



Kentucky
Department for Surface Mining
Reclamation and Enforcement

Reclamation Advisory Memorandum

From: R. F. Knarr, Commissioner

A handwritten signature in cursive script that reads "R. F. Knarr".

Date: October 23, 1987

Subject: Submission of Permit Applications, Bonds, Certificates of
Liability Insurance and Newspaper Ads directly to Frankfort

RAM# 90

Thanks to the efforts and support of many individuals, the Department for Surface Mining Reclamation and Enforcement (DSMRE) has moved to new facilities at the Hudson Hollow Complex in west Frankfort. Before the move, we had space (but not enough) on several floors of the Capital Plaza Tower. Now we have adequate space on a single floor.

The combination of inadequate workspace for people and files, and scattered locations, created inefficiencies in our workflow. The situation had become especially acute for the Division of Permits. We are continuing to work hard to simplify and streamline the permitting process, and our new location should help us in this effort. In fact, the new facility has already started to pay off. Early on, due mainly to the layout of our new building, we were able to shorten time requirements for permit reviews by getting applications assigned to technical review sections two to three days sooner. Because of the additional space, it was possible to consolidate several administrative steps between the initial completeness and technical review processes.

We are happy to announce that several new and significant options, concerning the permitting process, are now available to applicants. These are:

- (1) SUBMISSION OF PERMIT APPLICATIONS. Applicants may continue to submit permit applications to regional offices, or now, may submit them directly to the Division of Permits in Frankfort. This option applies to the submission of:

- applications for comprehensive permits,
- applications for amendments,
- major and minor revision applications,
- renewal applications, and
- transfer applications.

This option does not apply to preliminary applications which must continue to be submitted to regional offices, primarily for the purposes of scheduling and conducting field walks and assigning application numbers. Preliminary applications are required to be submitted to regional offices only for new comprehensive and amendment applications. The Division of Permits must be in receipt of preliminary applications prior to the submission of a comprehensive or amendment application directly to Frankfort. Absence of a preliminary application

will result in the delay of processing the comprehensive or amendment application. Information concerning the submission of preliminary applications and the scheduling of field walks can be obtained from DSMRE regional offices.

When an application is submitted directly to Frankfort, the applicant must provide an original and a minimum of two (2) copies. Applicants will be advised if additional copies are required. The Permit Analysis and Processing Section will transmit the necessary copies of the application to the appropriate regional office for filing and public review.

When submitting an application for a permit revision, the applicant must ensure that the green walk sheet is also provided. Additionally, the applicant needs to specify in writing if the revision is required to correct a violation.

If applications are submitted to the Division of Permits by mail, they must be addressed to:

Division of Permits, DSMRE
Permit Analysis and Processing Section
Work Area C15
#2 Hudson Hollow Complex
Frankfort, Kentucky 40601

If applications are hand delivered, they must be presented at Work Area C15. Any applications which have been corrected as a result of initial completeness deficiencies must also be returned to the address shown above.

Applications which have been corrected as a result of technical review deficiencies must be returned to:

Division of Permits, DSMRE
Management Support Branch
Work Area B41
#2 Hudson Hollow Complex
Frankfort, Kentucky 40601

- (2) SUBMISSION OF RECLAMATION PERFORMANCE BONDS AND CERTIFICATES OF LIABILITY. Applicants may now submit reclamation performance bonds and certificates of liability directly to the Division of Permits. Bonds and certificates must be delivered or mailed to:

Division of Permits, DSMRE
Management Support Branch
Office B44 - Bonds
#2 Hudson Hollow Complex
Frankfort, Kentucky 40601

After initial permit issuance, permittees must submit bonds for successive increments (increments not covered under the initial issuance of a permit) directly to regional offices. This will enable regional administrators to provide written approval for commencement of mining on successive increments shortly after bond receipt and verification. Permittees using the incremental acreage fee method of payment must submit the appropriate fees to the regional office when submitting successive incremental bonds.

Permit applicants and permittees must ensure that the DSMRE bond form (SME-42) and certificates are correct, error free and unaltered in any fashion. On the bond and liability forms, applicants must indicate its purpose (new comprehensive, amendment no. 1, minor revision no. 1, etc.). Applicants/permittees are advised to consult with appropriate regional office personnel if there are questions about the accuracy of these forms.

- (3) SUBMISSION OF NEWSPAPER ADVERTISEMENTS. Permit applicants are now encouraged to submit newspaper advertisements and proof of publication directly to the Division of Permits. When submitting these documents to the Division, they must be mailed or delivered to:

Manager, Permit Review Branch
Division of Permits, DSMRE
Office C6 - Advertisements
#2 Hudson Hollow Complex
Frankfort, Kentucky 40601

For requirements and guidance related to newspaper advertisements, applicants need to refer to:

- (1) 405 KAR 8:010, Sec. 8
- (2) 405 KAR 8:030/8:040, Sec. 10
- (3) Reclamation Advisory Memoranda (RAM) Nos. 88, 83 and 50.

DSMRE realizes that every day we can save is important to the coal mining industry, and we will keep you informed of further efforts to streamline the permitting process.

For informational purposes, attached are:

- (1) copies of current forms for use in submitting reclamation performance bond and certificate of liability insurance, and
- (2) a map showing the Department's new location.

Please do not hesitate to call us at (502) 564-6940 or 564-2320 for directions if you are uncertain about how to find us.

COMMONWEALTH OF KENTUCKY
NATURAL RESOURCES AND ENVIRONMENTAL PROTECTION CABINET
DEPARTMENT FOR SURFACE MINING RECLAMATION AND ENFORCEMENT
DIVISION OF FIELD SERVICES
FRANKFORT, KENTUCKY 40601

P E R F O R M A N C E B O N D

APPLICATION NUMBER _____
INCREMENT NUMBER (IF ANY) _____

IF "AMENDMENT", "REVISION", OR "REPERMIT", INDICATE EXISTING PERMIT NUMBER _____

- (1) CASH BOND (2) SURETY BOND NUMBER _____
(3) CERTIFICATE OF DEPOSIT NUMBER _____
(4) LETTER OF CREDIT NUMBER _____
(5) BOND SUBSTITUTION

KNOW ALL PERSONS BY THESE PRESENTS, That the undersigned _____
as Principal and _____
and as Surety is/are held and firmly bound unto the Natural Resources and
Environmental Protection Cabinet in the penal sum of _____
Dollars (\$ _____)

- (1) which sum is herewith deposited with the Department for Surface Mining
Reclamation and Enforcement
- (2) for the payment of which sum is to be well and truly made
- (3) which sum is herewith deposited with the Department for Surface Mining
Reclamation and Enforcement, by and through its Escrow Agent

- (4) which sum is available by virtue of an irrevocable letter of credit in
favor of the Department for Surface Mining Reclamation and Enforcement
- (5) which sum is hereby substituted for the existing bond

as a guarantee that the provisions of the permit issued pursuant to Application
Number _____, all applicable laws, rules, regulations, and the
terms of this bond will be observed and hereby bind ourselves, our heirs, executors,
administrators, successors and assigns, jointly and severally, firmly by these
presents. This bond is effective upon receipt by the Department for Surface
Mining Reclamation and Enforcement.

THE CONDITION OF THE ABOVE OBLIGATION IS SUCH, That whereas the abovebound
Principal, pursuant to the provisions of KRS 350.060 and/or KRS 350.151 did
file with the Department for Surface Mining Reclamation and Enforcement an
application for a permit to engage in surface coal mining operations in the
Commonwealth of Kentucky; that in said application the Principal estimates that
_____ acres of land situated in _____ County at or near
the Community of _____ will be affected by
surface coal mining operations authorized by the permit issued pursuant to the
aforesaid application requiring this bond.

If this is a bond substitution it is understood and agreed that all obligations under this bond shall extend to disturbances both prior and subsequent to the date of substitution.

Now if the said _____, as Principal, shall faithfully perform all the requirements of the above-designated application, the permit issued pursuant thereto, and the applicable laws, rules, regulations, and the terms of this bond then this obligation shall be released; otherwise, it is agreed that said penal sum shall be paid to the Commonwealth of Kentucky, Natural Resources and Environmental Protection Cabinet, upon receipt of an Order of the Cabinet. In the event of bond forfeiture, the Cabinet shall forfeit all of the bond amount for the permit or increment(s) to which the bond applies, regardless of the acreage disturbed or reclaimed.

PRINCIPAL: _____ BY: _____
(PERMITTEE)

DATE: _____ OFFICIAL POSITION: _____

SIGNATURE: _____

Subscribed and sworn to before me by _____ this the _____
day of _____, 19 _____.

NOTARY PUBLIC: _____ MY COMMISSION EXPIRES: _____

COMPLETE FOR SURETY BOND:

SURETY: _____

ADDRESS: _____

LOCAL AGENCY ISSUING BOND: _____

ADDRESS: _____

BY: _____ OFFICIAL POSITION: _____

SIGNATURE: _____ DATE: _____

NOTE: The person who signs for a surety company must file with the bond a copy of the Power of Attorney showing authority to sign. All bonds executed by an out-of-state agency shall be countersigned by a resident Kentucky agent.

COUNTERSIGNED BY: _____ AGENT FOR: _____

ADDRESS: _____

Certificate of Liability Insurance

ISSUED TO: Kentucky Department for Surface Mining Reclamation and Enforcement
(hereinafter called DEPARTMENT)

THIS IS TO CERTIFY, that the _____
(Name of Insurance Company)

of _____
(Home Office Address of Company)

has issued to _____ of
(Name of Permit Applicant)

_____ Policy No. _____
(Address of Permit Applicant)

effective from _____, 19____ and continuing until cancelled, non-renewed, or changed as provided herein, which policy provides personal injury and property damage insurance covering the obligations imposed upon such permit applicant with regard to Permit No. _____ by the provisions of the surface coal mining law of the Commonwealth of Kentucky (KRS Chapter 350) or regulations promulgated in accordance therewith (405 KAR 10:030 Section 4).

Underwriting Agent: _____

Company Name: _____ Phone: _____

Address: _____

The above-named insurance company agrees to notify the Department in writing of any substantive change in the above coverage, including cancellation, failure to renew, or other material change. No change shall be effective until at least twenty (20) days after such notice is received by the Department.

All notices of material change, including cancellation and failure to renew, shall be made on Form No. SME-30 and shall be sent to the Director, Division of Field Services, Department for Surface Mining Reclamation and Enforcement, Frankfort, Kentucky 40601.

The undersigned affirms that the above information is true and complete to the best of his or her knowledge and belief, and that he or she is an authorized representative of the above-named insurance company.

Date Signature of Authorized Representative of Insurance Company

Signed and sworn to before me by _____ this the ____ day of _____ 19____.

Notary My commission expires _____.

405 KAR 10:030

Section 4. Terms and conditions for liability insurance.

(1) The applicant shall submit, as a part of the permit application at the time of bond submission, a certificate issued by an insurance company authorized to do business in Kentucky certifying that the applicant has a public liability insurance policy in force for the surface coal mining and reclamation operation for which the permit is sought. The certification shall be on a form prescribed by the cabinet. The policy shall provide for personal injury and property damage protection in an amount adequate to compensate for all personal injury and property damage resulting from surface coal mining and reclamation operations, including damage caused by the use of explosives and damage to water wells. Minimum insurance coverage for bodily injury and property damage shall be \$300,000 for each occurrence and \$500,000 aggregate.

(2) The policy shall be maintained in full force during the term of the permit or any renewal thereof, and during the liability period necessary to complete all reclamation operations under Title 405, Chapters 7 through 24.

(3) The policy shall include a clause requiring that the insurer notify the cabinet whenever substantive changes are made in the policy, including any termination or failure to renew.

(4) Upon the incapacity of an insurer by reason of bankruptcy, insolvency or suspension or revocation of its license or certificate of authority, the permittee shall be deemed to be without insurance coverage in violation of this section. The cabinet shall issue a notice of noncompliance against any permittee who is without insurance coverage. The notice shall specify a reasonable period to replace such coverage, not to exceed ninety (90) days. During this period, the cabinet shall conduct weekly inspections to ensure continuing compliance with other requirements of this Title and the permit. Such notice of noncompliance, if abated within the period allowed, shall not be counted as a notice of noncompliance for purposes of determining a "pattern of violation" under 405 KAR 7:090 and need not be reported as a past notice of noncompliance in permit applications under KRS Chapter 350 and Title 405, Chapters 7 through 24. If such a notice of noncompliance is not abated in accordance with the schedule, an order for cessation and immediate compliance shall be issued.

LOCATION MAP FOR THE
DEPARTMENT OF SURFACE
MINING RECLAMATION AND
ENFORCEMENT AT #2
HUDSON HOLLOW COMPLEX

