

UNITED STATES DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT
WASHINGTON, D.C. 20240
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June 14, 2006

In Reply Refer To:
3802/3809 (320) I

EMS TRANSMISSION 06/20/2006
Instruction Memorandum No. 2006-172
Expires: 09/30/2007

To: All State Directors

From: Assistant Director, Minerals, Realty and Resource Protection

Subject: Bond Review Report – LR2000

DD: 09/30/2006; 12/01/2006

Program Area: Mining Law Administration, 43 CFR 3809 Surface Management

Purpose: This Instruction Memorandum (IM) provides guidance to generate a “Bond Review Report” in the Legacy Rehost System 2000 (LR2000). The Bond Review Report has been developed to comply with the General Accounting Office’s (GAO) recommendations addressing the Bureau of Land Management’s (BLM) hardrock mining bonding program (GAO-05-377, June 2005). Data standards for 3802/3809 Plans and 3809 Notices have been modified and a new action code created to generate the Bond Review Report. The BLM State Directors will use the Bond Review Report on a Fiscal Year (FY) basis to certify to the BLM Director that reclamation cost estimates have been reviewed within regulatory and policy time frames and are adequate to cover the cost of reclamation.

Policy/Action:

Bond Review Report/Certification: At the end of each FY (beginning in 2006), the BLM State Directors must review the LR2000 Bond Review Report to determine if all “reclamation cost estimates” for Notices and Plans within their States requiring review, were examined and are adequate. If the Bond Review Report indicates that a Notice or Plan has not been reviewed within the appropriate time frame (Attachment 1) and/or the reclamation cost estimate is inadequate, then a corrective action plan must be developed by the State Directors to address the deficiencies within 60-days of generating the Bond Review Report.

By December 1, State Directors must send Certifications to the BLM Director that the “reclamation

cost estimates” requiring review, have been examined and are adequate. State Directors must also send copies of Action Plans that were developed to address any deficiencies identified in the Bond Review Report. State Directors must sign and date Certifications. The Bond Review Reports, Certifications and Action Plan(s) must be forwarded from the State Directors to the BLM Director through the Assistant Director for Minerals, Realty & Resource Protection (WO-300). The Bond Review Reports, Certifications and Action Plans may be transmitted electronically or sent to the Washington Office by FedEx or UPS.

To assist the field specialists in determining if reclamation cost estimates are acceptable (43 CFR 3809.554), WO-320 will make available to all field offices the SHERPA reclamation cost estimating software. (Attachment 1)

Data Entry: Prior to generating the first Bond Review Report all “Authorized” 380910, 380210, 380913, and 381402 case types must be updated with the new data standards by September 30, 2006. Actions supported by case file documentation are to be entered into LR2000 according to the Data Standards described in Attachments 2 and 3.

To keep the R2000 record/Bond Review Report current, all data must be routinely entered within five business days of each action having taken place.

This IM also describes two additional action codes and the sequence of data input for tracking plans of operations. This IM also supersedes IM 2005-126, dated April 14, 2005, “Data Standard Changes for Surface Management Plans of Operations (Case Types 380210, 380910 and 381402).” Attachment 4 lists the action codes used to generate the tracking / Duration of Plans report in LR2000.

Time Frame: This IM is effective immediately and will remain in effect unless formally modified.

Budget Impacts: There will be a budget impact, but there is no estimate at this time.

Background: The “Bond Review Report” has been developed in response to GAO's June 2005, Final Report, Hardrock Mining - BLM Needs to Better Manage Financial Assurances to Guarantee Coverage of Reclamation Costs (GAO-05-377). The GAO report recommends that “...the Secretary of the Interior direct the Director of BLM to: (1) Require the BLM State Office Directors to establish an action plan for ensuring that operators of hardrock operations have required financial assurances, and that the financial assurances are based on sound reclamation plans and current cost estimates so they are adequate to pay all of the estimated costs of required reclamation if operators fail to complete the reclamation; and (2) Modify LR2000 to ensure that it tracks critical information on hardrock operations and associated financial assurances so that the BLM headquarters and state offices can effectively manage financial assurances nationwide to ensure regulatory requirements are met.”

The Bond Review Report in LR2000 and transmittal of this IM addresses the BLM’s Action Plan in

implementing the GAO Recommendations.

State Data Administrators and Surface Management program leads in their respective State Office should help and support the field office efforts in carrying out the tasks outlined in this IM and attachments.

Manual/Handbook Sections Impacted: Bureau Manual and Handbook, Section 3809 - This guidance will be included in the 3809 Surface Management Manual and Handbook that are currently being prepared.

Coordination: The policies and procedures found in this IM were developed with input from the Office of the Solicitor and the BLM state and field offices.

Contact: Mitchell Leverette, Deputy Division Chief, Solid Minerals, at 202-452-5088, or Scott Murrellwright, Geologist at 202-785-6568 or Andrea Hauger, Case Recordation User Representative (L&RPO) at 303-236-0535.

Signed by:
Bob Anderson
Acting, Assistant Director
Minerals, Realty and Resource Protection

Authenticated by:
Robert M. Williams
Division of IRM Governance, WO-560

4 Attachments

- [1 - Periodic Review for Notices / Plans of Operations and Data Standards \(4 pp\)](#)
- [2 - Modified Action Code Transaction Processing Screen Examples \(3 pp\)](#)
- [3 - Mandatory Action Codes for 380210, 380910, 380913, and 381402 case types \(5 pp\)](#)
- [4 - Action Codes for Plan of Operations Tracking Report – Updated \(1 p\)](#)