavy equipment or explosives or vehicular movement off established roads and trails.

(2) The operator/lessee shall submit five copies of exploration plans to the authorized officer. Exploration plans shall be consistent with and responsive to the requirements of the Federal lease or license for the protection of recoverable coal reserves and other re-

sources and for the reclamation of the surface of the lands affected by the operations. The exploration plan shall show that reclamation is an integral part of the proposed operations and that reclamation will progress as contemporaneously as practicable with such operations.

(3) Exploration plans shall contain all of the following:

(i) The name, address, and telephone number of the applicant, and, if applicable, the operator/lessee of record.

(ii) The name, address, and telephone number of the representative of the applicant who will be present during and be responsible for conducting the exploration.

(iii) A narrative description of the proposed exploration area, cross-referenced to the map required under paragraph (a)(3)(viii) of this section, including applicable Federal lease and license serial numbers; surface topography; geologic, surface water, and other physical features; vegetative cover; endangered or threatened species listed pursuant to the Endangered Species Act of 1973 (16 U.S.C. 1531, *et seq.*); districts, sites, buildings, structures, or objects listed on, or eligible for listing on, the National Register of Historic Places; and known cultural or archeological resources located within the proposed exploration area.

(iv) A narrative description of the methods to be used to conduct coal exploration, reclamation, and abandonment of operations including, but not limited to—

(A) The types, sizes, numbers, capacity, and uses of equipment for drilling and blasting, and road or other access route construction;

(B) Excavated earth- or debris-disposal activities;

(C) The proposed method for plugging drill holes;

(D) Estimated size and depth of drill holes, trenches, and test pits; and,

(E) Plans for transfer and modification of exploration drill holes to be used as surveillance, monitoring, or water wells.

(v) An estimated timetable for conducting and completing each phase of the exploration, drilling, and reclamation.

## § 3482.1

(vi) The estimated amounts of coal to be removed during exploration, a description of the method to be used to determine those amounts, and the proposed use of the coal removed.

(vii) A description of the measures to be used during exploration for Federal coal to comply with the performance standards for exploration (§3484.1(a) of this title) and applicable requirements of 30 CFR 815.15 or an approved State program.

(viii) A map at a scale of 1:24,000 or larger showing the areas of land to be affected by the proposed exploration and reclamation. The map shall show existing roads, occupied dwellings, and pipelines; proposed location of trenches, roads, and other access routes and structures to be constructed; applicable Federal lease and license boundaries; the location of land excavations to be conducted; coal exploratory holes to be drilled or altered; earth- or debris-disposal areas; existing bodies of surface water; and topographic and drainage features.

(ix) The name and address of the owner of record of the surface land, if other than the United States. If the surface is owned by a person other than the applicant or if the Federal coal is leased to a person other than the applicant, a description of the basis upon which the applicant claims the right to enter that land for the purpose of conducting exploration and reclamation.

(x) Such other data as may be required by the authorized officer.

(b) *Resource recovery and protection plans.* Before conducting any Federal coal development or mining operations on Federal leases or licenses, the operator/lessee shall submit and obtain approval of a resource recovery and protection plan, unless a current resource recovery and protection plan has been approved prior to August 30, 1982. If the resource recovery and protection plan is submitted solely to meet the MLA 3-year submittal requirement, the resource recovery and protection plan shall be submitted to the authorized officer. Upon receipt of a resource recovery and protection plan, the authorized officer will review such plan for completeness and for compliance with MLA. Prior to commencement of any coal development or mining operations

## 43 CFR Ch. II (10-1-23 Edition)

on a Federal lease or license, a permit application package containing, among other documents, a resource recovery and protection plan and a permit application shall be submitted to the regulatory authority. On any Federal lease issued after August 4, 1976, MLA requires that a resource recovery and protection plan shall be submitted no later than 3 years after the effective date of the Federal lease. On any Federal lease issued prior to August 4, 1976, MLA requires that a resource recovery and protection plan shall be submitted no later than 3 years after the effective date of the first lease readjustment after August 4, 1976, or the effective date of the operator/lessee's election provided for at §3483.1(b)(1) of this title, unless a current resource recovery and protection plan has been approved. Any resource recovery and protection plan submitted but not approved as of August 30, 1982, shall be revised to comply with these rules. A resource recovery and protection plan for an LMU shall be submitted to the authorized officer as provided in §3487.1(e)(1) of this title.

(c) The authorized officer may contact directly operators/lessees regarding MLA requirements. The resource recovery and protection plan shall contain all the requirements pursuant to MLA for the life-of-the-mine and, unless previously submitted in an LMU application or as directed by the authorized officer, shall include all of the following:

(1) Names, addresses, and telephone numbers of persons responsible for operations to be conducted under the approved plan to whom notices and orders are to be delivered; names and addresses of operators/lessees; Federal lease serial numbers; Federal license serial numbers, if appropriate; and names and addresses of surface and subsurface coal or other mineral owners of record, if other than the United States.

(2) A general description of geologic conditions and mineral resources, with appropriate maps, within the area where mining is to be conducted.

(3) A description of the proposed mining operation, including:

(i) Sufficient coal analyses to determine the quality of the minable reserve base in terms including, but not limited to, Btu content on an as-received basis, ash, moisture, sulphur, volatile matter, and fixed carbon content.

(ii) The methods of mining and/or variation of methods, basic mining equipment and mining factors including, but not limited to, mining sequence, production rate, estimated recovery factors, stripping ratios, highwall limits, and number of acres to be affected.

(iii) An estimate of the coal reserve base, minable reserve base, and recoverable coal reserves for each Federal lease included in the resource recovery and protection plan. If the resource recovery and protection plan covers an LMU, recoverable coal reserves will also be reported for the non-Federal lands included in the resource recovery and protection plan.

(iv) The method of abandonment of operations proposed to protect the unmined recoverable coal reserves and other resources.

(4) Maps and cross sections, as follows:

(i) A plan map of the area to be mined showing the following—

(A) Federal lease boundaries and serial numbers;

(B) LMU boundaries, if applicable;

(C) Surface improvements, and surface ownership and boundaries;

(D) Coal outcrop showing dips and strikes; and,

(E) Locations of existing and abandoned surface and underground mines.

(ii) Isopach maps of each coal bed to be mined and the overburden and interburden.

(iii) Typical structure cross sections showing all coal contained in the coal reserve base.

(iv) General layout of proposed surface or strip mine showing—

(A) Planned sequence of mining by year for the first 5 years, thereafter in 5-year increments for the remainder of mine life;

(B) Location and width of coal fenders; and,

(C) Cross sections of typical pits showing highwall and spoil configuration, fenders, if any, and coal beds.

(v) General layout of proposed underground mine showing—

(A) Planned sequence of mining by year for the first 5 years, thereafter in 5-year increments for the remainder of mine life;

(B) Location of shafts, slopes, main development entries and barrier pillars, panel development, bleeder entries, and permanent barrier pillars;

(C) Location of areas where pillars will be left and an explanation why these pillars will not be mined;

(D) A sketch of a typical entry system for main development and panel development entries showing center-line distances between entries and crosscuts;

(E) A sketch of typical panel recovery (e.g., room and pillar, longwall, or other mining method) showing, by numbering such mining, the sequence of development and retreat; and,

(vi) For auger mining—

(A) A plan map showing the area to be auger mined and location of pillars to be left to allow access to deeper coal;

(B) A sketch showing details of operations including coal bed thickness, auger hole spacing, diameter of holes and depth or length of auger holes.

(5) A general reclamation schedule for the life-of-the-mine. This should not be construed as meaning duplication of a permit application in a permit application package under SMCRA. The resource recovery and protection plan may cross-reference, as appropriate, a permit application submitted under SMCRA to fulfill this requirement.

(6) Any required data which are clearly duplicated in other submittals to the regulatory authority or Mine Safety and Health Administration may be used to fulfill the requirements of the above paragraphs provided that the cross-reference is clearly stated. A copy of the relevant portion of such submittals must be included in the resource recovery and protection plan.

(7) Explanation of how MER of the Federal coal will be achieved for the Federal coal leases included in the resource recovery and protection plan. If a coal bed, or portion thereof, is not to be mined or is to be rendered

## § 3482.2

unminable by the operation, the operator/lessee shall submit appropriate justification to the authorized officer for approval.

[47 FR 33179, July 30, 1982; 47 FR 53366, Nov. 26, 1982. Redesignated at 48 FR 41589, Sept. 16, 1983]

### § 3482.2 Action on plans.

(a)(1) *Exploration plans.* The authorized officer after evaluating a proposed exploration plan and all comments received thereon, and after consultation with the responsible officer of the surface managing agency, and with the regulatory authority when exploration is to be conducted within an approved permit area prior to commencement of mining operations, shall promptly approve or disapprove in writing an exploration plan. In approving an exploration plan, the authorized officer shall determine that the exploration plan complies with the rules of this part, applicable requirements of 30 CFR 815.15 or an approved State program, and any Federal lease or license terms and/or conditions. Reclamation must be accomplished as set forth in the exploration plan. The authorized officer may impose additional conditions to conform to the rules of this part. In disapproving an exploration plan, the authorized officer shall state what modifications, if any, are necessary to achieve such conformity. No exploration plan shall be approved unless the bond, executed pursuant to the provisions of 43 CFR part 3474 or 43 CFR part 3410, has been determined by the responsible officer of the surface managing agency to be adequate. When the land involved in the exploration plan is under the surface management jurisdiction of an agency other than DOI, that other agency must concur with the approval terms of the exploration plan.

(2) *Resource recovery and protection plans.* No resource recovery and protection plan or modification thereto shall be approved which is not in conformance with the rules of this part, any Federal lease or license terms and/or conditions, and is not found to achieve MER of the Federal coal within an LMU or Federal lease issued or readjusted after August 4, 1976. The determination of MER shall be made by the

## 43 CFR Ch. II (10–1–23 Edition)

authorized officer based on review of the resource recovery and protection plan. No resource recovery and protection plan shall be approved prior to the filing of a complete permit application package and unless the Federal lease bond, executed pursuant to the provisions of 43 CFR part 3474 has been determined by the authorized officer to be adequate.

(3) *Recoverable coal reserves estimates.* For all Federal coal leases issued or readjusted after August 4, 1976, the recoverable coal reserves or LMU recoverable coal reserves shall be those estimated by the authorized officer as of the date of approval of the resource recovery and protection plan, or the date of approval of any existing mining plan as defined at 30 CFR 740.5 (1981). If an operator/lessee credits production toward diligent development in accordance with § 3483.5 of this title, such credits shall be included in the recoverable coal reserves or LMU recoverable coal reserves estimates. The estimate of recoverable coal reserves or LMU recoverable coal reserves may only be revised as new information becomes available. Estimates of recoverable coal reserves or LMU recoverable coal reserves shall not be reduced due to any production after the original estimate made by the authorized officer.

(b) *Changes in plans by authorized officer.* (1) Approved exploration plans may be required to be revised or supplemented at any time by the authorized officer, after consultation with the operator/lessee and the responsible officer of the surface managing agency as necessary, to adjust to changed conditions, to correct oversights, or to reflect changes in legal requirements.

(2) The authorized officer, pursuant to MLA, may require approved resource recovery and protection plans to be revised or supplemented reasonably for modifications, after consultation with the operator/lessee and the regulatory authority as necessary, to adjust to changed conditions, to correct oversights, or to reflect changes in legal requirements. Such revisions shall be made in writing, as appropriate, and the authorized officer shall submit a copy to the regulatory authority.

(c) *Changes in plans by operator/lessee.* (1) The operator/lessee may propose modifications to an approved exploration plan and shall submit a written statement of the proposed change and its justification to the authorized officer. The authorized officer shall promptly approve or disapprove in writing any such modifications, after consultation with the responsible officer of the managing agency and the regulatory authority as necessary, or specify conditions under which they would be acceptable.

(2) The operator/lessee may propose modifications to an approved resource recovery and protection plan for any requirements under MLa, and shall submit a written statement of the proposed change and its justification to the authorized officer. The authorized officer shall promptly approve or disapprove in writing any such modifications, after consultation with the regulatory authority as necessary, or specify conditions under which they would be acceptable. Upon approval of modifications, the authorized officer shall submit a copy to the regulatory authority.

[47 FR 33179, July 30, 1982; 47 FR 53366, Nov. 26, 1982. Redesignated at 48 FR 41589, Sept. 16, 1983]

### § 3482.3 Mining operations maps.

(a) *General requirements.* Upon commencement of mining operations, the operator/lessee shall maintain accurate and up-to-date maps of the mine, drawn to scales acceptable to the authorized officer. Before a mine or section of a mine is abandoned, closed, or made inaccessible, a survey of the mine or section shall be made by the operator/lessee and recorded on such maps. All excavations in each separate coal bed shall be shown in such a manner that the production of coal for any royalty reporting period can be accurately ascertained. Additionally, the maps shall show the name of the mine; name of the operator/lessee; Federal lease or license serial number(s); permit number; Federal lease and permit boundary lines; surface buildings; dip of the coal bed(s); true north; map scale; map explanation; location, diameter, and depth of auger holes; improvements; topography, including subsidence re-

sulting from mining; geologic conditions as determined from outcrops, drill holes, exploration, or mining; any unusual geologic or other occurrences such as dikes, faults, splits, unusual water occurrences, or other conditions that may influence MER; and other information that the authorized officer may request. Copies of such maps shall be properly posted to date and furnished, in duplicate, to the authorized officer annually, or at such other times as the authorized officer requests. Copies of any maps, normally submitted to the regulatory authority, Mine Safety and Health Administration, or other State or Federal Agencies, that show all of the specific data required by this paragraph or paragraphs (b), (c), and (d) of this section shall be acceptable in fulfilling these requirements.

(b) *Underground mine maps.* Underground mine maps, in addition to the general requirements of paragraph (a) of this section, shall show all mine workings; the date of extension of the mine workings; an illustrative coal section at the face of each working unit; location of all surface mine fans; ventilation stoppings, doors, overcasts, undercasts, permanent seals, and regulators; direction of the ventilating current in the various parts of the mine at the time of making the latest surveys; sealed areas; known bodies of standing water in other mine workings, either in, above, or below the active workings of the mine; areas affected by squeezes; elevations of surface and underground levels of all shafts, slopes, or drifts, and elevation of the floor, bottom of the mine workings, or mine survey stations in the roof at regular intervals in main entries, panels, or sections; and sump areas. Any maps submitted to the regulatory authority to be used to monitor subsidence shall also be submitted to the authorized officer.

(c) *Surface mine maps.* Surface mine maps, in addition to the general requirements of paragraph (a) of this section, shall include the date of extension of the mine workings and a detailed stratigraphic section at intervals specified in the approved resource recovery and protection plan. Such maps shall show areas from which coal has been removed; the highwall; fenders; uncovered, but unmined, coal beds;

### § 3483.1

### 43 CFR Ch. II (10–1–23 Edition)

and elevation of the top of the coal beds.

(d) *Vertical projections and cross sections of mine workings.* When required by the authorized officer, vertical projections and cross sections shall accompany plan views.

(e) *Accuracy of maps.* The accuracy of maps furnished shall meet standards acceptable to the authorized officer and shall be certified by a professional engineer, professional land surveyor, or other such professionally qualified person.

(f) *Liability of operator/lessee for expense of survey.* If the operator/lessee fails to furnish a required or requested map within a reasonable time, the authorized officer, if necessary, shall employ a professionally qualified person to make the required survey and map, the cost of which shall be charged to, and promptly paid by, the operator/lessee.

(g) *Incorrect maps.* If any map submitted by an operator/lessee is believed to be incorrect, and the operator/lessee cannot verify the map or supply a corrected map, the authorized officer may employ a professionally qualified person to make a survey and any necessary maps. If the survey shows the maps submitted by the operator/lessee to be substantially incorrect, in whole or in part, the cost of making the survey and preparing the maps shall be charged to, and promptly paid by, the operator/lessee.

#### **Subpart 3483—Diligence Requirements**

##### **§ 3483.1 Diligent development and continued operation requirement.**

(a) *General requirements.* (1) Except as provided at paragraph (b) of this section, each Federal coal lease and LMU is required to achieve diligent development.

(2) Once the operator/lessee of a Federal coal lease or LMU has achieved diligent development, the operator/lessee shall maintain continued operation on the Federal lease or LMU for every continued operation year thereafter, except as provided in § 3483.3 of this title.

(b) Federal coal leases issued prior to August 4, 1976, until the first readjust-

ment of the lease after August 4, 1976, shall be subject to the Federal lease terms, including those that describe the minimum production requirement, except that:

(1) An operator/lessee holding such a lease may elect to be subject to the rules of this part by notifying the authorized officer in writing prior to August 30, 1983.

(i) Such election shall consist of a written request, in triplicate, to the authorized officer that a Federal lease(s) be subject to the rules of this part, and shall contain the following—

(A) Name and address of the operator/lessee of record.

(B) Federal lease number(s).

(C) Certified record of annual Federal coal production since August 4, 1976, for the Federal lease(s) that the operator/lessee requests to have credited toward diligent development in accordance with § 3483.5 of this title.

(ii) Upon verification by the authorized officer of the reported annual Federal coal production, the authorized officer shall notify the operator/lessee by certified mail, return receipt requested, that the election has been approved. The effective date of the election shall be the most recent royalty reporting period prior to the submittal of the election to the authorized officer.

(2) Upon the effective date of the first lease readjustment after August 4, 1976, all such Federal leases shall be subject to the rules of this part.

(c) Any Federal coal lease included in an LMU shall be subject to the diligent development and continued operation requirements imposed on the LMU in lieu of those diligent development and continued operation requirements that would apply to the Federal lease individually.

[47 FR 33179, July 30, 1982; 47 FR 53366, Nov. 26, 1982. Redesignated at 48 FR 41589, Sept. 16, 1983]

##### **§ 3483.2 Termination or cancellation for failure to meet diligent development and maintain continued operation.**

(a) Any Federal coal lease or LMU which has not achieved diligent development shall be terminated by DOI.

(b) After an LMU has been terminated under the provision of paragraph (a) of this section, any Federal coal lease included in that LMU shall then be subject to the diligent development and continued operation requirements that would have been imposed on that Federal lease by the rules of this part, as if the Federal lease had not been included in the LMU.

(c) Any Federal coal lease on which continued operation is not maintained shall be subject to cancellation.

(d) The DOI may cancel any Federal coal lease or LMU which fails to meet the requirement for submission of a resource recovery and protection plan.

**§ 3483.3 Suspension of continued operation or operations and production.**

(a) Applications for suspensions of continued operation must be filed in triplicate in the office of the authorized officer. The authorized officer, if he or she determines an application to be in the public interest, may approve the application or terminate suspensions that have been or may be granted.

(1) The authorized officer must suspend the requirement for continued operation by the period of time he or she determines that strikes, the elements, or casualties not attributable to the operator/lessee have interrupted operations under the Federal coal lease or LMU.

(2) The authorized officer may suspend the requirement for continued operation upon the payment of advance royalty in accordance with § 3481.0-6 of this title for any operation. The authorized officer, upon notifying the operator/lessee 6 months in advance, may cease to accept advance royalty in lieu of the requirement for continued operation.

(b) In the interest of conservation, the authorized officer is authorized to act on applications for suspension of operations and production filed pursuant to paragraph (b) of this section, direct suspension of operations and production, and terminate such suspensions which have been or may be granted. Applications by an operator/lessee for relief from any operations and production requirements of a Federal lease shall contain justification for the

suspension and shall be filed in triplicate in the office of the authorized officer.

(1) A suspension in accordance with paragraph (b) of this section shall take effect as of the time specified by the authorized officer. Any such suspension of a Federal coal lease or LMU approved by the authorized officer also suspends all other terms and conditions of the Federal coal lease or LMU, for the entire period of such a suspension. Rental and royalty payments will be suspended during the period of such suspension of all operations and production, beginning with the first day of the Federal lease month on which the suspension of operations and production becomes effective. Rental and royalty payments shall resume on the first day of the Federal lease month in which operations or production is resumed. Where rentals are creditable against royalties and have been paid in advance, proper credit shall be allowed on the next rental or royalty on producing Federal leases due under the Federal lease.

(2) The minimum annual production requirements shall be proportionately reduced for that portion of a Federal lease year for which suspension of operations and production is directed or granted by the authorized officer, in the interest of conservation of recoverable coal reserves and other resources, in accordance with paragraph (b) of this section.

(3) The term, including the diligent development period, of any Federal lease shall be extended by adding to it any period of suspension in accordance with paragraph (b) of this section, of operations and production.

(4) A suspension in accordance with paragraph (b) of this section does not suspend the permit and the operator/lessee's reclamation obligation under the permit.

[47 FR 33179, July 30, 1982; 47 FR 53366, Nov. 26, 1982. Redesignated at 48 FR 41589, Sept. 16, 1983, and amended at 53 FR 49986, Dec. 13, 1988; 62 FR 44370, Aug. 20, 1997]

**§ 3483.4 Payment of advance royalty in lieu of continued operation.**

(a) Advance royalty may only be accepted in lieu of continued operation



#### § 3483.4

#### 43 CFR Ch. II (10-1-23 Edition)

upon application to and approval by the authorized officer.

(b) However, any request by an operator/lessee for suspension of the continued operation requirement and payment of advance royalty in lieu thereof shall be made no later than 30 days after the beginning of the continued operation year. If an operator/lessee requests authorization to pay advance royalty in lieu of continued operation later than 30 days after the beginning of any continued operation year, the authorized officer may condition acceptance of advance royalty on the payment of a late payment charge on the amount of the advance royalty due. The late payment charge will be calculated in accordance with 30 CFR 218.20.

(c) For advance royalty purposes, the value of the Federal coal will be calculated in accordance with §3485.2 of this title and this section. When advance royalty is accepted in lieu of continued operation, it shall be paid in an amount equivalent to the production royalty that would be owed on the production of 1 percent of the recoverable coal reserves or the Federal LMU recoverable coal reserves. The advance royalty rate for an LMU shall be deemed to be 8 percent where the Federal LMU recoverable coal reserves contained in the LMU would be recovered by only underground mining operations and 12½ percent where the Federal LMU recoverable coal reserves contained in the LMU would be recovered only by other mining operations. For LMU's that contain Federal LMU recoverable coal reserves that would be recovered by a combination of underground and other mining methods, the advance royalty rate shall be deemed to be 12½ percent. The unit value of the recoverable coal reserves for determining the advance royalty payment for a Federal lease or LMU shall be:

(1) The unit value for production royalty purposes of coal produced and sold under the Federal coal lease or LMU during the immediately preceding production royalty payment period; or

(2) Computed at the average unit price at which coal from other Federal leases in the same region was sold during such period, if no coal was produced and sold under the Federal coal lease

or LMU during the immediately preceding royalty payment period, or if the authorized officer finds that there is an insufficient number of such sales to determine such value equitably; or

(3) Determined by the authorized officer, if there were no sales of Federal coal from such region during such period or if the authorized officer finds that there is an insufficient number of such sales to determine such value equitably.

(d) The aggregate number of years during the period of any Federal coal lease or LMU for which advance royalty may be accepted in lieu of the requirement of continued operation shall not exceed 10. For Federal leases issued prior to August 4, 1976, advance royalty shall not be accepted in lieu of continued operation for more than a total of 10 years following the first lease readjustment after August 4, 1976. Any continued operation year in which any advance royalty is paid shall be deemed a year in which advance royalty is accepted in lieu of continued operation for the purposes of this paragraph. However, if an operator/lessee meets the requirement for continued operation in any continued operation year in which the operator/lessee has paid advance royalty, such year shall not be considered when calculating the maximum number of years for which advance royalty may be accepted for the Federal lease or LMU. The number of years for which advance royalty has been paid under any Federal coal lease prior to its inclusion in an LMU shall not be considered when calculating the maximum number of years for which advance royalty may be accepted for the LMU.

(e) The dollar amount of any production royalty for a Federal coal lease or LMU owed for any continued operation year during or subsequent to the continued operation year in which advance royalty is paid, shall be reduced (but not below zero) by the dollar amount of any advance royalty paid under that Federal lease or LMU to the extent that such advance royalty has not been used to reduce production royalty for a prior year.

(f) No advance royalty paid during the initial 20-year term of a Federal

## Bureau of Land Management, Interior

## § 3483.6

coal lease or LMU shall be used to reduce a production royalty pursuant to paragraph (e) of this section after the 20th year of the Federal coal lease or LMU. For purposes of this paragraph, the initial 20-year term of a Federal lease shall commence on the effective date of the Federal lease for all Federal leases issued after August 4, 1976; on the effective date of the first lease readjustment after August 4, 1976, for all Federal leases issued prior to August 4, 1976; and on the effective date of LMU approval for all LMU's. Any advance royalty paid on a Federal lease prior to its inclusion in an LMU shall be credited to the LMU and shall be considered to have been paid on the date of LMU approval for the purposes of this paragraph, provided that the Federal lease has been included in an LMU within the initial 20-year term of the Federal lease as determined in this paragraph and to the extent that the advance royalty has not already been credited against production royalty on the Federal lease.

(g) If an operator/lessee fails to make an approved advance royalty payment in any continued operation year, the authorized officer shall inform the operator/lessee in writing that the operator/lessee is in violation of the continued operation requirement. If the operator/lessee then fails to comply with 30 CFR 218.200, the Federal lease or LMU shall be subject to cancellation pursuant to § 3483.2 of this title.

[47 FR 33179, July 30, 1982; 47 FR 53366, Nov. 26, 1982. Redesignated at 48 FR 41589, Sept. 16, 1983]

### § 3483.5 Crediting of production toward diligent development.

(a) For Federal coal leases issued after August 4, 1976, all production after the effective date of the Federal lease shall be credited toward diligent development.

(b) For Federal coal leases issued prior to August 4, 1976, all production after the effective date of the first lease readjustment after August 4, 1976, shall be credited toward diligent development.

(c) For Federal coal leases issued prior to August 4, 1976, that have not been readjusted after August 4, 1976, if the operator/lessee has elected under

§ 3483.1 of this title to be subject to the diligent development and continued operation requirements of the rules of this part, all production after the effective date of the operator/lessee's election shall be applied toward diligent development.

(d) For Federal coal leases issued prior to August 4, 1976, that have not been readjusted after August 4, 1976, if the operator/lessee has elected under § 3483.1 of this title to be subject to the diligent development and continued operation requirements of the rules of this part, all production after August 4, 1976, that occurred prior to the effective date of the operator/lessee's election shall be applied toward diligent development if the operator/lessee so requests.

(e) For Federal coal leases issued prior to August 4, 1976, that have been readjusted after August 4, 1976, all production after August 4, 1976, that occurred prior to the effective date of the first lease readjustment after August 4, 1976, shall be applied toward diligent development if the operator/lessee so requests. Such a request shall comply with the election application provisions at § 3483.1(b)(1) of this title. Any production after such readjustment shall be applied toward diligent development pursuant to paragraph (b) of this section.

(f) For Federal coal leases issued prior to August 4, 1976, that are governed by the Federal lease clauses which describe the minimum production requirements until the first lease readjustment after August 4, 1976, no production prior to the effective date of that first Federal lease readjustment shall be applied toward diligent development.

(g) For LMU's, any production credited under the rules of this part to a Federal lease prior to its inclusion in the LMU shall be applied toward diligent development for the LMU.

### § 3483.6 Special logical mining unit rules.

(a) Production anywhere within the LMU, of either Federal or non-Federal recoverable coal reserves or a combination thereof, shall be applied toward satisfaction of the requirements of the rules of this part for achievement of

**§ 3484.1**

diligent development and continued operation for the LMU.

(b) The dates for submission of a resource recovery and protection plan and achievement of diligent development shall not be changed by any enlargement or diminution of the LMU.

**Subpart 3484—Performance Standards**

**§ 3484.1 Performance standards for exploration and surface and underground mining.**

The following performance standards shall apply to exploration, development, production, resource recovery and protection, MER, and preparation and handling of coal under Federal leases and licenses, and LMU's.

(a) *Performance standards for exploration.* (1) The operator/lessee shall comply with the standards of the rules of this part and with all applicable requirements of the surface management agency, 30 CFR 815.15, or an approved State program.

(2) The operator/lessee, if required by the authorized officer, shall set and cement casing in the hole and install suitable blowout prevention equipment when drilling on lands valuable or prospectively valuable for oil, gas, or geothermal resources.

(3) All exploration drill holes must be capped with at least 5 feet of cement and plugged with a permanent plugging material that is unaffected by water and hydrocarbon gases and will prevent the migration of gases and water in the drill hole under normal hole pressures. For exploration holes drilled deeper than stripping limits, the operator/lessee, using cement or other suitable plugging material approved by the authorized officer, shall plug the hole through the thickness of the coal bed(s) or mineral deposit(s) and through aquifers for a distance of at least 50 feet above and below the coal bed(s) or mineral deposit(s) and aquifers, or to the bottom of the drill hole. A lesser cap or plug may be approved by the authorized officer. Exploration activities shall be managed to prevent water pollution and mixing of ground and surface waters and ensure the safety of people, livestock, and wildlife.

(4) The operator/lessee shall retain for 1 year, unless a shorter time period is authorized by the authorized officer, all drill and geophysical logs and shall make such logs available for inspection or analysis by the authorized officer, if requested. The authorized officer, at his discretion, may require the operator/lessee to retain representative samples of drill cores for 1 year. Confidentiality of such information will be accorded pursuant to the provisions at § 3481.3 of this title.

(5) The operator/lessee may utilize exploration drill holes as surveillance wells for the purpose of monitoring the effects of subsequent operations on the quantity, quality, or pressure of ground water or mine gases only with the written approval of the authorized officer, in consultation with the regulatory authority. The operator/lessee may convert exploration drill holes to water wells only after approval of the operator/lessee's written request by the authorized officer and the surface owner or authorized officer, in consultation with the regulatory authority. All such approvals shall be accompanied by a corresponding transfer of responsibility for any liability including eventual plugging, reclamation, and abandonment. Nothing in this paragraph shall supersede or affect the applicability of any State law requirements for such a transfer, conversion, or utilization as a supply for domestic consumption.

(b) *General performance standards for surface and underground mining—(1) Maximum economic recovery (MER).* Upon approval of a resource recovery and protection plan for an LMU, or for a Federal lease issued or readjusted after August 4, 1976, the operator/lessee shall conduct operations to achieve MER of the Federal coal. To determine that MER of the Federal coal will be achieved, the authorized officer shall consider the information submitted by the operator/lessee under § 3482.1(c) and/or § 3487.1(c) of this title. The authorized officer may request additional information from the operator/lessee to aid in the MER determination. The operator/lessee shall consider coal preparation operations to avoid the wasting of coal and to encourage the achievement of MER. Federal leases issued

prior to August 4, 1976, that have not yet been readjusted after August 4, 1976, shall comply with MLA regarding conservation of the recoverable coal reserves and other resources.

(2) Diligent development, continued operation, advance royalty, and 3-year resource recovery and protection plan submission requirements are addressed at §§ 3483.1 through 3483.6 of this title.

(3) *Unexpected wells.* The operator/lessee shall notify the authorized officer promptly if operations encounter unexpected wells or drill holes which could adversely affect the recovery of coal during mining operations, and shall take no further action that would disturb such wells or drill holes without the approval of the authorized officer.

(4) *Resource recovery and protection.* The operator/lessee shall conduct efficient operations to recover the recoverable coal reserves; prevent wasting and conserve the recoverable coal reserves and other resources; prevent damage or degradation to coal-bearing or mineral-bearing formations; and ensure that other resources are protected upon abandonment.

(5) *Release of lease bond.* Subsequent to permanent abandonment of mining operations, the authorized officer will determine if the operator/lessee has met obligations required under the Federal lease for resource recovery and protection, and will determine if the operator/lessee has met the Federal lease requirements pertaining to rentals and royalties. The authorized officer will make appropriate recommendations to the authorized officer for reduction or termination of the Federal lease bond.

(c) *Performance standards for underground mines—(1) Underground resource recovery.* Underground mining operations shall be conducted so as to prevent wasting of coal and to conserve recoverable coal reserves consistent with the protection and use of other resources. No entry, room, or panel workings in which the pillars have not been completely mined within safe limits shall be permanently abandoned or rendered inaccessible, except with the prior written approval of the authorized officer.

(2) *Subsidence.* The operator/lessee shall adopt mining methods which en-

sure proper recovery of recoverable coal reserves under MLA, as determined by the authorized officer. Operators/lessees of underground coal mines shall adopt measures consistent with known technology in order to prevent or, where the mining method used requires subsidence, control subsidence, maximize mine stability, and maintain the value and use of surface lands consistent with 30 CFR 784.20 and 817.121, 817.122, 817.124, and 817.126, or applicable requirements of an approved State program. Where pillars are not removed and controlled subsidence is not part of the resource recovery and protection plan, pillars of adequate dimensions shall be left for surface stability, giving due consideration to the thickness and strength of the coal beds and the strata above and immediately below the coal beds.

(3) *Top coal.* Top coal may be left in underground mines only upon approval by the authorized officer. The determination of mining height in thick coal beds will take into consideration safety factors, available equipment, overall coal bed thickness, and MER. The bottom coal left, if determined by the authorized officer to be of a minable thickness, should be maintained at a uniform thickness to allow recovery in the future as new technology is developed and economics allow.

(4) *Multiple coal bed mining.* (i) In general, the recoverable coal reserves in the upper coal beds shall be mined before the lower coal beds; simultaneous workings in each upper coal bed shall be kept in advance of the workings in each lower coal bed. The authorized officer may authorize mining of any lower coal beds before mining the upper coal bed(s) only after a technical justification, submitted to the authorized officer by the operator/lessee, shows that recovery of all coal bed(s) will not be adversely affected.

(ii) In areas subject to multiple coal bed mining, the protective barrier pillars for all main and secondary development entries, main haulageways, primary aircourses, bleeder entries, and manways in each coal bed shall be superimposed regardless of vertical separation or rock competency; however, modifications and exceptions to, or variations from, this requirement may

§ 3484.1

43 CFR Ch. II (10–1–23 Edition)

be approved in advance by the authorized officer.

(5) The authorized officer shall approve the conditions under which an underground mine, or portions thereof, will be temporarily abandoned, pursuant to the rules of this part.

(6) *Barrier pillars left for support.* (i) The operator/lessee shall not, without prior consent of the authorized officer, mine any recoverable coal reserves or drive any underground workings within 50 feet of any of the outside boundary lines of the federally leased or licensed land, or within such greater distance of said boundary lines as the authorized officer may prescribe with consideration for State or Federal environmental or safety laws. The operator/lessee may be required to pay for unauthorized mining of barrier pillars. The authorized officer may require that payment shall be up to, and include, the full value of the recoverable coal reserves mined from the pillars. The drilling of any lateral holes within 50 feet of any outside boundary shall be done in consultation with the authorized officer.

(ii) If the coal in adjoining premises has been worked out, an agreement shall be made with the coal owner prior to the mining of the coal remaining in the Federal barrier pillars which otherwise may be lost. If the water level beyond the pillar is below the operator/lessee's adjacent operations, and all the safety factors have been considered, the operator/lessee, on the written order of the authorized officer, shall mine out and remove all available Federal recoverable coal reserves in such barrier if it can be mined without undue hardship to the operator/lessee; with due consideration for safety; and pursuant to existing mining, reclamation, and environmental laws and rules. Either the operator/lessee or the authorized officer may initiate the proposal to mine coal in a barrier pillar.

(7) The abandonment of a mining area shall require the approval of the authorized officer.

(d) *Performance standards for surface mines.* (1) Pit widths for each coal bed shall be engineered and designed so as to eliminate or minimize the amount of coal fender to be left as a permanent pillar on the spoil side of the pit.

(2) The amount of bottom or rider coal beds wasted in each pit will be minimized consistent with individual mine economics and the coal quality standards that must be maintained by the operation.

(3) The abandonment of a mining area shall require the approval of the authorized officer.

(4) If a coal bed exposed by surface mining or an accumulation of slack coal or combustible waste becomes ignited, the operator/lessee shall immediately take all necessary steps to extinguish the fire and protect the remaining coal.

(5) The authorized officer shall approve the conditions under which a surface mine, or portions thereof, will be temporarily abandoned, pursuant to the rules of this part.

(6) *Barrier or boundary coal.* The operator/lessee shall be encouraged by the authorized officer, in the interest of conservation of recoverable coal reserves and other resources, to mine coal up to the Federal lease or license boundary line; provided that, the mining is in compliance with existing State and Federal mining, environmental and reclamation laws and rules, the mining does not conflict with existing surface rights, and the mining is carried out without undue hardship to the operator/lessee and with due consideration for safety.

(e) *Performance standards for auger mines.* (1) If auger mining is proposed, the authorized officer shall take into account the percentage of recovery, which in general shall exceed 30 percent, and the probable effect on recovering the remaining adjacent recoverable coal reserves by underground mining. If underground mining from the highwall or outcrop is contemplated in the foreseeable future, auger mining may not be approved if underground mining would ensure greater recovery of the unmined recoverable coal reserves. Where auger mining is authorized, the authorized officer will require a sufficient number and size of pillars at regular intervals along the highwall or outcrop to ensure access to the unmined recoverable coal reserves.

(2) A plan for recovery of recoverable coal reserves by auger methods shall be designed to achieve MER.

## Bureau of Land Management, Interior

## § 3485.1

(3) Auger mining must comply with the rules of this part, and 30 CFR Chapter VII or applicable requirements of an approved State program.

[47 FR 33179, July 30, 1982; 47 FR 53366, Nov. 26, 1982. Redesignated at 48 FR 41589, Sept. 16, 1983]

### § 3484.2 Completion of operations and permanent abandonment.

(a) Before permanent abandonment of exploration operations, all openings and excavations shall be closed, backfilled, or otherwise permanently dealt with in accordance with sound engineering practices and according to the approved exploration plan. Drill holes, trenches, and other excavations for exploration shall be abandoned in such a manner as to protect the surface and not endanger any present or future underground operation, or any deposit of coal, oil, gas, mineral resources, or ground water. Areas disturbed by exploration operations will be graded, drained, and revegetated.

(b) Upon permanent abandonment of mining operations, the authorized officer will require that the unmined recoverable coal reserves and other resources be adequately protected. Upon completion of abandonment, the authorized officer will inform the responsible office of the surface managing agency and regulatory authority as to whether the abandonment has been completed in compliance with the rules of this part.

## Subpart 3485—Reports, Royalties and Records

### § 3485.1 Reports.

(a) *Exploration reports.* The operator/lessee shall file with the authorized officer the information required in paragraph (b) of this section. Such filing shall be within 30 days after the end of each calendar year and promptly upon completion or suspension of exploration operations, unless otherwise provided in the exploration license or Federal lease, and at such other times as the authorized officer may request.

(b) *Exploration report content.* The exploration report shall contain the following information:

(1) Location(s) and serial number(s) of the federally leased or licensed lands.

(2) Nature of exploration operations.

(3) Number of holes drilled and/or other work performed during the year or report period.

(4) Total footage drilled during the year or other period as determined by the authorized officer.

(5) Map showing all holes drilled, other excavations, and the coal outcrop lines.

(6) Analyses of coal and other pertinent tests obtained from exploration operations during the year.

(7) Copies of all in-hole mechanical or geophysical stratigraphic surveys or logs, such as electric logs, gamma ray-neutron logs, sonic logs, or any other logs. The records shall include a log of all strata penetrated and conditions encountered such as water, quicksand, gas, or any unusual conditions.

(8) Status of reclamation of the disturbed areas.

(9) A statement on availability and location of all drill hole logs and representative drill cores retained by the operator/lessee pursuant to § 3484.1(a) of this title.

(10) Any other information requested by the authorized officer.

(c) Any coal reserve base, minable reserve base or recoverable coal reserves estimates generated from an exploration license shall be submitted to the authorized officer within 1 year after completion of drilling operations.

(d) *Production reports and payments.*

(1) Operators/lessees shall report on USGS Form 9-373A, within 30 days after expiration of the period covered by the report, all coal mined, the basis for computing Federal royalty and any other form requirements, and shall make all payments due. Acceptance of the report and payment shall not be construed as an accord and satisfaction on the operator/lessee's Federal royalty obligation.

(2) Licensees shall report all coal mined on a semiannual basis on the report form provided.

(3) Non-Federal LMU production shall be reported in accordance with § 3487.1(h)(1) of this title.

(e) *Penalty.* If an operator/lessee knowingly records or reports less than

## § 3485.2

the true weight or value of coal mined, the authorized officer shall impose a penalty equal to either double the amount of Federal royalty due on the shortage or the full value, as determined in §3485.2 of this title, of the shortage. If, after notice, an operator/lessee or licensee maintains false records or files false reports, the authorized officer may recommend to the responsible officer of the surface managing agency that action be initiated to cancel the Federal lease or license, in addition to the imposition of any penalties.

(f) *Confidentiality.* Confidentiality of any information required under this section shall be determined in accordance with §3487.1(h)(1) of this title.

### § 3485.2 Royalties.

(a) Provisions for the payment of advance royalty in lieu of continued operation are contained at §3483.4 of this title.

(b) An overriding royalty interest, production payment, or similar interest that exceeds 50 percent of royalty first payable to the United States under the Federal lease, or when added to any other overriding royalty interest exceeds that percentage, except those created in order to finance a mine, shall not be created by a Federal lease transfer or surface owner consent. However, when an interest in the Federal lease or operating agreement is transferred, the transferor may retain an overriding royalty in excess of the above limitation if he shows that he has made substantial investments for improvements directly related to exploration, development, and mining on the land covered by the transfer that would justify a higher payment.

(c)(1) The authorized officer may waive, suspend, or reduce the rental on a Federal lease, or reduce the Federal royalty, but not advance royalty, on a Federal lease or portion thereof. The authorized officer shall take such action for the purpose of encouraging the greatest ultimate recovery of Federal coal, and in the interest of conservation of Federal coal and other resources, whenever in his judgment it is necessary to promote development, or if he finds that the Federal lease cannot be successfully operated under its

## 43 CFR Ch. II (10–1–23 Edition)

terms. In no case shall the authorized officer reduce to zero any royalty on a producing Federal lease.

(2) An application for any of the above benefits shall be filed in triplicate in the office of the authorized officer. The application shall contain the serial number of the Federal lease, the Bureau of Land Management State Office, the name and address of the record title holder and any operator/lessee, and the description of the lands in the manner provided by 43 CFR 3471.1.

(i) Each application shall include the name and location of the mine; a map showing the extent of the existing, proposed or adjoining mining operations; a tabulated statement of the Federal coal mined, if any, and subject to Federal royalty for the existing or adjoining operation covering a period of not less than 12 months before the date of filing of the application; and existing Federal rental and royalty rates on Federal leases covered by the application.

(ii) Each application shall contain a detailed statement of expenses and costs of operating the entire mine, the income from the sale of coal, and all facts indicating whether the mine can be successfully operated under the Federal rental and royalty provisions fixed in the Federal lease or why the reduction is necessary to promote development. Where the application is for a reduction in Federal royalty, full information shall be furnished as to whether royalties or payments out of production are paid to parties other than the United States, the amounts so paid, and efforts made to reduce them, if any. If the Federal lease included in the application is not part of nor adjoining an operating mine, these detailed financial data may be obtained from another operating mine which is in close proximity and for which the authorized officer has deemed to have similar operating characteristics.

(iii) The applicant shall also file a copy of agreements, between the operator/lessee and the holders of any royalty interests or production payments other than those created in order to finance a mine, to a reduction of all other royalties from the Federal lease

## Bureau of Land Management, Interior

## § 3486.3

so that the total royalties and production payments owed the holders of these interests will not be in excess of one-half of the Federal royalties, should the Federal royalty reduction be granted.

(3) If the applicant does not meet the criteria of the rules of this part, the authorized officer shall reject such application or request more data from the operator/lessee.

(4) If the applicant meets the criteria of the rules of this part, the authorized officer shall act on the application.

(d) If a Federal coal lease that provides for a cents-per-ton Federal royalty is developed by *in situ* technology, BLM will establish a procedure for estimating tonnage for royalty purposes.

[47 FR 33179, July 30, 1982. Redesignated at 48 FR 41589, Sept. 16, 1983, and amended at 54 FR 1532, Jan. 13, 1989]

### § 3485.3 Maintenance of and access to records.

(a) Operators/lessees shall maintain current and accurate records for the Federal lease or LMU showing:

(1) The type, quality, and weight of all coal mined, sold, used on the premises, or otherwise disposed of, and all coal in storage (remaining in inventory).

(2) The prices received for all coal sold and to whom and when sold.

(b) [Reserved]

(c) Licensees must maintain a current record of all coal mined and/or removed.

(d) Operators/lessees will retain these records for a period of time as determined by the authorized officer in accordance with current BLM rules and procedures.

[47 FR 33179, July 30, 1982, as amended at 48 FR 35641, Aug. 5, 1983. Redesignated at 48 FR 41589, Sept. 16, 1983]

## Subpart 3486—Inspection, Enforcement, and Appeals

### § 3486.1 Inspections.

(a) The operator/lessee shall provide access, at all reasonable times, to the authorized officer for inspection or investigation of operations in order to determine whether the operations are in compliance with all applicable laws,

rules, and orders; the terms and conditions of the Federal lease or license; and requirements of any approved exploration plan for:

(1) Abandonment.

(2) Environmental protection and reclamation practices.

(b) The operator/lessee shall provide access, at all reasonable times, to the authorized officer for inspection or investigation of operations in order to determine whether the operations are in compliance with all applicable laws, rules, and orders; the terms and conditions of the Federal lease or license; and requirements of any approved resource recovery and protection plan for:

(1) Production practices.

(2) Development.

(3) Resource recovery and protection.

(4) Diligent development and continued operation.

(5) Audits of Federal rental and royalty payments on producing Federal leases.

(6) Abandonment.

(7) MER determinations.

### § 3486.2 Notices and orders.

(a) *Address of responsible party.* Before beginning operations, the operator/lessee shall inform the authorized officer in writing of the operator/lessee's post office address and the name and post office address of the superintendent or designated agent who will be in charge of the operations and who will act as the local representative of the operator/lessee. Thereafter, the authorized officer shall be informed of any changes.

(b) *Receipt of notices and orders.* The operator/lessee shall be construed to have received all notices and orders that are mailed by certified mail, return receipt requested, to the mine office or handed to a responsible official connected with the mine or exploration site for transmittal to the operator/lessee or his local representative.

### § 3486.3 Enforcement.

(a) If the authorized officer determines that an operator/lessee has failed to comply with the rules of this part, the terms and conditions of the Federal lease or license, the requirements of



#### § 3486.4

approved exploration or resource recovery and protection plans, or orders of the authorized officer, and such non-compliance does not threaten immediate and serious damage to the mine, the deposit being mined, valuable ore-bearing mineral deposits or other resources, or affect the royalty provisions of the rules of this part, the authorized officer shall serve a notice of noncompliance upon the operator/lessee by delivery in person to him or his agent, or by certified mail, return receipt requested, addressed to the operator/lessee at his last known address. Failure of the operator/lessee to take action in accordance with the notice of noncompliance within the time limits specified by the authorized officer shall be grounds for cessation of operations upon notice by the authorized officer. The authorized officer may also recommend to the authorized officer the initiation of action for cancellation of the Federal lease or license and forfeiture of any Federal lease bonds.

(b) The notice of noncompliance shall specify in what respect(s) the operator/lessee has failed to comply with the rules of this part, the terms and conditions of the Federal lease or license, the requirements of approved exploration or resource recovery and protection plans, or orders of the authorized officer, and shall specify the action that must be taken to correct such noncompliance and the time limits within which such action must be taken.

(c) If, in the judgment of the authorized officer, an operator/lessee is conducting activities which fail to comply with the rules of this part, the terms and conditions of the Federal lease or license, the requirements of approved exploration or resource recovery and protection plans, or orders of the authorized officer, and/or which threaten immediate and serious damage to the mine, the deposit being mined, valuable ore-bearing mineral deposits, or, regarding exploration, the environment, the authorized officer shall order the immediate cessation of such activities without prior notice of noncompliance.

(d) A written report shall be submitted by the operator/lessee to the authorized officer when such noncompli-

#### 43 CFR Ch. II (10-1-23 Edition)

ance has been corrected. Upon concurrence by the authorized officer that the conditions which warranted the issuance of a notice or order of non-compliance have been corrected, the authorized officer shall so notify the operator/lessee in writing.

(e) The authorized officer shall enforce requirements of SMCRA only if he finds a violation, condition, or practice that he determines to be an emergency situation for which an authorized representative of the Secretary is required to act pursuant to 30 CFR 843.11 and 843.12.

[47 FR 33179, July 30, 1982; 47 FR 53366, Nov. 26, 1982. Redesignated at 48 FR 41589, Sept. 16, 1983]

#### § 3486.4 Appeals.

Decisions or orders issued by the BLM under part 3480 of this title may be appealed pursuant to part 4 of this title.

[48 FR 41593, Sept. 16, 1983]

### Subpart 3487—Logical Mining Unit

#### § 3487.1 Logical mining units.

(a) An LMU shall become effective only upon approval of the authorized officer. The effective date for an LMU may be established by the authorized officer between the date that the authorized officer receives an application for LMU approval and the date the authorized officer approves the LMU. The effective date of the LMU approval shall be determined by the authorized officer in consultation with the LMU applicant. An LMU may be enlarged by the addition of other Federal coal leases or with interests in non-Federal coal deposits, or both, in accordance with paragraph (g) of this section. An LMU may be diminished by creation of other separate Federal leases or LMU's in accordance with paragraph (g) of this section.

(b) The authorized officer may direct, or an operator/lessee may initiate, the establishment of an LMU containing only Federal coal leases issued after August 4, 1976. The authorized officer may direct, or an operator/lessee may initiate, the establishment of an LMU containing Federal coal leases issued prior to August 4, 1976, provided that

the operators/lessees consent to making all such Federal leases within the LMU subject to the uniform requirements for submittal of a resource recovery and protection plan, LMU recoverable coal reserves exhaustion, diligent development, continued operation, MER, advance royalty, and royalty reporting periods (but not royalty rates) made applicable by the LMU stipulations and the rules of this part. Any Federal lease included in an LMU shall have its terms amended as necessary so that its terms and conditions are consistent with the stipulations required for the approval of the LMU pursuant to paragraph (e) of this section.

(c) *Contents of an LMU application.* An operator/lessee must submit five copies of an LMU application to the authorized officer if the operator/lessee is applying on his own initiative to combine lands into an LMU, or if directed to establish an LMU by the authorized officer in accordance with paragraph (b) of this section. Such application shall include the following:

(1) Name and address of the designated operator/lessee of the LMU.

(2) Federal lease serial numbers and description of the land and all coal beds considered to be of minable thickness within the boundary of the LMU. Identification of those coal beds proposed to be excluded from any Federal lease which would be a part of the LMU.

(3) Documents and related information supporting a finding of effective control of the lands to be included in the LMU.

(4) Sufficient data to enable the authorized officer to determine that MER of the Federal recoverable coal reserves will be achieved by establishment of the LMU. If a coal bed, or portion thereof, is proposed not to be mined or to be rendered unminable by the operation, the operator/lessee shall submit appropriate justification to the authorized officer for approval.

(5) Any other information required by the authorized officer.

(6) If any confidential information is included in the submittal and is identified as such by the operator/lessee, it shall be treated in accordance with § 3481.3 of this title.

(d) *Consultation.* (1) Prior to approval, the authorized officer shall consult with the operator/lessee about any Federal recoverable coal reserves within the LMU that the operator/lessee does not intend to mine and any Federal recoverable coal reserves that the operator/lessee intends to relinquish. The authorized officer shall also consult with the operator/lessee about Federal lease revisions to make the time periods for resource recovery and protection plan submittals, the 40-year LMU recoverable coal reserves exhaustion requirement, and diligent development, continued operation, advance royalty and Federal rental and royalty collection requirements applicable to each producing Federal lease consistent with the LMU stipulations.

(2) The public participation procedures of § 3481.2 of this title shall be completed prior to approval of an LMU.

(e) *Stipulations.* Prior to the approval of an LMU, the authorized officer shall notify the operator/lessee and responsible officer of the surface managing agency of stipulations required for the approval of the proposed LMU. The LMU stipulations shall provide for:

(1) The submittal, within 3 years from the effective date of LMU approval, of a resource recovery and protection plan that contains the information required by § 3482.1(c) of this title for all Federal and non-Federal lands within the LMU.

(2) A schedule for the achievement of diligent development and continued operation for the LMU. The schedule shall reflect the date for achieving diligent development and maintaining continued operation of the individual Federal leases included in the LMU, consistent with the rules of this part. An operator/lessee may request to pay advance royalty in lieu of continued operation in accordance with § 3482.1(c) of this title.

(3) Uniform reporting periods for Federal rental and royalty on Federal leases.

(4) The revision, if necessary, of terms and conditions of the individual Federal leases included in the LMU. The terms and conditions of the Federal leases, except for Federal royalty rates, shall be amended so that they

**§ 3487.1**

**43 CFR Ch. II (10–1–23 Edition)**

are consistent with the stipulations of the LMU.

(5) Estimates of the Federal LMU recoverable coal reserves, and non-Federal LMU recoverable coal reserves, using data acquired by generally acceptable exploration methods.

(6) Beginning the 40-year period in which the reserves of the entire LMU must be mined, on one of the following dates—

(i) The effective date of the LMU, if any portion of the LMU is producing on that date;

(ii) The date of approval of the resource recovery and protection plan for the LMU if no portion of the LMU is producing on the effective date of the LMU; or

(iii) The date coal is first produced from any portion of the LMU, if the LMU begins production after the effective date of the LMU but prior to approval of the resource recovery and protection plan for the LMU.

(7) Any other condition that the authorized officer determines to be necessary for the efficient and orderly operation of the LMU.

(f) The authorized officer may approve an LMU if it meets the following criteria:

(1) The LMU fully meets the LMU definition.

(2) The LMU application demonstrates that mining operations on the LMU, which may consist of a series of excavations, will:

(i) Achieve maximum economic recovery of Federal recoverable coal reserves within the LMU. In determining whether the proposed LMU meets this requirement, BLM, as appropriate, will consider:

(A) The amount of coal reserves recoverable from the proposed LMU compared to the amount recoverable if each lease were developed individually; and

(B) Any other factors BLM finds relevant to this requirement;

(ii) Facilitate development of the coal reserves in an efficient, economical, and orderly manner. In determining whether the proposed LMU meets this requirement, BLM, as appropriate, will consider:

(A) The potential for independent development of each lease proposed to be included in the LMU;

(B) The potential for inclusion of the leases in question in another LMU;

(C) The availability and utilization of transportation and access facilities for development of the LMU as a whole compared to development of each lease separately;

(D) The mining sequence for the LMU as a whole compared to development of each lease separately; and

(E) Any other factors BLM finds relevant to this requirement; and

(iii) Provide due regard to conservation of coal reserves and other resources. In determining whether the proposed LMU meets this requirement, BLM, as appropriate, will consider:

(A) The effects of developing and operating the LMU as a unit; and

(B) Any other factors BLM finds relevant to this requirement.

(3) All single Federal leases that are included in more than one LMU shall be segregated into two or more Federal leases. If only a portion of a Federal lease is included in an LMU, the remaining land shall be segregated into another Federal lease. The authorized officer will consult with the authorized officer about the segregation of such Federal leases. The operator/lessee may apply to relinquish any such portion of a Federal lease under 43 CFR 3452.1.

(4) The operator/lessee has agreed to the LMU stipulations required by the authorized officer for approval of the LMU.

(5) The LMU does not exceed 25,000 acres, including both Federal and non-Federal lands.

(6) A lease that has not produced commercial quantities of coal during the first 8 years of its diligent development period can be included in an LMU only if at the time the LMU application is submitted:

(i) A portion of the LMU under consideration is included in a SMCRA permit approved under 30 U.S.C. 1256; or

(ii) A portion of the LMU under consideration is included in an administratively complete application for a SMCRA permit.

(g) The authorized officer will state in writing the reasons for the decision on an LMU application.

(h) *Modification of an LMU.* (1) The boundaries of an LMU may be modified either upon application by the operator/lessee and approval of the authorized officer after consultation with the responsible officer of the surface managing agency, or by direction of the authorized officer after consultation with the authorized officer. In accordance with §3482.2(a)(3) of this title, the authorized officer may adjust only the estimate of LMU recoverable coal reserves pursuant to departmental actions or orders that modify the LMU boundaries, or upon approval of an operator/lessee application.

(2) Upon application by the operator/lessee, an LMU may be enlarged by the addition of other Federal coal leases or with interests in non-Federal coal deposits, or both. The LMU boundaries may also be enlarged as the result of the enlargement of a Federal lease in the LMU, pursuant to 43 CFR part 3432. An LMU may be diminished by creation of other separate Federal leases or LMU's or by the relinquishment of a Federal lease or portion thereof, pursuant to 43 CFR part 3452.

(3) In considering an application for the modification of an LMU, the authorized officer shall consider modifying the LMU stipulations, including the production requirement for commercial quantities.

(4) The authorized officer will not extend the 40-year period in which the reserves of the entire LMU must be mined, as specified at paragraph (e)(6) of this section, because of the enlargement of an LMU or because of the modification of a resource recovery and protection plan.

(i) *Administration of LMU operations.* An LMU shall be administered in accordance with the following criteria:

(1) Where production from non-Federal lands in the LMU is the basis, in whole or in part, for satisfaction of the requirements for diligent development or continued operation, the operator/lessee shall provide a certified report of such production, as determined by the authorized officer. The certified report shall include a map showing the area mined and the amount of coal mined.

(2) *Diligent development, continued operation and advance royalty.* Operators/lessees must comply with the diligent development, continued operation, and advance royalty requirements contained at §§3483.1 through 3483.6 of this title.

(3) Operators/lessees must comply with the LMU stipulations.

[47 FR 33179, July 30, 1982. Redesignated at 48 FR 41589, Sept. 16, 1983, and amended at 51 FR 13229, Apr. 18, 1986; 62 FR 44370, Aug. 20, 1997]

## PART 3500—LEASING OF SOLID MINERALS OTHER THAN COAL AND OIL SHALE

### Subpart 3501—Leasing of Solid Minerals Other Than Coal and Oil Shale—General

#### Sec.

- 3501.1 What is the authority for this part?  
 3501.2 What is the scope of this part?  
 3501.5 What terms do I need to know to understand this part?  
 3501.10 What types of mineral use authorizations can I get under these rules?  
 3501.16 Does my permit or lease grant me an exclusive right to develop the lands covered by the permit or lease?  
 3501.17 Are there any general planning or environmental considerations that affect issuance of my permit or lease?  
 3501.20 If BLM approves my application for a use authorization under this part, when does it become effective?  
 3501.30 May I appeal BLM's decisions under this part?

### Subpart 3502—Qualification Requirements

#### LEASE QUALIFICATIONS

- 3502.10 Who may hold permits and leases?  
 3502.13 May foreign citizens hold permits or leases?  
 3502.15 Are there any additional restrictions on holding leases or interests in leases?  
 3502.20 Will BLM issue a lease to me if I am not complying with the diligence requirements of the Mineral Leasing Act?

#### HOW TO SHOW LEASE QUALIFICATIONS

- 3502.25 Where do I file evidence that I am qualified to hold a permit or lease?  
 3502.26 May I supplement or update my qualifications statement?  
 3502.27 If I am an individual, what information must I give BLM in my qualifications statement?  
 3502.28 If I am an association or a partnership, what information must I give BLM in my qualifications statement?