

Uranium Projects Proceed Despite Stagnant Price

Even with the uranium spot-market price below \$60/pound for the past year — on December 1, 2009, the spot-market price was \$45 (www.uxc.com) — a wide range of uranium exploration, mine, and mill projects are being pursued across the southwestern United States. These proposals are the focus of strong concern and intense efforts by local communities whose land, water, and cultural resources are threatened by the projects. Southwest Research and Information Center (SRIC) staff have been asked to assist community organizations addressing many of those proposals. Following is a summary of some of those proposals.



Paradox Valley looking south.

PIÑON RIDGE URANIUM MILL, COLORADO

When the uranium spot-market price peaked at \$137/pound in mid-2007, Energy Fuels Resources (EFR) announced its intent to build a uranium mill in the Paradox Basin on the Colorado side of the Colorado-Utah border. If EFR gets its way, the Piñon Ridge site would be the first new uranium mill licensed in the U.S. since 1979.

Since EFR's announcement, many people in the Paradox Valley area have grown increasingly concerned about the potential for damage to the regional economy. Since the uranium bust of the 1970s, which shut down the mines and mills in that region, the area's economy relies on recreation, tourism, and sustainable agriculture.

New organizations such as the Paradox Valley Sustainability Alliance have formed to give voice to local residents. Existing organizations such as the Sheep Mountain Alliance, Grand Valley Peace and Justice, and Uncompahgre Valley Association (a Western Colorado Congress member organization) have conducted community education programs to build awareness of the mill proposal and its potential impacts and have engaged in the decision-making process related to the mill. Groups with active uranium impact-related programs have included the Colorado Citizens Against Toxics, whose long focus has been on the spreading contamination from the Superfund-listed Cotter uranium mill in Cañon City, CO; and Energy Minerals Law Center, which represented the Glen Canyon Chapter of the Sierra Club in its effort to keep the White Mesa uranium mill in Utah — the single operating uranium mill in the U.S. — from continuing its multi-decade practice of processing wastes from industrial facilities for uranium recovery instead of limiting the mill to raw uranium ore.

Before EFR can begin construction, it requires a Special Use Permit (SUP) from Montrose County and a uranium recovery license and an air quality permit from the Colorado Department of Public Health and the Environment (CDPHE), among other licenses and permits. Although it had yet to complete baseline environmental studies and the mill and tailings facility designs necessary for the CDPHE licenses it needs, EFR sought the SUP as its first major governmental approval step.

The EFR mill and tailings site is located on ranch land in an agricultural land use zone. EFR needs the SUP in order for the uranium mill — an industrial facility — to be constructed and to permit use of a permanent radioactive waste disposal site for up to 10,000,000 tons of mill tailings. The county land use ordinance allows mineral exploration, extraction, and development projects as permitted special uses in agricultural zones, but does not specifically allow industrial activities like uranium mills and permanent waste disposal facilities like tailings disposal ponds. The parcel proposed for the mill and waste site is surrounded by the wide-open spaces of actively grazed rangeland that typify the Paradox Valley and western Montrose County.

EFR's decision to seek a SUP made the county land use approval process the focus of a very heated local debate about the uranium mill and tailings disposal site and its appropriateness in



The drill rig is the key tool for exploration of uranium deposits. It holds equipment for drilling holes through rock and collecting samples and logging geologic data. [Source: Strathmore Minerals web site]



The drill pad is the work site where the rig and other equipment are located, including water supply trucks, drill mud storage tanks, and workers' vehicles. In the foreground a geologist is evaluating "cuttings" laid on the ground after extraction from the borehole.



Horace Springs, the major source of water for Pueblo of Acoma for time immemorial, is also the main source of water into the Rio San Jose, and is downstream of the uranium mines and mill tailings piles located along the Bluewater Creek and San Mateo Creeks.

an agricultural zone. During the spring of 2009, the Montrose County Planning Commission approved the SUP Application with 16 conditions. The Board of County Commissioners held two public hearings before adopting a resolution issuing a SUP with 19 conditions on September 30, 2009. Within the 30-day period allowed, Sheep Mountain Alliance filed an appeal of the SUP, arguing that the Montrose County Land Use Ordinance did not allow for SUPs in Agricultural Districts for heavy industrial uses such as uranium mills, or for permanent radioactive waste repositories like mill tailings disposal facilities, among other contentions.

On November 18, 2009, EFR filed a 14-volume application for a uranium recovery facility license for the proposal mill. CDPHE will have one month to determine whether the application is complete enough for a detailed review. If accepted, the detailed review and associated public hearings will proceed throughout 2010.

Categorical Exclusions: DEFINED

Categorical Exclusions are, according to the regulations adopted to implement the National Environmental Policy Act (NEPA): *"a category of actions which do not individually or cumulatively have a significant effect on the human environment... and for which, therefore, neither an environmental assessment nor an environmental impact statement is required."*

NEPA is the law that provides for Environmental Impact Statements and Environmental Assessments. The U.S. Forest Service allows categorical exclusions for actions it has determined from prior experience and analysis to result in no significant impact to the environment. If the Forest Service determines that a proposed action falls into one of these categories, and if no extraordinary circumstances exist which might cause a significant impact in the specific case, these actions can be categorically excluded from documentation in an EA or EIS.

Unlike an EA or EIS, there is no formal pre-decision comment period with a categorical exclusion (except for scoping). The Forest Service's categorical exclusion determination allowing uranium exploration without an EIS or EA near the Grand Canyon by Vane Minerals at a site in the Kaibab National Forest was reversed following settlement of a lawsuit challenging that determination. The Forest Service is preparing an EIS for that project, which is similar in size and scale of impact to the projects issued categorical exclusions by the Cibola National Forest.

MOUNT TAYLOR, NEW MEXICO

Shortly before Mt. Taylor was awarded permanent designation as a Traditional Cultural Property (TCP) in June 2009, the Cibola National Forest published a *Federal Register* notice convening Scoping Meetings to initiate the public consultation portion of the Environmental Impact Statement (EIS) process for the La Jara uranium mine. The La Jara EIS will be the first ever prepared for a uranium mine in the New Mexico. If approved, La Jara, a project of Canada-based Laramide Resources, Ltd., would be the first uranium mine permitted to operate within the boundaries of the Mt. Taylor TCP area.

The La Jara deposit was drilled out by Homestake Mining and Gulf Mineral Resources in the late 1970s to early 1980s, but the mine never operated because the



The St. Anthony uranium mine on Cebolleta Land Grant north of the Pueblo of Laguna is the largest unreclaimed open pit uranium mine in the southwestern United States.



Representatives of Acoma Pueblo and Laguna Pueblo speak about protecting Mt. Taylor and its water resources that are at risk from uranium development proposals.

uranium price tumbled, and all the uranium mills in the region ceased operation and began demolition and reclamation activities. With no uranium mills available in New Mexico, the only currently available option for Laramide is the White Mesa Mill near Blanding, UT, owned by Denison Mines, another uranium-producing company based in Canada. A key question for the Forest Service is why did it begin the public involvement portion of the EIS process when there is no uranium mill within 300 miles of Mt. Taylor?

Citizen involvement in the scoping meetings included representatives of the Multicultural Alliance for a Safe Environment (MASE), the Pueblo of Acoma, and SRIC. The La Jara Mesa holds a wide variety of cultural values for the Pueblo of Acoma, the Navajo Nation, and other regional tribes. The Mesa is a site for the collection of medicinal herbs, is a place of pilgrimage, and is a place of human occupation for more than 1,000 years, based on archeological evidence.

The Cibola National Forest projected in its October 1, 2009 Schedule of Proposed Actions (SOPA) that the La Jara Draft EIS would be published in November 2009

and a Final EIS would be issued in May 2010. (www.fs.fed.us/sopa/components/reports/sopa-110303-2009-10.pdf).

[Editor's Note: Dates listed are as scheduled in the SOPA, but some dates have passed without the proposed action having occurred.]

In its October 2009 SOPA, the Forest Service lists the Roca Honda uranium mine proposal, a project of Roca Honda Resources, a joint venture involving Strathmore Resources of Canada and Sumitomo Corporation of Japan, as the second Plan of Operations to be subject to an EIS. The Roca Honda mine is also located on public land managed by the Forest Service and within the Mt. Taylor TCP on San Mateo Mesa. The SOPA lists a Notice of Intent (NOI) to prepare an EIS in October 2009, and a final decision projected for October 2010.

Although the La Jara mine is scheduled ahead of the Roca Honda mine by the Forest Service, the Roca Honda project is the more advanced of the two in the New Mexico Mining Act permitting process administered by the Mining and Minerals Division (MMD) of the New Mexico Energy, Minerals and Natural Resources Department. Roca Honda Resources submitted the first new uranium mine application ever filed with MMD on November 18, 2009. In sharp contrast, Laramide Resource has yet to file an exploration or mine application with MMD. Thus, which mine would be the first to meet all regulatory requirements is not clear.

The Cibola National Forest's SOPA includes three other uranium exploration projects within the Mt. Taylor TCP. Those projects are:

- The La Jara Exploration Project by UREX Energy Corporation on La Jara Mesa for up to 21 drill holes;
- Treeline II Exploration Project by Western Energy on La Jara Mesa for up to 47 drill holes;
- San Mateo Mesa Project by Uranium Energy Corp. on San Mateo Mesa for up to 10 drill holes.

All three projects are listed as "on hold." However, Forest Service determinations regarding the intensity of environmental investigations for these projects are an inconsistent mix. Based on their descriptions in the October 2009 SOPA, the first two projects require EISs, but the third will receive a Categorical Exclusion (CE), which is a significantly less intensive environmental investigation.

DATIL MOUNTAINS, NEW MEXICO

The Cibola National Forest's SOPA also includes three exploration projects in the Datil Mountains:

- White Mesa Project by Red Basin LLC for up to 25 drill holes. Scoping began June 15, 2009, and a final decision was projected for October 2009;
- Baca Project by Red Basin LLC for up to 60 drill holes next to the White Mesa Project. Scoping began April 20, 2009, and a final decision was projected for October 2009;
- Deer Claims Project by Vane Minerals LLC for up to 25 drill holes. Scoping began May 5, 2009, and a final decision is proposed for April 2010.

As of December 1, 2009, the Cibola National Forest has not issued any final determinations for any of the uranium exploration projects designated for Categorical Exclusion.

FOREST SERVICE VS. MINING AND MINERALS DIVISION PROCESSES

All uranium exploration, development, and mining projects identified in the Cibola National Forest's SOPA will also be subject to review and approval by MMD, pursuant to the New Mexico Mining Act. Moreover, if ground water is encountered and at risk, a project is also subject to review by the Groundwater Protection Bureau of the New Mexico Environment Department. As of December 1, 2009, only four of the eight uranium projects on Forest Service-administered public land are listed among MMD's pending exploration and mining applications. (www.emnrd.state.nm.us/MMD/MARP/MARPNewPermitApplicationsandCloseoutPlans.htm).

That MMD webpage includes postings for the Roca Honda mine permit application and the White Mesa, Baca, and Deer Claims projects for minimal impact exploration applications. No applications are identified for the La Jara mine or the three exploration projects Forest Service identifies as "on hold" in its SOPA.

The lack of coordination among the Forest Service (a federal agency with responsibility for review and approval of exploration and mine plans) and the MMD (a state agency with similar responsibilities) is striking and was a key point of comment during the La Jara scoping meeting in June 2009.

The Pueblo of Acoma and San Agustin Water Coalition entered comments on the Datil Mountain projects that have been filed with MMD and the Forest Service. The Pueblo raised issues related to the cultural significance of the Datil Mountain area. From the Acoma point of view, the Datil Mountains are the southern portion of the Acoma cultural province and are no less important, no less significant, and no less rich with cultural resources and medicinal materials than Mt. Taylor. As such, the Datil Mountains deserve the same recognition as Mt. Taylor, and the Pueblo may seek this designation.

The San Agustin Water Coalition focused on the lack of information in the minimal impact applications about surface and groundwater that could be put at risk by the exploration activities. Acoma Pueblo and the San Agustin Water Coalition both expressed strong concerns about the apparent manipulation by Red Basin and Vane Minerals of the size of drill pads — the site where the equipment is used to bore, sample, and complete drill holes — to keep the area of land disturbance below five acres, the largest area allowed for "minimal impact exploration" applications under regulations adopted under the New Mexico Mining Act.

On November 20, 2008, MMD approved an exploration application for the *in situ* recovery exploration proposed by Uranium Resources, Inc. (URI) in the Ambrosia Lake area which assumed drill pads 80 feet × 120 feet, covering 9600 square feet or 0.220 acres. Vane Minerals asserts in its Deer Claims application that its disturbed area would be 4.67 acres, composed of 25 drill pads 75 feet × 75 feet, 5625 square feet or 0.129 acres per drill hole, for a total of 3.22 acres, plus 1.45 acres of road disturbance. Red Basin in its Baca Project application asserted even smaller drill pads of 30 feet × 60 feet, 1800 square feet or 0.042 acres, so the 60 drill holes proposed would disturb only 2.50 acres.

However, if drill pads the size for the approved URI project were used, the 25 Vane drill pads would disturb 5.5 acres (plus at least 1.45 acres for road disturbance associated with "cross country travel" on the project site), and the 60 Red Basin drill pads would disturb 13.2 acres (plus additional road disturbance). Both the Vane Minerals and Red Basin projects then would exceed the five-acre limit for minimal impact exploration operations, and both companies would be required to file regular exploration applications, which require significantly more details and allow for broader public involvement. As of December 3, 2009, MMD has not posted the Pueblo of Acoma or San Agustin Water Coalition comments or responses to those comments on its application documents webpage. 