

INFORM

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RESPONSIBLE MINING

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Feb. 20, 2013

Mr. Dustin Czapla
Colorado Division of Reclamation, Mining and Safety
Grand Junction Field Office
101 South 3rd St., Ste 301
Grand Junction CO 81501

Via email to dustin.czapla@state.co.us

Re: Cotter Corporation 110(d) C-JD-7 amendment application, Permit No. M-1977-308
Cotter Corporation 112(d) JD-7 PIT amendment application, Permit No. M-1979-049-HR

Dear Mr. Czapla,

Thank you for the opportunity to comment on the combined Environmental Protection Plan amendment submitted by Cotter Corporation for the C-JD-7 underground mine (M-1977-308) and the JD-7 pit mine (M-1979-049-HR), located in Paradox Valley, Montrose County. The Information Network for Responsible Mining is a Colorado-based citizens organization that advocates for the protection of communities and the environment and actively participates in mining reviews. INFORM appreciates your consideration of the following comments and concerns related to the amendment application.

It is appropriate to consider these two permitted mines as a single operation through a combined amendment application. It is also vitally important to note that the underground section has no record of ore production since 1981 and ore has never been excavated from the open pit, which is a blight visible for miles across Paradox Valley. These are mines that have been left unreclaimed and in a non-operating state for over three decades. As the Sept. 15, 2011, inspection report says, "The permit history indicates no mining activities for this site have ever occurred."

INFORM has recently filed an objection to Cotter Corporation's Dec. 15, 2012, Notice of Temporary Cessation in order to address the noncompliance of the JD-7 mines and looks forward to continuing to address those issues with the Division. By reference, we incorporate the

comments made in our objection letter here as well. We wish to raise the issues of the long-term idled state and non-production of the JD-7 mines in this forum because the operating status is critically relevant to the overall environmental conditions of the site and the need for an Environmental Protection Plan. The JD-7 mines are not in compliance with the Colorado Mined Land Reclamation Act and the Division has been burdened with the task of continually addressing the permit status of Cotter Corporation's mines and the recalcitrance of this operator over the past five years. In the interests of the public, it is high time to take strong action to improve the environmental conditions of these mines, advance reclamation efforts, and fully implement the underlying principles and intent of the 2008 HB-1161 legislation.

The most significant activity at the JD-7 over the past three decades cannot, in fact, be described or considered as mining but rather as waste-dumping. In 1996, the Division approved a technical revision to the JD-7's permit to allow 30,000 tons of low-grade uranium ore and waste material acquired from Cotter Corporation's Whitewater Sample Plant to be permanently disposed in the open pit's waste pile. The open pit was excavated in the late 1970s, over 10 million cubic yards of overburden was removed, but the mineral body remains untouched. The only activity during a 30-year period was to bring in outside waste to add to the pile. The irony of this activity occurring under a reclamation permit is plain.

At the same time, the lack of focused activity related to actual mining and reclamation becomes evident in the amendment application. For instance, Cotter describes a drainage pit for the underground section as "naturally revegetated." This delightful phrase is also used to describe the open pit's waste rock stockpile. How do major mine features become "naturally revegetated" over time? Through neglect inherent in the failure to undertake active reclamation work over a long period of time. A serious and vigorous effort to conduct reclamation work at this site now and in the future is needed and should be thoroughly spelled out in the final Environmental Protection Plan. Previous efforts at revegetation -- natural or otherwise -- should be closely examined to make sure they will provide adequate vegetative cover and wildlife habitat.

One significant aspect of the JD-7's reclamation plan is the final state of the open pit. Because uranium mining in the region is typically done underground, the presence of the pit is unusual; that in and of itself increases its ability to rankle a public concerned with the overall aesthetic values of Southwestern Colorado and the area's reliance on a tourism- and recreation-based economy. Since the JD-7 was initially permitted in the 1970s, the techniques of reclamation, particularly for open pit mining, have changed dramatically. Yet new ideas about how to handle the final reclamation of the site are not introduced in the amendment application. The Division should take a fresh look at the JD-7 and consider the different alternatives that could be applied. Perhaps the most important option to consider is a final backfilling of the pit in order to reduce the size of the final waste pile that will be left permanently. Any final waste piles remaining on surface should be capped with sufficient topsoil prior to revegetation. While balancing the best methods for protecting the environment and hydrology of the site, the Division should strive to achieve a reclamation plan that returns the site as much as possible to its original topography and to reduce final visual impacts. As contemplated in the application, if the mine ever produces, the

size of the waste pile will expand from its current size of 61.9 acres to over 224 acres, greatly increasing the visual impacts to Paradox Valley. In this scenario, backfilling of the pit should be thoroughly analyzed and seriously considered.

Cotter should be required to demonstrate that there is adequate water available to resume mining operations. In the application, Cotter says it will haul 120,000 gallons annually to the site, yet does not include a formal agreement guaranteeing the supply.

Cotter has proposed the installation of four additional water monitoring wells prior to the start of any excavation. These wells should be installed as soon as possible, not simply at a hypothetical time in the future, in order to gather plentiful data and establish a solid baseline analysis of hydrological conditions. A number of constituents of concern -- including radium, arsenic, selenium, aluminum, molybdenum and zinc -- are indicated for passive or active water treatment at the site, even though the water treatment facility has not operated since 2007. Cotter has proposed conducting an initial five quarters of water monitoring in order to establish a baseline; however, water quality monitoring should continue on a quarterly (not semi-annual) basis permanently as a preventive deterrent. The underground section of the mine has a history of producing water and the ability to adequately treat it and comply with the requirements of the discharge permit will continue to be a concern if mining resumes.

Although Cotter asserts in the amendment application that the potential for generating acid from the ore and waste rock at the site is minimal, it has not adequately demonstrated this in the application. Because ore is not available from the JD-7 due to lack of mining activity, geochemical testing was conducted on old ore from the JD-8 site instead. If ore becomes available at the JD-7 in future, SPLP tests should be conducted on both the ore and waste rock on a regular, quarterly basis. In any case, SPLP tests on the existing waste rock should be required. In addition, the Division should restrict the storage of ore on the clay-lined pad to 30 days, rather than 180 days, so that the potential for acid drainage is reduced.

A full radiometric survey of the JD-7 site should be conducted as soon as possible in order to provide a more complete evaluation of existing conditions. The off-site potential for contamination should be considered as part of the Environmental Protection Plan. During the state's review of the proposed Piñon Ridge Mill located downslope from the JD-7, a soils study documented three separate areas of contamination on the mill property, potentially originating from the JD-7 or another nearby Department of Energy lease tract. The relationships between these various sites and potential source-points for contamination should be outlined in the amendment application.

INFORM notes Cotter's assertions in the amendment application that wildlife impacts will be minimal. Yet the JD-7 is home to a number of species important to the overall health of the pinyon-sage habitats in the vicinity, including red-tailed hawks, kestrels, bald eagles, bobcat, lion, grey fox, deer, elk, badger, and coyote. The presence of wildlife is not negligible.

The Colorado State Historic Preservation Officer has commented that a full Section 106 consultation must be conducted on the property in order to identify cultural and historic resources in need of protection at the mine, and Cotter has replied that it is not obligated to conduct a survey but will at some point in the future, prior to the commencement of mining activities. There is no valid reason to avoid conducting the appropriate survey now or to avoid addressing the presence of any resources as part of the current amendment application. Delaying this or other important studies related to the JD-7 site will only mean that the final, big-picture look at the overall Environmental Protection Plan will not be comprehensive.

It does not seem that Cotter has put together an amendment application with the thorough updating, analysis and planning that an Environmental Protection Plan requires. As the technical review proceeds and Cotter responds to the Division's requests, INFORM reserves the right to supplement these comments as appropriate.

Thank you again for your consideration.

Sincerely,

A handwritten signature in black ink, reading "Jennifer Thurston". The signature is written in a cursive, flowing style.

Jennifer Thurston
Director
INFORM

