

Uranium Watch

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Via electronic and first class mail

Jeffrey Smith
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Bureau of Land Management
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RE: Supplement to Scoping comments for Environmental Assessment (DOI-BLM-UT-Y010-2011-0048-EA) — Plan of Operations Amendment, La Sal Mines Complex, La Sal, Utah.

Dear Mr. Smith:

Below are some additional scoping comments for the Plan of Operations Amendment, La Sal Mines Complex.

1. Cumulative impacts of the operation of the La Sal Mine Complex: The Bureau of Land Management (BLM) environmental analysis should include information on the costs to the public associated with the operation of the Pandora Mine prior to 1985. In 1984 the Pandora Mine was owned and operated by the Atlas Minerals Corporation, and the ore was processed at the Atlas Uranium Mill near Moab, Utah. That mill is currently being reclaimed by the U.S. Department of Energy (DOE) at public expense. The tailings are being removed from the Moab site to the Crescent Junction disposal site. The current estimate of the cost of the tailings removal is approximately \$1 billion. Considering that the removal will now take longer—due to a reduction of funding, the need for perpetual surveillance, and unknowns regarding the amount of material beneath the pile and groundwater reclamation—the \$1 billion reclamation cost estimate is not unreasonable. With the DOE estimate of 16 million tons of tailings, the cost per ton is approximately \$62.50.

The amount of ore removed from the Pandora Mine from 1977 through 1984 is found in the

annual Large Mining Operation Progress Reports¹ submitted to the Utah Division of Oil, Gas and Mining (DOG M) by Atlas Minerals. Prior to 1984, DOGM only required data on the combined ore and waste rock production. Estimating that the ratio of ore produced to waste rock was 1 to 1, the amount of ore produced from 1977 to 1983 was 313,184 tons; the total amount of ore produced from 1977 to 1984 was 322,084 tons.² Given that very little uranium is produced from the ore when it is processed in a uranium mill, the addition of processing chemicals at the mill, and the disposal of other materials associated with the mill in the tailings impoundment—the amount of mill tailings is about the same as the amount of ore processed. Therefore, the cost of the removal of the tailings produced from the processing of uranium ore from the Pandora Mine would be approximately \$20,130,250. This, of course, is only a rough estimation, but I doubt it is any less than that amount. The BLM may have more accurate figures available to estimate the cost to the public associated with the permanent disposal of the tailings from the processing of the Pandora Mine before 1985.

The BLM must consider the expenditure of public money to reclaim the tailings from the processing of Pandora Mine ore as part of the cumulative impacts of the operation of the La Sal Mines Complex.

2. In October 2010, Denison Mines (USA) Corporation (Denison) submitted a Notice of Intent to Modify the La Sal Mines Project Approval Order to the Utah Division of Air Quality (DAQ).³ The current Approval Order for the La Sal Mines Project was issued by the DAQ on October 26, 2009 (DAQE-AN0141510002-09).⁴ The October 2010 NOI contains a great deal of pertinent information that was not included in the Plan of Operations Amendment submitted to the BLM. The NOI to Modify includes new information regarding the addition of various types of equipment to the operation of the La Sal Mines Complex and the increase in emissions from that equipment. The NOI also discusses a relevant issue: the lack of reliable electrical power for the mining operation and the need for back up generators and possibly the use of generators for the operation of new radon vents.

The BLM and U.S. Forest Service environmental review should take into consideration the new information contained in the October 2010 NOI to Modify.

3. The BLM environmental review should contain information on the mine owner's compliance with other state and federal regulatory programs. Therefore, the EA should include a discussion of Denison's compliance with the DAQ 2009 Approval Order. The 2009

¹ http://www.uraniumwatch.org/pandoramine/pandora_progressreports.77-08.pdf

² Annual Large Mining Operations Progress Reports for the Pandora Mine (M37: 1984-8,900 tons ore; 1983-11,196 tons ore and waste rock; 1982-35,774 ore and waste rock; 1981-116,508 tons ore and waste rock; 1980-86,346 tons ore and waste rock; 1979-156,000 tons ore and waste rock; 1978-107,144 tons ore and waste rock; and 1977-113,400 tons ore waste rock.

³ http://www.uraniumwatch.org/lasalmines.ut/denison_lasalmines_airquality_noi.101031.pdf

⁴ http://www.uraniumwatch.org/lasalmines.ut/daq_lasalmines_approvalorder.091026.pdf

Approval Order is based on Denison's Notice of Intent to Construct the Proposed La Sal Mines Project.⁵ The Approval Order only covers the operation of the Pandora Mine and Beaver Shaft Mine for the removal of ore. The DAQ May 29, 2009, Intent to Approve⁶, states:

La Sal mines consist of four separate underground mines: Pandora, Beaver Shaft, La Sal and Snowball. Mine production is planned only at the Pandora Mine and the Beaver Shaft, while the other two mine areas will be used for maintenance activities. At the Pandora and Beaver Shaft sites, ore will be loaded onto trucks for transport to off-site processing facilities.

However, as of June 2011, Denison was operating the La Sal Mine without an Approval Order that included the equipment and processes associated with the removal of ore from the La Sal Mine, transportation of ore from the mine, and deposition of waste rock at the mine. These activities are outside the scope of the 2009 Approval Order, but are within the scope of the 2010 NOI to Modify, which has yet to be approved by the DAQ.

4. The EA should also discuss the legal basis for the commencement of the operation of the La Sal Mine (based on the 1981 Plan of Operations and EA) prior to the approval of the Plan of Operations Amendment currently under consideration and issuance of the final NEPA document. The BLM must clearly state in the environmental analysis the La Sal Mine operations and activities that are within the scope of the 1981 Plan of Operations. Anything not within the scope of the 1981 Plan of Operations for the La Sal Mine, Snowball Mine, and Beavershaft Mine must be included in the Amended Plan of Operations and evaluated in the new environmental analysis.
5. Health and Safety Violations: Attached is a table providing information on the violations associated with the La Sal Mines Complex that were issued by the Mine Safety and Health Administration (MSHA) from 2008 through May 2011. Reliance Resources LLC is the operator of the Pandora Mine; Denison is the operator of the Beaver Shaft, La Sal, and Snowball Mines. The table shows the following:
 - A. A marked increase in the number of citations, starting in 2010 and continuing into 2011.
 - B. An increase in number of citations for Denison in 2011: 32 in 2010; 16 for the first quarter of 2011.
 - C. An increase in number of citations for Reliance Resources in 2011: 15 in 2010; 10 for the first quarter of 2011.
 - D. Although Denison has stated its concerns for the health and safety of the workers, Denison and Reliance Resources have challenged most of the penalties that MSHA imposed in 2010 and 2011.

⁵ http://www.uraniumwatch.org/lasalmines/dmc_daq_application.080522.pdf

⁶ http://www.uraniumwatch.org/lasalmines/daq_lasal_approve.090528.pdf

- E. An increase in citations associated with protection of workers from radon exposure for Reliance Resources; continued problem with protection of workers from radon exposure for Denison.
- F. An increase in the number of violations per inspection and an increase in the amount of penalties per citation. (Recurring violation of a similar nature can cause an increase in penalty.)

The BLM should address whether there will be an increase in citations, orders, and penalties as the La Sal Mines Complex operation continues to expand—considering the current trend towards an increase in violations and penalties and the expected increase in the amount of equipment, workers, and underground mining activities.

6. Other La Sal Uranium Mining Activities: The US Forest Service is reviewing a proposal by Kimmerle Mining LLC to engage in exploration drilling on Pine Ridge, just to the east of the Pandora Mine operation. The BLM is reviewing an Exploration Plan of Operations submitted by Larimide La Sal, Inc., to remove up to 20,000 tons of ore from the La Sal #2 mine in Lisbon Valley. Energy Fuels Resources, Inc., continues to develop the Energy Queen Mine in La Sal. These and any other proposed mining activities in the La Sal/Lisbon Valley area must be addressed in the EA.
7. Atlas Minerals⁷, Union Carbide/Energy Fuels Nuclear, and other uranium mining companies operated mines in the La Sal/Lisbon Valley area in the past. There was also extensive exploration drilling. The EA should include an analysis of current reclamation status of those past mining operations and the current surface disturbance from mining, exploration, and other mining activities in the La Sal/Lisbon Valley area.
8. The BLM must also consider the June 3, 2011, decision by the Department of Interior, Office of Hearings and Appeals, Interior Board of Land Appeals (IBLA), IBLA 2010-138, URU-74631, regarding the Daneros Uranium Mine, San Juan County, Utah. In that decision the IBLA determined that the BLM, Monticello Field Office, failed to take a hard look at indirect impacts from processing Daneros Mine ores at the White Mesa Mill. Therefore, the BLM must take a hard look at the indirect impacts from the processing of the ore from the La Sal Mines Complex at the White Mesa Mill. This would include air quality and impacts to the significant cultural resources at the White Mesa Mill site.
9. The BLM should also discuss its responsibilities for oversight of cultural resources on land on White Mesa, San Juan County, that was part of a land exchange between the BLM and

⁷ In 1987, Atlas Minerals had a DOGM Permit for the Probe Mine, Snow Mine, Four Corners Mine, Cactus Rat Mine, Patti Ann Mine, Standard #1 Mine, Rim-Columbus Mine, Radium King Mine, Locust Spider Mine, Windfall Mine, Standard #2 Mine, Pandora Mine, Louise Mine, Dunn Mine, Far West Mine, Calliham & Sage Mine, Happy Jack Mine, Ivy Mine, and Velvet Mine. Currently the Pandora and Rim-Columbus Mines are owned by Denison; the Velvet and Calliham & Sage Mines are owned by Uranium One Americas, Inc.

Energy Fuels Ltd. The land became part of the White Mesa Mill site and is now owned by Denison or a related corporation. The land was subject to the August 26, 1985, Cultural Resource Easement: Energy Fuels — BLM Land Exchange, signed by Gene Nodine, Moab District Manager, BLM, and Energy Fuels, Ltd., by Brad L. Doores, Vice President, Legal and Regulatory Affairs, E.F. Uranium Group, Inc. (Energy Fuels' General Partner). That easement assigns the BLM certain responsibilities for the protection of cultural resource on the land that was transferred to the owner/operator of the White Mesa Mill.

I appreciate your attention to these comments.

Sincerely,

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And:

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Attachments: As stated