OR Department of Geology & Mineral Industries:
Mineral Land Regulation and Reclamation Program

Primary Outcome Area: Healthy Environments
Secondary Outcome Area: Economy and Jobs
Program Contact: Vicki S. McConnell, 971.673.1550

Executive Summary

The Mineral Land Regulation and Reclamation Program (MLRR) administers the Mined Land Regulation Act (1972) for the state and regulates mineral, aggregate, oil and gas, and geothermal exploration, extraction, and development. The goals of the permitting program are to eliminate or minimize to the greatest extent possible the environmental impacts of mineral development on-site and off-site during the life of the project using conditioned operating permits and guarantee through security bonding and reclamation plans that the disturbed area will be reclaimed to an approved secondary beneficial use at the end of mining.

Program Funding Request

The agency is requesting for the MLRR program authorization for Other Fund Expenditure limitation of $2,333,341 to support 10.49 permanent FTE (11 positions) and the Service and Supply expenditures for program operation. We are also requesting $25,000 of General Fund
appropriation to contract for an Administrative Rules Coordinator to expedite rule writing and promulgation. This request is linked to Agency’s Legislative Concept, LC 63200/001: Overdue Modifications to Metal Mining Statutes.

**Program Description**

MLRR is a field-oriented regulatory program, working with the industry and the public to minimize impacts of natural resource development (mining, oil and gas, and geothermal) and to optimize opportunities for reclamation. The Program is presently staffed by 6.5 technical positions, 3 administrative positions, and 1 management position.

The program is statewide (except tribal lands) and fee-based, with authority to regulate:
- All upland and underground mining – these are primarily sand, gravel and aggregate with a few industrial mineral mines. This is the bulk of the Program’s regulated sites with approximately 890 sites across the state. We are in the early process of permitting one underground gold mine in Malheur County. This will be a multi-year and multi-agency process facilitated through MLRR.
- The drilling of wells for oil or gas – most activity is in Columbia County in the Mist Gas Field but there are exploratory wells being drilled across the state.
- The drilling of geothermal wells – geothermal exploration is occurring in central and eastern Oregon with one site expected to become a commercial energy producer by late summer 2012 (Neal Hot Springs, Malheur County).

In addition, DOGAMI has an agreement with the Oregon Department of Environmental Quality to implement the federal Clean Water Act General Stormwater Permit and the State Water Pollution Control Facility Permit at aggregate mine sites.

Our field and aerial photo inspection activities are critical to maintaining site compliance and maintaining a positive working relationship with the regulated community and to communicate our compliance activities to the public. We coordinate and condition operating permits based on input from other natural resource permitting and advisory programs. We utilize two important non-regulatory tools as well: the Oregon Mining Best Management Practices Manual and the annual Reclamation Awards Program. The first provides operators with a blueprint of how to be compliant with Oregon mining statutes and DOGAMI administrative rules. The latter provides an incentive to excel at operation and reclamation through recognition by the state and industry.

We use a field-oriented compliance method in order to identify and mitigate potential violations and environmental impacts before we have to resort to costly enforcement actions and mine site downtimes. This means that some sites will need multiple visits from the technical staff and likely involvement of management.

The result of this hands-on work is increased staff time and expenditures that frequently cannot be directly reimbursed and this affects our ability to inspect as many operations as possible on an annual basis (one of our performance metrics). The Program is fee based thus we have an absolute limit on expenditures and it is difficult to increase fees without industry support.
Program Justification and Link to 10-Year Outcome

Mined materials form the basis of most human activity from construction materials for livable communities to lithium batteries for high tech economic sector to energy for all our needs. The objective of the MLRR Program is to prudently regulate mineral, oil and gas, and geothermal energy development to protect the environment and people of Oregon. This objective directly links to the Healthy Environment Outcome of managing Oregon’s air, water, land and wildlife resources to support a healthy environment that sustains Oregon communities. Specifically, reducing the impact of mining activities on land, groundwater and surface water, and air will:

- improve air and water quality by reducing the risk of exposure to contaminated lands and air (10 Year Outcome for Strategy 1),
- protect key watersheds and fish and wildlife species by strategies to incentivize the industries to go beyond the state regulatory requirements for reclamation or restoration of mined sites (10 Year Outcome for Strategy 2),
- help build communities for a growing population including incentivizing through regulation geothermal exploration and development to encourage community-level renewable energy production (10 Year Outcome for Strategy 4),
- and improve the effectiveness and efficiency of natural resource management through outcome strategies such as: identify and implement where cross-agency regulatory streamlining can be implemented through intergovernmental agreements or other means and link the MLRR Best Management Plan to other resource management plans (10 Year Outcomes for Strategy 5).

MLRR Program also touches on Economy and Jobs Outcome primarily in Strategy 2.2, Create a Fertile Environment in Oregon for all Businesses. We want a proactive regulatory program that protects the environment but does not impede economic growth and jobs either directly or indirectly.

Program Performance

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<th>% Mine Operators With Active Sites Inspected Annually</th>
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MLRR program reclamationists inspected 316 individual sites in person or with aerial imagery during 2011-12. Of the 563 in-person site
inspections, 146 (26%) required repeat visitations including 6 sites that required between 4 and 9 visits each to ensure compliance assurance. Overall, 252 of 699 in-person inspections were performed at multiple-visit sites. We reversed the decreasing trend in number of inspections per year by investing in GIS Analyst staff, Permit Coordinator, and temporary field inspection staff.

**Enabling Legislation/Program Authorization**

This is a State mandated Program under ORS Chapter 517, Mining and Mining Claims; ORS Chapter 520, Conservation of Oil and Gas; and ORS Chapter 522, Geothermal Resources.

**Funding Streams**

The Program is 100% fee based Other Funds. Fees are levied on the regulated industry and require statutory amendments to change.

**Significant Proposed Program Changes from 2011-13**

There are no significant changes to the program proposed to date.