

STATE OF COLORADO

DIVISION OF RECLAMATION, MINING AND SAFETY
Department of Natural Resources

1313 Sherman St., Room 215
Denver, Colorado 80203
Phone: (303) 866-3567
FAX: (303) 832-8106



John W. Hickenlooper
Governor

Mike King
Executive Director

Loretta Piñeda
Director

September 5, 2012

Glen Williams
Cotter Corporation
P.O. Box 700
Nucla, CO 81424

Re: Deadline for Submittal of Environmental Protection Plans for All Uranium Operations and Permit Status Review.

Dear Operator:

This is a courtesy letter to remind you that on September 30, 2011 the Division of Reclamation, Mining, and Safety (Division) notified all uranium mine permit holders for requirements to comply with Section 34-32-116.5 (1)(a) that requires an Environmental Protection Plan (EPP) for all Designated Mining Operations (DMO). All uranium mines are classified as DMO. Per the letter, operators were notified that they must submit an EPP or file for an exemption by no later than October 1, 2012. This letter is to inform you that the Division has not received the required EPP submittals or request for exemption for the following sites and the deadline is approaching:

Permit No.	Site name	Permittee	Permit Status*	County	Land Oversight
M1977284	Mineral Joe Claims	Cotter Corporation	INT	Montrose	BLM
M1977305	C-LP-21 Mine	Cotter Corporation	INT	Montrose	DOE
M1977306	JD-9 Mine	Cotter Corporation	INT	Montrose	DOE
M1977307	CM-25 Mine	Cotter Corporation	INT	Montrose	DOE
M1977308	C-JD-7	Cotter Corporation	INT	Montrose	DOE
M1977310	JD-6 Mine	Cotter Corporation	INT	Montrose	DOE / BLM
M1977311	SR-13A Mine	Cotter Corporation	INT	San Miguel	DOE
M1977451	Ike No 1 Mine-SR-11	Cotter Corporation	INT	San Miguel	DOE
M1978116	SM-18 Mine	Cotter Corporation	INT	Montrose	DOE
M1979094HR	JD-7 Pit	Cotter Corporation	INT	Montrose	DOE
M1979118HR	Wright Group	Cotter Corporation	INT	Montrose	Private

The letter clearly states that if an operator fails to gain compliance with the Act and Rules it could result in an enforcement action being issued by the Division.

Concurrently, on January 24, 2012 the Division notified all hard rock mines of a review of operational status in regard to intermittent operations (IS) per the Act and Rules. The letter requested that operators submit information justifying the intermittent operation status or begin the process of placing sites into Temporary Cessation (TC) per CRS 34-32-103(6) (a) (II) and Rule 1.1(26). The Division notes it has not received the requested information regarding present mining activities or TC documentation. Per the letter, you have until October 1, 2012 to comply. Failure to comply may result in a change to your permit status or action to terminate the permit.

Division staff will be conducting normal monitoring inspections of uranium mines in October 2012. Staff will be contacting you to confirm dates and times. If the above issues are not addressed appropriately by October 1, 2012 a formal hearing before the Mined Land Reclamation Board for enforcement action may be implemented which could include, corrective actions dates, civil penalties, a cease and desist order, possible revocation of the permit, and forfeiture of financial warranty.

If you need additional information please contact me at the Division of Reclamation, Mining and Safety, Grand Junction Field Office, 101 S. 3rd St., Suite 301, Grand Junction, Colorado 81501, by telephone at 970.241.1117, or by e-mail at russ.means@state.co.us.

Sincerely,



G. Russell Means
Acting Senior Environmental Protection Specialist
West Slope Field Office Supervisor

Cc: Loretta Pineda, Division of Reclamation, Mining, and Safety Director
Tony Waldron, Division of Reclamation, Mining, and Safety, Mineral Program Supervisor
Jeff Fugate, Division of Reclamation, Mining, and Safety, AGO
Ed Cotter, Department of Energy / Stoller
Barbara Sharrow, Bureau of Land Management, Uncompahgre Resource Area

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U.S. Department of Energy
Office of Legacy Management
2597 Legacy Way
Grand Junction, CO 81503

John W. Hickenlooper
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BLM – Uncompahgre Resource Area
2505 S. Townsend Ave
Montrose, CO 81401-5400

James Blair
BLM - Delores Resource Area
29211 Highway 184
Delores, Colorado 81323

Re: Environmental Protection Plan Submittal Requirements For All State Uranium Permitted Mines.

Dear Cooperating Agency,

The Division of Reclamation, Mining, and Safety (Division) is charged with ensuring that all uranium mines comply with the Colorado Land Reclamation Act for Hard Rock, Metal Mining, and Designated Mining Operations (Act) and regulations of the Colorado Mined Land Reclamation Board (MLRB) for the Hard Rock, Metal Mining, and Designated Mining Operations (Rules).

In May of 2008, Colorado Governor Bill Ritter signed into law House Bill 08-1161 which amended the Act as it relates to mining and reclamation associated with uranium mining. The amended Act defines all uranium mining operations, whether in-situ or conventional, as Designated Mining Operations (DMO), §C.R.S. 34-32-103(3.5) (a) (III).

§C.R.S. 34-32-116.5 (5) states: "The board shall promulgate rules governing the form, content, and requirements of an environmental protection plan for any DMO." From January, 26, 2010 until August 2010 the MLRB conducted a rule making process that included organized public meetings, formal hearings, and both oral and written testimony from all stake holders. On August 12, 2010, the MLRB approved the amendments to the Rules that incorporate the changes to the Act as approved in 2008. The promulgated rules became effective September 30, 2010.

After one year of voluntary compliance on September 30, 2011 the Division noticed all uranium mine operators with the change in the Act and promulgation of the Rules, the Division is requiring all uranium permit holders to gain compliance with the Act and Rules. §C.R.S. 34-32-116.5 (1) (a) states "an environmental protection plan (EPP) shall be required for all DMO operations. By law, all in-situ and conventional uranium miners are now classified as DMO's. Therefore, Operators were given the following options to gain compliance with the new requirements of the Act:

1. Demonstrate that the existing permit contains the necessary elements of an EPP within 60 days of the September 30, 2011 notice.

2. Provide written notice within 60 days of the September 30, 2011 notice that final reclamation of the site will commence within 1 year.
3. Operators must submit a completed an amendment application containing all necessary elements of an EPP to the Division by October 1, 2012. The Division is requiring the submittal of an amendment addressing the requirements of Rule 6.4.21, Exhibit U – Designated Mining Operation Environmental Protection Plans. The notice requires updating all other exhibits which contain maps.
4. Operators can file for an exemption from DMO designation per Rule 7.2.6.

This letter is to notify all cooperating agencies of the forthcoming deadline for uranium mine operators to comply with the Act and Rules. Any operator who fails to submit the required EPP or file for an exemption by October 1, 2012 may be subject to enforcement action by the Division. Enforcement may include civil penalties, cease and desist orders, corrective actions, possible revocation of permits, and forfeiture of reclamation bonds. Per Memo of Understand, leases, and financial warranty documentation operators must comply with all local, state, and federal laws otherwise be in default. Please be advised that some uranium mining operations under your jurisdiction have been identified for possible enforcement due to a lack of communication as to their intentions.

If you need additional information please contact me at the Division of Reclamation, Mining and Safety, Grand Junction Field Office, 101 S. 3rd St., Suite 301, Grand Junction, Colorado 81501, by telephone at 970.241.1117, or by e-mail at russ.means@state.co.us.

Sincerely,

A handwritten signature in blue ink, appearing to read "G. Russell Means".

G. Russell Means
Senior Environmental Protection Specialist
West Slope Field Office Supervisor
Grand Junction / Durango