



4310-05-P

## **DEPARTMENT OF THE INTERIOR**

### **Office of Surface Mining Reclamation and Enforcement**

#### **30 CFR Part 926**

**[SATS No. MT-036-FOR; Docket No. OSM-2017-0001; S1D1S SS08011000; SX064A000 201S180110; S2D2S SS08011000 SX064A000 20XS501520]**

#### **Montana Regulatory Program**

**AGENCY:** Office of Surface Mining Reclamation and Enforcement, Interior.

**ACTION:** Final rule; approval of amendment.

**SUMMARY:** The Office of Surface Mining Reclamation and Enforcement (OSMRE) is approving an amendment to the Montana coal regulatory program (the Montana program or the State program) under the Surface Mining Control and Reclamation Act of 1977 (SMCRA or the Act). The proposed changes to the Montana program are in response to a 2011 state legislative change, which enacted a new State statutory provision under the Montana Strip and Underground Mine Reclamation Act (MSUMRA). The statutory change, directs the State Board to adopt rules governing underground mining that uses in

situ coal gasification. Montana proposes to revise its State program to incorporate the addition and proposes changes to the Administrative Rules of Montana (ARM) pertaining to the regulation of in situ coal gasification operations.

**DATES:** The effective date is [INSERT DATE 30 DAYS AFTER DATE OF PUBLICATION IN THE FEDERAL REGISTER].

**FOR FURTHER INFORMATION CONTACT:** Howard Strand, Office of Surface Mining Reclamation and Enforcement, 1999 Broadway, Suite 3320, Denver, CO 80202, Telephone: (303) 293-5026, E-mail: hstrand@osmre.gov.

**SUPPLEMENTARY INFORMATION:**

- I. Background on the Montana Program
- II. Submission of the Amendment
- III. OSMRE's Findings
- IV. Summary and Disposition of Comments
- V. OSMRE's Decision
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**I. Background on the Montana Program**

Section 503(a) of the Act permits a State to assume primacy for the regulation of

surface coal mining and reclamation operations on non-Federal and non-Indian lands within its borders by demonstrating that its program includes, among other things, State laws and regulations that govern surface coal mining and reclamation operations in accordance with the Act and consistent with the Federal regulations. *See* 30 U.S.C. 1253(a)(1) and (7). On the basis of these criteria, the Secretary of the Interior conditionally approved the Montana program on April 1, 1980. You can find background information on the Montana program, including the Secretary's findings, the disposition of comments, and conditions of approval in the April 1, 1980, **Federal Register** (45 FR 21560). You can also find later actions concerning Montana's program and program amendments at 30 CFR 926.12, 926.15, 926.16, and 926.30.

## **II. Submission of the Amendment**

By letter dated February 27, 2017 (Document ID No. OSM-2017-0001-0002), Montana sent us a proposed amendment to its State program under SMCRA (30 U.S.C. 1201 *et seq.*). The proposed changes were submitted in response to Montana Senate Bill 292 (SB 292), enacted by the Montana Legislature in 2011, and subsequently codified within MSUMRA at Montana Code Annotated (Mont. Code Ann.) sec. 82-4-207. Montana proposes to amend its State program to incorporate the statutory change at Mont. Code Ann. sec. 82-4-207 and it also proposes amendments to its rules.

We announced receipt of the proposed amendment in the May 8, 2018, **Federal Register** (83 FR 20773) (Document ID No. OSM-2017-0001-0001). In the same document, we opened the public comment period and provided an opportunity for a

public hearing or meeting on the adequacy of the amendment. We did not hold a public hearing or meeting because none were requested. The public comment period ended on June 7, 2018.

### **III. OSMRE's Findings**

Following is a summary of the proposed statutory and rule changes submitted by Montana, as well as OSMRE's findings concerning Montana's amendment under SMCRA and the Federal regulations at 30 CFR 732.15 and 732.17. For the reasons discussed below, we are approving the amendment.

#### *A. Mont. Code Ann. sec. 82-4-207 – Rulemaking – in situ coal gasification*

Montana proposes to add Mont. Code Ann. sec. 82-4-207 under MSUMRA. Subsection (1) of Mont. Code Ann. sec. 82-4-207 directs the Montana Board of Environmental Review (BER) to adopt rules necessary to regulate underground mining that uses in situ coal gasification operations under the Montana program. The new statutory provision additionally states that the BER may not adopt rules specific to in situ gasification that are more stringent than the comparable Federal regulations or guidelines that address the same circumstances. Mont. Code Ann. sec. 82-4-207(2). Subsection (3) of the statutory provision relates to rule processing.

The proposed Montana statute, at Mont. Code Ann. sec. 82-4-207, provides the necessary statutory authority to allow the BER to adopt rules to regulate underground mining using in situ coal gasification. Because in situ coal processing is an activity regulated under SMCRA's implementing regulations, at 30 CFR 785.22 and 30 CFR part

828, we find Mont. Code Ann. sec. 82-4-207 to be consistent with SMCRA and the Federal regulations. Under section 503(a)(7) of SMCRA, State programs must be capable of carrying out the provisions of SMCRA and meeting the Act's purposes through rules consistent with the Federal regulations implemented under the Act. Mont. Code Ann. sec. 82-4-207 simply allows the State to proceed with rulemaking specific to in situ coal gasification, an activity already approved as part of Montana's existing program. This statutory provision is therefore consistent with SMCRA and the Federal regulations.

Regarding subsection (2) of the statutory provision, SMCRA sections 503 and 505, and the Federal regulations at 30 CFR 730.5, establish the criteria for approval of State SMCRA programs. A State program must set forth requirements that satisfy the Federal minimum standards and must include provisions that are no less stringent than SMCRA and no less effective than the Federal regulations. As long as these minimum Federal standards are met, a State may indicate that its State program shall not be more stringent than the Federal program. Montana's proposed statutory provision is not inconsistent with SMCRA or the Federal regulations. We are therefore approving the incorporation of Mont. Code Ann. sec. 82-4-207 into the Montana program.

*B. Proposed Amendments to the Montana Rules*

In its program amendment submission, Montana proposes to adopt a new rule section, ARM 17.24.905, which is intended to clarify that certain rules are not applicable to in situ coal operations under the Montana program requirements. Montana also

proposes revisions to its existing rules at ARM 17.24.902 and 17.24.903 to incorporate a reference to, and reflect the in situ coal gasification exemptions set forth at, ARM 17.24.905.

For the following reasons, OSMRE finds that the proposed changes are consistent with, and no less effective than, the counterpart Federal regulations. We are therefore approving Montana's proposed rule changes.

1. ARM 17.24.905 – Rules Not Applicable to In Situ Coal Operations

OSMRE previously approved the definition of “in situ coal gasification” as part of the Montana program and published the final rule in the September 19, 2012, **Federal Register** (77 FR 58022). The Montana program, at Mont. Code Ann. sec. 82-4-203(27)(a), defines in situ coal gasification as an in-place extraction method involving a well or conduit where limited surface disturbance occurs.

The Federal regulations specify which requirements apply to in situ coal processing at 30 CFR 785.22 and 30 CFR part 828. Montana's existing program at ARM 17.24.902 and 17.24.904 contain similar requirements. Both the State and Federal programs establish that in situ operations must comply with regulations governing underground mining. Underground mining performance standards are outlined in the Montana program at ARM 17.24.903. Those requirements are similar to the Federal underground mining performance standards at 30 CFR part 817. As discussed in further detail below, the Federal regulations do not require in situ processing operations to

comply with all Federal coal program requirements, especially those pertaining to surface mining operations, due to the limited nature of the disturbances associated with this mining method. Similarly, Montana's existing program does not routinely apply surface mining regulations to in situ operations. This is consistent with the State's definition of "in situ coal gasification" in Mont. Code Ann. sec. 82-4-203(27)(a), which indicates that this mining method involves limited surface disturbances, and the counterpart Federal requirements.

In its submission package for this program amendment, the Montana Department of Environmental Quality (MDEQ or the Department) explained that it determined most of the rules relating to underground coal mining should apply to in situ operations. However, in an effort to minimize duplication of existing rules, Montana decided to adopt a new rule, proposed as ARM 17.24.905, that instead lists the rules that would be inapplicable to in situ operations. Montana's amendment seeks to clarify which additional regulations, beyond those already explicitly applied to all in situ operations, the State may and may not impose at its discretion. This will provide regulatory certainty to potential permittees by indicating that although the State has the discretion to apply additional requirements beyond those applicable to all in situ operations, it may not impose the specific surface mining regulations listed under new ARM 17.24.905(1)(a)-(c).

This proposed new section, ARM 17.24.905(1)(a)-(c), exempts in situ coal gasification operations from three separate groups of regulatory requirements: ARM 17.24.311 (Air Pollution Control Plan); ARM 17.24.519 (Monitoring for Settlement);

and ARM 17.24.831 through ARM 17.24.837 (auger mining and remining rules). Montana further proposed language at ARM 17.24.905(2), which states that all other rules may apply on a mine-specific basis. These changes would not modify existing ARM 17.24.904, In Situ Coal Processing Operation Performance Standards, which requires in situ operations to comply with general performance standards for underground mining operations, as well as additional requirements, which explicitly apply to all in situ operations.

At subsection 17.24.905(1)(a), Montana proposes to exempt in situ operations from ARM 17.24.311 (Air Pollution Control Plan). ARM 17.24.311 applies only to strip mining operations with projected production rates exceeding 1,000,000 tons of material per year. In situ operations do not fall within the scope of this provision. Similarly, in situ operations are not subject to air pollution control plan requirements under the Federal program at 30 CFR 780.15. Therefore, the ARM 17.24.905(1)(a) exemption is not inconsistent with the Federal regulations.

Under ARM 17.24.902(1)(d), Montana requires in situ operations to include, among other requirements, plans for monitoring air quality. Likewise, under 30 CFR 784.26, the Federal program requires in situ processing operations to have an air quality monitoring program. Montana seeks to clarify that, although it has a requirement to include plans for monitoring air quality similar to underground mining operations, it will not impose the air pollution control plan requirements of ARM 17.24.311, which apply only to surface mining operations.

Because the Federal regulations do not require in situ operations to comply with

surface mining air pollution control plan requirements, and both programs require air quality monitoring for in situ operations, Montana's proposed exemption is no less effective than the corresponding Federal regulations.

ARM 17.24.905(1)(b) proposes to exempt in situ operations from ARM 17.24.519 (Monitoring for Settlement), which pertains to regraded surface mine areas. The Federal regulations do not contain an analogous provision and therefore in situ operations are not subject to this requirement under the Federal program. The need to regrade spoil would not arise because in situ operations do not involve land excavation. Therefore, in situ operations would not necessitate monitoring for settlement of regraded areas. Rather, monitoring for subsidence would be appropriate. This is required under the Federal program at 30 CFR 784.20, Subsidence Control Plan, and under Montana's program at ARM 17.24.911, Subsidence Control Plan. *See* ARM 17.24.902(1) (which incorporates 17.24.901 by reference), and ARM 17.24.901(1)(c)(iii)(A)(III) (which incorporates ARM 17.24.911 by reference). For these reasons, Montana's proposal to exempt in situ operations from monitoring for settlement is consistent with, and no less effective than, the Federal requirements.

ARM 17.24.905(1)(c) proposes to exempt in situ operations from ARM 17.24.831 through 17.24.837 (auger mining and remining). The corresponding Federal regulations having the same effect are found at 30 CFR 785.20 (augering), and 30 CFR 785.25 (lands eligible for remining). These Federal program provisions do not apply to in situ operations. In situ processing cannot occur by the methods of, or under the geologic conditions associated with, either augering or remining. Therefore, regulatory

requirements specific to these types of activities should not be applied to in situ operations. Because in situ operations are not subject to augering or re-mining provisions under the Federal regulations, Montana's proposed revision exempting them under the State program is consistent with, and no less effective than, the counterpart Federal regulations at 30 CFR 785.20 and 785.25.

Finally, Montana's proposed revision at ARM 17.24.905(2) prescribes, "all other rules may apply on a mine specific basis." This subsection would allow Montana, in its discretion, to impose additional regulatory requirements beyond those already required by the approved program, other than those specifically exempted through this rule provision. As described above, Montana's program requirements, specific to in situ coal gasification operations, satisfy the minimum Federal standards governing in situ operations. Through the addition of ARM 17.24.905, Montana provides itself with the necessary regulatory flexibility to specify any additional requirements to impose on an in situ operation, beyond those already required and applied under its approved State program. Consequently, ARM 17.24.905(2) is not inconsistent with, and does not render its State program less effective than, the Federal requirements.

For the reasons provided above, we are approving ARM 17.24.905.

## 2. ARM 17.24.902 – Application Requirements for In Situ Coal Processing Operations

Montana proposes to revise the language in ARM 17.24.902(1) to add reference to ARM 17.24.905. Because we are approving ARM 17.24.905, revising ARM

17.24.902(1) to include this reference is appropriate to clarify which additional requirements may be applied to in situ coal gasification under the Montana program. We are therefore approving this revision to ARM 17.24.902(1).

### 3. ARM 17.24.903 – General Performance Standards

Similar to the proposed revision at ARM 17.24.902(1), Montana also proposes to revise the language at ARM 17.24.903(1) to incorporate reference to ARM 17.24.905. Because we are approving ARM 17.24.905, adding this reference in ARM 17.24.903(1) is appropriate to clarify which additional requirements may be applied to in situ coal gasification under the Montana program. We are therefore approving this revision to ARM 17.24.903(1).

## IV. Summary and Disposition of Comments

### *Public Comments*

OSMRE asked for public comments in the May 8, 2018, **Federal Register** (83 FR 20773) (Document ID No. OSM-2017-0001-0001). OSMRE did not receive any public comments or any request to hold a public meeting or public hearing.

### *Federal Agency Comments*

On March 6, 2017, under 30 CFR 732.17(h)(11)(i) and section 503(b) of

SMCRA, we requested comments on the amendment from various Federal agencies with an actual or potential interest in the Montana program (Document ID No. OSM-2017-0001-0005). We received comments from the Mine Safety and Health Administration (MSHA) and the United States Army Corps of Engineers (USACE).

On April 10, 2017, MSHA provided a number of comments (Document ID No. OSM-2017-0001-0003), most of which pertained to definition changes in MSUMRA that were included in the Montana SB 292. OSMRE previously approved these definition changes in a separate Montana program amendment approval in the September 19, 2012, **Federal Register** (77 FR 58022). Montana is not currently proposing any changes to its regulatory definitions. However, MSHA did also comment on Montana's proposed statutory revision at Mont. Code Ann. sec. 82-4-207, stating that MSHA may regulate in situ coal gasification as discussed in SB 292, or any other form of coal gasification when active participation of miners occurs, as defined under the Federal Mine Safety and Health Act of 1977, 30 U.S.C.S. 801 *et seq.* (Mine Safety Act). OSMRE agrees that MSHA retains its authority to regulate mining activity under the Mine Safety Act, and OSMRE finds that Montana's amendment will not infringe upon MSHA's authority.

The USACE also commented on the proposed definition changes to MSUMRA that were included in SB 292 (Document ID No. OSM-2017-0001-0004). As stated above, these proposed definition changes were approved by OSMRE in a separate Montana program amendment approval in 2012 (77 FR 58022). Therefore, USACE comments are not germane to the current amendment proposal.

*Environmental Protection Agency (EPA) Concurrence and Comments*

Under 30 CFR 732.17(h)(11)(ii), we are required to get a written concurrence from EPA for those provisions of the program amendment that relate to air or water quality standards issued under the authority of the Clean Water Act (33 U.S.C. 1251 *et seq.*) or the Clean Air Act (42 U.S.C. 7401 *et seq.*). None of the revisions that Montana proposed to make in this amendment pertain to air or water quality standards. Therefore, we did not ask EPA to concur on the amendment. However, on March 6, 2017, under 30 CFR 732.17(h)(11)(i), we requested comments from the EPA on the amendment (Document ID No. OSM-2017-0001-0005). The EPA did not respond to our request.

*State Historical Preservation Officer (SHPO) and the Advisory Council on Historic Preservation (ACHP)*

Under 30 CFR 732.17(h)(4), we are required to request comments from the SHPO and ACHP on amendments that may have an effect on historic properties. On March 6, 2017, we requested comments on Montana's amendment (Document ID No. OSM-2017-0001-0006). We did not receive comments from the ACHP or SHPO.

**V. OSMRE's Decision**

Based on the above findings, we are approving Montana's amendment that was submitted on February 27, 2017.

To implement this decision, we are amending the Federal regulations, at 30 CFR part 926 that codify decisions concerning the Montana program. In accordance with the

Administrative Procedure Act, this rule will take effect 30 days after the date of publication. Section 503(a) of SMCRA requires that the State's program demonstrate that the State has the capability of carrying out the provisions of the Act and meeting its purposes. SMCRA requires consistency of State and Federal standards.

## **VI. Procedural Determinations**

### *Executive Order 12630 – Governmental Actions and Interference with Constitutionally Protected Property Rights*

This rule would not effect a taking of private property or otherwise have taking implications that would result in public property taken for government use without just compensation under the law. Therefore, a takings implication assessment is not required. This determination is based on an analysis of the corresponding Federal regulations.

### *Executive Order 12866 - Regulatory Planning and Review and 13563 – Improving Regulation and Regulatory Review*

Executive Order 12866 provides that the Office of Information and Regulatory Affairs in the Office of Management and Budget (OMB) will review all significant rules. Pursuant to OMB guidance, dated October 12, 1993, the approval of State program amendments is exempted from OMB review under Executive Order 12866. Executive Order 13563, which reaffirms and supplements Executive Order 12866, retains this exemption.

*Executive Order 13771 – Reducing Regulation and Controlling Regulatory Costs*

State program amendments are not regulatory actions under Executive Order 13771 because they are exempt from review under Executive Order 12866.

*Executive Order 12988 - Civil Justice Reform*

The Department of the Interior has reviewed this rule as required by section 3(a) of Executive Order 12988. The Department determined that this **Federal Register** document meets the criteria of Section 3 of Executive Order 12988, which is intended to ensure that the agency review its legislation and proposed regulations to eliminate drafting errors and ambiguity; that the agency write its legislation and regulations to minimize litigation; and that the agency’s legislation and regulations provide a clear legal standard for affected conduct rather than a general standard, and promote simplification and burden reduction. Because Section 3 focuses on the quality of Federal legislation and regulations, the Department limited its review under this Executive Order to the quality of this **Federal Register** document and to changes to the Federal regulations. The review under this Executive Order did not extend to the language of the State regulatory program or to the program amendment that the State of Montana drafted.

*Executive Order 13132 - Federalism*

This rule is not a “[p]olicy that [has] Federalism implications” as defined by section 1(a) of Executive Order 13132 because it does not have “substantial direct effects on the States, on the relationship between the national government and the States, or on

the distribution of power and responsibilities among the various levels of government.” Instead, this rule approves an amendment to the Montana program submitted and drafted by that State. OSMRE reviewed the submission with fundamental federalism principles in mind as set forth in Sections 2 and 3 of the Executive Order and with the principles of cooperative federalism set forth in SMCRA. *See, e.g.*, 30 U.S.C. 1201(f). As such, pursuant to section 503(a)(1) and (7) (30 U.S.C. 1253(a)(1) and (7)), OSMRE reviewed the program amendment to ensure that it is “in accordance with” the requirements of SMCRA and “consistent with” the regulations issued by the Secretary pursuant to SMCRA.

*Executive Order 13175 - Consultation and Coordination With Indian Tribal Governments*

The Department of the Interior strives to strengthen its government-to-government relationship with Tribes through a commitment to consultation with Tribes and recognition of their right to self-governance and tribal sovereignty. We have evaluated this rule under the Department’s consultation policy and under the criteria in Executive Order 13175, and have determined that it has no substantial direct effects on federally recognized Tribes or on the distribution of power and responsibilities between the Federal government and Tribes. Therefore, consultation under the Department’s tribal consultation policy is not required. The basis for this determination is that our decision is on the Montana program that does not include Tribal lands or regulation of activities on Tribal lands. Tribal lands are regulated independently under the applicable, approved Federal program.

*Executive Order 13211 – Actions Concerning Regulations That Significantly Affect Energy Supply, Distribution, or Use*

Executive Order 13211 requires agencies to prepare a Statement of Energy Effects for a rulemaking that is (1) considered significant under Executive Order 12866, and (2) likely to have a significant adverse effect on the supply, distribution, or use of energy. Because this rule is exempt from review under Executive Order 12866 and is not a significant energy action under Executive Order 13211, a Statement of Energy Effects is not required.

*Executive Order 13405 – Protection of Children from Environmental Health Risks and Safety Risks*

This rule is not subject to Executive Order 13405, because this is not an economically significant regulatory action as defined by Executive Order 12866; and this action does not address environmental health or safety risks disproportionately affecting children.

*National Environmental Policy Act*

Consistent with Sections 501(a) and 702(d) of SMCRA (30 U.S.C. 1251(a) and (d), respectively) and the U.S. Department of the Interior Departmental Manual, Part 516 Section 13.5(A), State program amendments are not major Federal actions within the meaning of section 102(2)(C) of the National Environmental Policy Act (42 U.S.C. 4332(2)(C)).

*National Technology Transfer and Advancement Act*

Section 12(d) of the National Technology Transfer and Advancement Act (15 U.S.C. 3701 *et seq.*) directs OSMRE to use voluntary consensus standards in its regulatory activities unless to do so would be inconsistent with applicable law or otherwise impractical. (OMB Circular A-119 at p. 14). This action is not subject to the requirements of Section 12(d) of the NTAA because application of those requirements would be inconsistent with SMCRA.

*Paperwork Reduction Act*

This rule does not include requests and requirements of an individual, partnership, or corporation to obtain information and report it to a Federal agency. As this rule does not contain information collection requirements, a submission to OMB under the Paperwork Reduction Act (44 U.S.C. 3507 *et seq.*) is not required.

*Regulatory Flexibility Act*

This rule will not have a significant economic impact on a substantial number of small entities under the Regulatory Flexibility Act (5 U.S.C. 601 *et seq.*). The State submittal, which is the subject of this rule, is based upon corresponding Federal regulations for which an economic analysis was prepared and certification made that such regulations would not have a significant economic effect upon a substantial number of small entities. In making the determination as to whether this rule would have a significant economic impact, the Department relied upon the data and assumptions for the

corresponding Federal regulations.

*Small Business Regulatory Enforcement Fairness Act*

This rule is not a major rule under 5 U.S.C. 804(2), the Small Business Regulatory Enforcement Fairness Act. This rule: (a) does not have an annual effect on the economy of \$100 million; (b) will not cause a major increase in costs or prices for consumers, individual industries, Federal, State, or local government agencies, or geographic regions; and (c) does not have significant adverse effects on competition, employment, investment, productivity, innovation, or the ability of U.S.-based enterprises to compete with foreign-based enterprises. This determination is based on an analysis of the corresponding Federal regulations, which were determined not to constitute a major rule.

*Unfunded Mandates Reform Act*

This rule does not impose an unfunded mandate on State, local, or Tribal governments, or the private sector of \$100 million per year. This rule does not have a significant or unique effect on State, local, or Tribal governments or the private sector. This determination is based on an analysis of the corresponding Federal regulations, which were determined not to impose an unfunded mandate. Therefore, a statement containing the information required by the Unfunded Mandates Reform Act (2 U.S.C. 1531 *et seq.*) is not required.

List of Subjects in 30 CFR Part 926

Intergovernmental relations, Surface mining, Underground mining.

Dated August 30, 2019

David Berry, Director

Unified Regions 5, 7, 8, 9, 10, 11

For the reasons set out in the preamble, 30 CFR part 926 is amended as set forth below:

**PART 926 – MONTANA**

1. The authority citation for part 926 continues to read as follows:

**Authority:** 30 U.S.C. 1201 *et seq.*

2. Section 926.15 is amended in the table by adding an entry in chronological order by “Date of final publication” to read as follows:

**§ 926.15 Approval of Montana regulatory program amendments.**

\* \* \* \* \*

Original amendment submission date	Date of final publication	Citation/description
* * * * * February 27, 2017	* * <b><u>[Insert date of publication in the Federal Register]</u></b>	Mont. Code Ann. 82-4-207 In situ gasification rulemaking ARM 17.24.902, 17.24.903, and 17.24.905, In situ gasification

[FR Doc. 2019-23514 Filed: 10/29/2019 8:45 am; Publication Date: 10/30/2019]