

DIVISION OF MINE PERMITS

UK Professional Engineers in Mining
2017



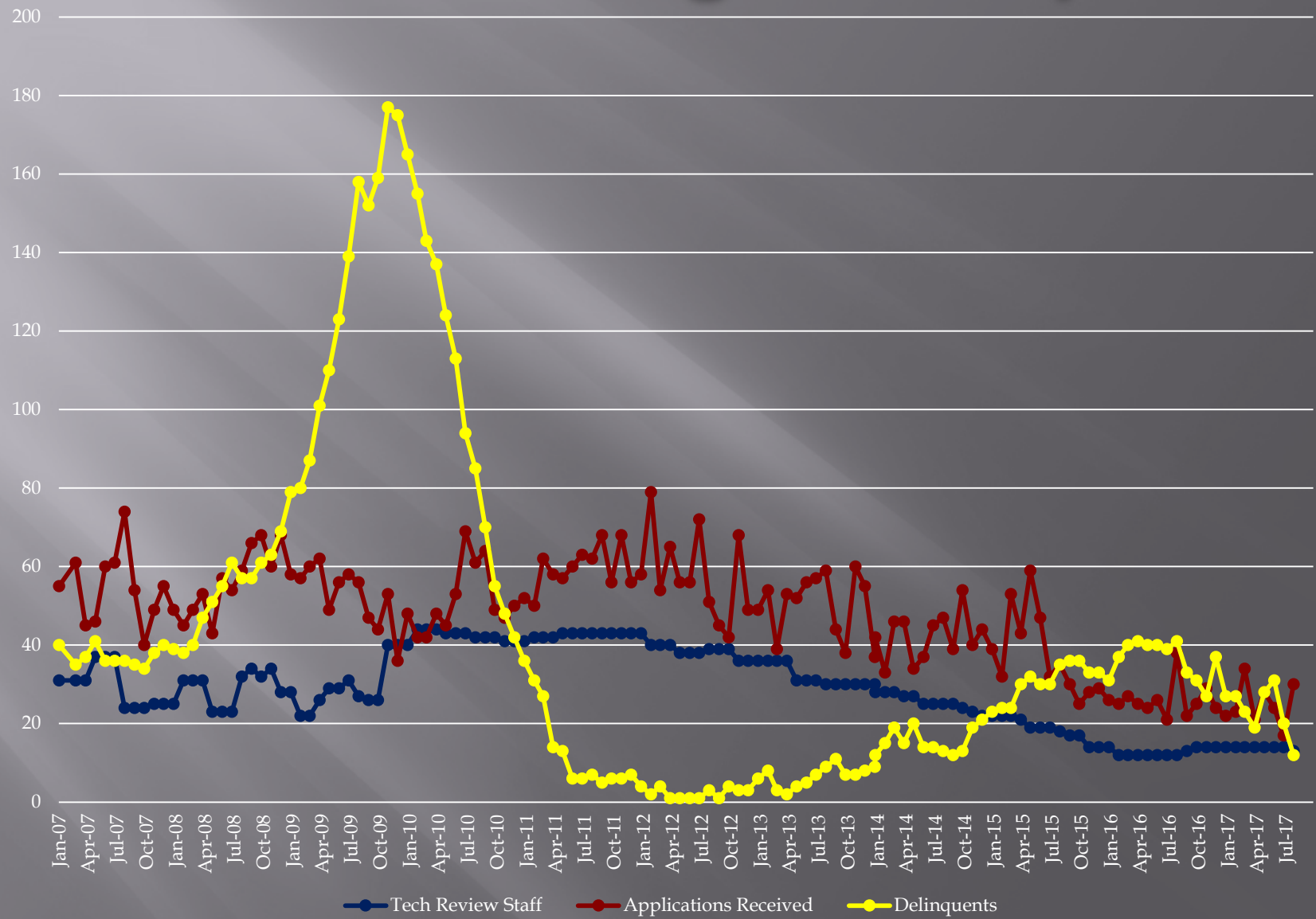
DMP Activities

- Reducing the number of delinquent permit applications and increasing efficiency.
- Participating in oversight studies required by OSMRE.
- Implementing regular training and engineering round-table sessions.
- Revising 405 KAR and application forms to eliminate shadow area permitting requirement.

Permitting Activity

| Fiscal Year | 2013 | 2014 | 2015 | 2016 | 2017 | 2018 (thru 8/31/17) |
|---------------------------|------|------|------|------|------|------------------------|
| Total Applications | 1525 | 1719 | 1545 | 1301 | 1061 | 200 |
| NW | 61 | 41 | 33 | 13 | 19 | 5 |
| AM | 67 | 71 | 63 | 38 | 23 | 4 |
| MA | 48 | 33 | 80 | 49 | 49 | 2 |
| MI | 440 | 385 | 367 | 231 | 227 | 35 |
| Mid-terms | 484 | 675 | 570 | 526 | 431 | 79 |
| Transfers | 245 | 187 | 251 | 268 | 95 | 50 |
| Renewals | 180 | 327 | 181 | 176 | 217 | 25 |
| Staff (Avg. Monthly) | 77.2 | 68.9 | 56.8 | 51.9 | 52.8 | 46 |
| Delinquents (Avg./Mo.) | 6.7 | 15.6 | 30.5 | 37.2 | 25.5 | 16 |

Permitting Activity



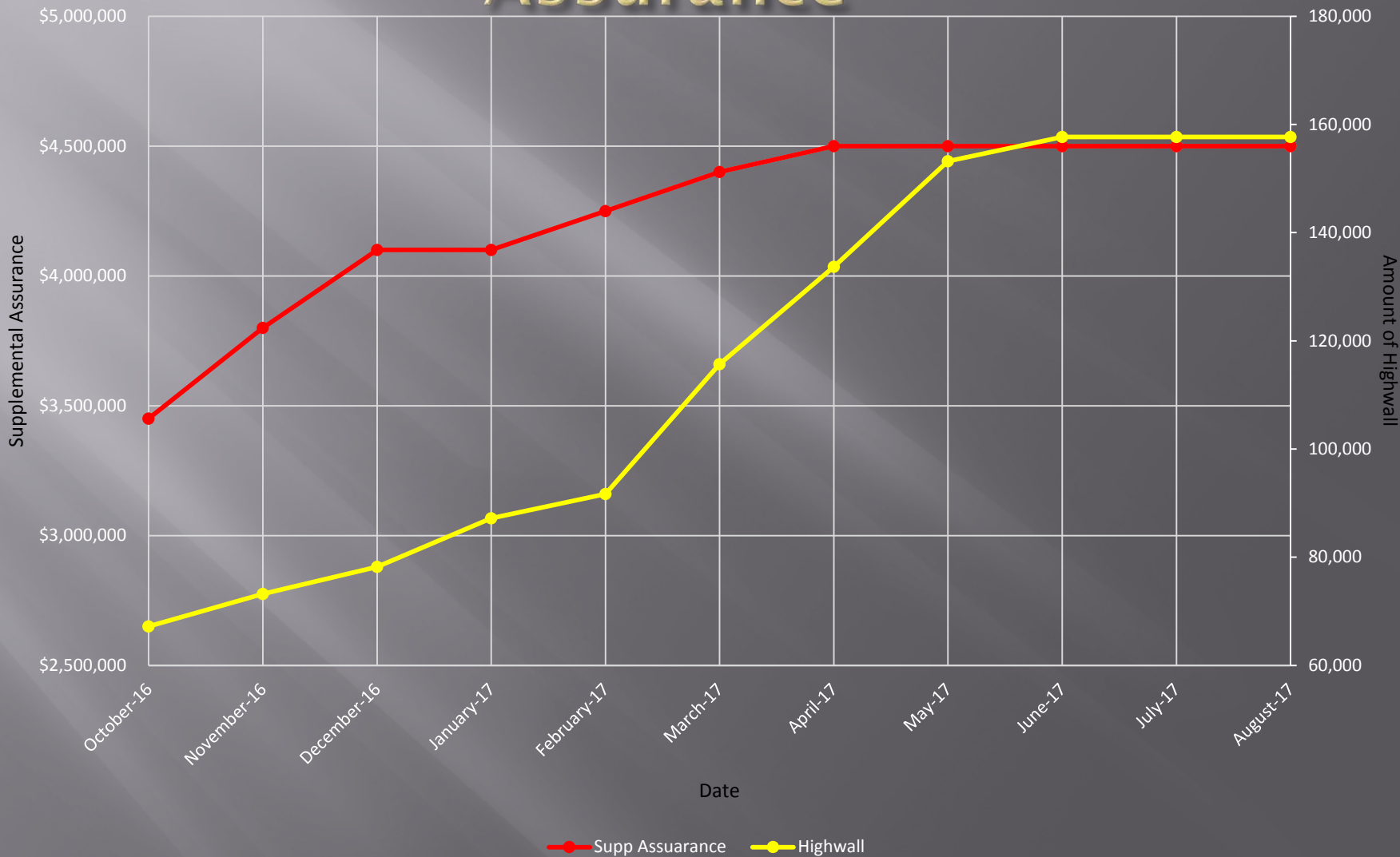
Shadow Area

- June 29, 2017 the KRS 350.060 was changed effective 6/29/17 to remove the requirement to permit shadow area.
- DMP has been working on the necessary changes to 405 KAR and the permit application forms. These changes are currently in the public comment period. The comment period ends 9/30/17.

Highwall Reduction

- In an effort to reduce reclamation liability in the Commonwealth, DMP focused on permitted highwall reduction.
- DMP has concentrated its efforts on Contemporaneous Reclamation Variance (CRV) applications and is requiring appropriate justification for CRV's.
- DMP has reduced total permitted highwall in the Commonwealth by 157,700 feet (30 miles).
- The reductions have allowed for permittees to apply for the release of up to \$4,500,000 in Supplemental Assurance bond.

Existing Highwall Approvals Reduced & Associated Supplemental Assurance



OSMRE Oversight and Special Studies

- Underground Mine Pool Evaluation Study
- Long Term Treatment (LTT) Inventory Policy and Practices Study
- Bond Adjustment Study
- CHIA Study

Training

Conducting regular training sessions for DMP technical reviewers and engineers to ensure timeliness and uniformity in review.

- Roundtables
- Application Specific
- Field Trips

Roundtables

Roundtable training sessions in 2017 have included:

- Reforestation Initiative (RAM #144)
- Coal Market Deferments
- Subsidence 50% Extraction
- Probable Hydrologic Consequences & Hydrologic Reclamation Plan
- Sediment Control
- Contemporaneous Reclamation Variances

Application Specific

- In June DMP began a different training approach in which review personnel take submitted applications and look them over in a group setting. As the group pours over the selected applications, discussion is encouraged and learning results. The goal of this type of training is to create more consistency and efficiency in the review process. Feedback from staff on this training strategy has been very positive.

Field Trips

DMP personnel are going out monthly to jobsites with permittees and consultants to be educated on site conditions.



Engagement with Industry

- DMP and DMRE personnel are meeting with ACEC on a quarterly basis to discuss issues impacting industry and working to find solutions
- Meetings with the KCA Environmental Committee