VIRGINIA DEPARTMENT OF ENERGY MINED LAND REPURPOSING

GUIDANCE MEMORANDUM¹ No. 18-07

Issue Date: October 16, 2007

Subject: Completed Areas and Gas and Oil Permitted Operations

This memorandum is intended to provide guidance for obtaining the release of Mined Land Repurposing (MLR) jurisdiction on completed areas that may still have gas well activity under a Gas and Oil permit.

As provided by §45.1-361.2 of the Code of Virginia², as amended, gas well work and the associated operations may be considered as postmining land uses on areas which have been reclaimed under a permit issued pursuant to the Virginia Coal Surface Mining Control and Reclamation Act of 1979 (Chapter 19, Title 45.1 of the Code of Virginia, as amended) and the regulations promulgated thereunder.

When a permittee has properly reclaimed the permitted area or increment in accordance with the Virginia Coal Surface Mining Reclamation Regulations and the permit's approved plans, a request for release of the area(s) that are also permitted under a Gas and Oil permit may be submitted to MLR. The release request will be handled administratively by MLR and will not require the bond release procedure of §§4 VAC 25-130-800.40 or 4 VAC 25-130-801.17 of the regulations. The request should identify only the area(s) jointly permitted and bonded by MLR and Gas and Oil that will continue to be utilized under the Gas and Oil permit.

If the permittee wishes to request release of the area permitted for the gas well or associated operations, the following information should be provided to the MLR Inspector on the applicable sections of the electronic permit application form $(\mathbf{DMLR\text{-}PT\text{-}034e})$ –

¹ This Memorandum is to be considered a guideline issued under the authority of § 45.1-230.A1 of the Code of Virginia which reads:

[&]quot;In addition to the adoption of regulations under this chapter, the Director may at his discretion issue or distribute to the public interpretative, advisory or procedural bulletins or guidelines pertaining to permit applications or to matters reasonably related thereto without following any of the procedures set forth in the Administrative Process Act (§ 2.2-4000 et seq.). The materials shall be clearly designated as to their nature, shall be solely for purposes of public information and education, and shall not have the force of regulations under this chapter or under any other provision of this Code."

² Nothing in this chapter shall be construed as limiting the powers of the Director relating to coal surface mining operations and reclamation. The provisions of Chapters 17 (§ 45.1-198 et seq.) and 19 (§ 45.1-226 et seq.) of this title, including but not limited to requirements for permits and bonds, shall apply to gas, oil, or geophysical operations located on areas for which a coal surface mining permit is in effect and shall be in addition to the requirements for gas, oil, or geophysical operations set forth in this chapter, except that well work and the operation of pipelines on areas which have been reclaimed by the surface mine operator or the Director shall be treated as postmining uses. The Director shall give special consideration to the development and promulgation of variances from the postmining use requirements of Chapter 19 of this title for gas, oil, or geophysical operations; however, all such variances shall be consistent with the provisions of the Virginia Coal Surface Mining Control and Reclamation Act of 1979 (§ 45.1-226 et seq.).

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Release of Completed Areas that are Permitted under a Gas and Oil Permit

| Section(s) | Item/Narrative/Attachment |
|------------|--|
| 1.6 | Enter the code of "BR" to designate the release of the relevant permit |
| | area. |
| 1.16 | Section(s) to be modified by the application. |
| 3.12 | Amount of completed acreage being deleted from the MLR permit |
| | but retained on Gas and Oil permit. |
| 7.6 | Land use information. |
| 7.7 | Provide a copy of the applicable Gas and Oil permit(s). |
| 19 | Narrative – If the release request involves incremental bonding, the |
| | narrative shall identify the specific bond reduction amount for each |
| | increment. |
| 21.1 | Certification-application for permit (DMLR-PT-034D) |
| 21.2 | Maps (deletion and, where applicable, incremental bonding maps) |
| 21.4 | Map legend (DMLR-PT-017) |

If the MLR Inspector concurs with the request, the application may be uploaded and submitted to the Big Stone Gap office for further action.

The MLR, after confirmation with Gas and Oil, may approve the release of the completed area and the applicable performance bond associated with it. The areas that are not covered under the Gas and Oil permit or areas that continue to be jointly utilized by both the Gas and Oil and MLR permits (e.g., haulroads, ponds, etc.) will not be released until the areas have complied with the liability period, standard bond release requirements, and release process under §§4 VAC 25-130-800.40 or 4 VAC 25-130-801.17 of the regulations.

Should you have any questions regarding this guidance memorandum, please contact the MLR Program Manager (276: 523-8100) or Chief Engineer (276: 523-8100).