

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
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February 27, 2013

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

John W. Hickenlooper
Governor

Mike King
Executive Director

Loretta Piñeda
Director

RE: JD-9 Mine, Permit No. M-1977-306, Submittal of an Environmental Protection Plan (EPP), Amendment AM-01, Bureau of Land Management Tres Rios Field Office Letter.

Dear Mr. Williams,

On February 26, 2013 the Division of Reclamation, Mining and Safety (Division) received comments regarding the above referenced application from the Bureau of Land Management (BLM).

Please inform the Division of how the Applicant will respond to the concerns presented by the BLM.

If you require additional information, have questions or concerns; please contact me at the DRMS Grand Junction Field Office at Phone No. (970) 241-2042.

Sincerely,

Travis Marshall
Environmental Protection Specialist

Enc. – BLM Letter



United States Department of the Interior

BUREAU OF LAND MANAGEMENT
TRES RIOS FIELD OFFICE
29211 Highway 184
Dolores, CO 81323
www.blm.gov/co/st/en/fo/sjplc.html



In Reply Refer To:
2300 (CO-S01000)

RECEIVED

FEB 26 2013

February 19, 2013

Travis Marshall
Environmental Protection Specialist
Colorado Division of Mining Reclamation and Safety
101 South 3rd, Suite 301,
Grand Junction, CO 81501

GRAND JUNCTION FIELD OFFICE
DIVISION OF
RECLAMATION MINING & SAFETY

RE: JD-9 Mine, File No. M-1977-306, Amendment (AMI) Preliminary Adequacy Review

Dear Mr. Marshall,

Thank you for the copying us on the January 30, 2013 letter from CDRMS to Glen Williams of Cotter Corporation, regarding the *JD-9 Mine, File No. M1977-306, Amendment (AMI) Preliminary Adequacy Review*. As you may be aware, this mine is located on a Department of Energy Uranium Lease Tract. These lease tracts are located on BLM lands, however, through various laws and secretarial orders, these tracts were withdrawn from location (mining claims) under the 1872 mining law, and placed under leasing authority for uranium and vanadium, which now resides under the Department of Energy. BLM continues to administer non-uranium mining surface resources, and leasable mineral estate under these lease tracts, but we do not administer leasing and mining on these lease tracts directly. We do coordinate with the DOE to provide surface management and reclamation guidance for activities which are proposed for these lands. Presently, the DOE is in the midst of preparing a programmatic EIS to address the future of mining on these lease tracts, and it is our understanding that the leases and activities on them are 'on hold' until the PEIS is completed.

Further complicating issues, is the fact that the JD-9 lease tract lies across the border between the BLM's Uncompahgre and Tres Rios Field Office. Approximately 2/3 of the lease tract, along with settling ponds, roads, and ventilation shafts, lies in the Uncompahgre field office, however the portal, waste rock piles, dry, equipment storage, and many drilling roads appear to be on Tres Rios.

Enclosed with this letter is a map showing the location of the JD-9 lease tract, and various BLM jurisdictional boundaries and wildlife concerns. We ask that CDRMS take the following issues into consideration as they review the proposed revision to the JD-9 amendment:

1) A mine plan revision approved by CDRMS alone is not sufficient for Cotter to proceed with mining on a DOE lease on BLM surface estate. Any activity different from the approved DOE mine plan must be reviewed by DOE under their NEPA regulation, with BLM providing input for surface management to the DOE. Prior to this, any "new" activity beyond the ongoing maintenance, which has not been previously approved by DOE, could constitute "undue and unnecessary degradation under FLPMA", because it would be occurring outside of any approved Federal mining regulatory regime.

- 2) The DOE is presently preparing a programmatic environmental impact statement (PEIS) for all uranium lease tracts, including the JD-9 site. Once that is resolved, any plan revision or modification(s) at the JD-9 site should be reviewed by DOE with DOE soliciting BLM input as appropriate.
- 3) It is unclear what, if any, mining related activities will need to take place off-lease, on public lands under BLM's sole jurisdiction. This includes such things as access and haulage roads, utility corridors, monitoring wells, exploratory drilling, etc. The maps provided with the plan revision in general did not have the lease boundaries on them. Please direct Cotter to include the lease boundaries on at least one map showing all existing and planned mining, exploration, and related activities which includes the lease boundary. From what has been provided so far, it appears as though the certain portions of access roads are off lease, and it is unclear whether they roads are designated county roads, or not. If they are not designated as county roads, some BLM right of way will be needed for any approval.
- 4) Provide BLM copies of any baseline data collected, such as surface water, groundwater or wastewater chemistry, plants, animals or other biological or physical data, including any data from springs or stock watering sites.
- 5) A transportation study from the mine, to the probable milling site (e.g. either the Cotter mill if still active or the existing White Mesa mill, or proposed Pinion Ridge Mill) has been evaluated by the BLM as a connected action in NEPA associated with other Uranium mine plans on BLM lands. Cotter Corporation should be aware that a similar transportation study may need to be evaluated for JD-9.
- 6) BLM would like to arrange for a joint tour of the JD-9 lease and its facilities with representatives from the DOE, CDRMS and Cotter Corporation for some time this spring.
- 7) Please note (see attached figure) that much of Dry Creek Basin has recently been proposed by the US Fish and Wildlife Service as Critical Habitat for Gunnison Sage Grouse (GUSG), which USFWS has proposed for listing as an Endangered Species under the Endangered Species Act. The current proposed critical habitat designation stops just a few hundred feet away from the eastern edge of the JD-9 lease, and appears overlap certain transportation and haulage options. Should the USFWS proceed with the listing and designate critical habitat, this could have substantial effects on how uranium is mined or transported. BLM does not yet know what final outcome of the GUSG listing will be, but feel that the CDRMS, DOE and Cotter should be aware of the potential listing now, if they are not aware already.
- 8) BLM will not provide further additional comments until such time as the DOE has started their NEPA review of the JD-9 mine for any modifications to their approved mine plan which differs substantially from the existing approved plan, and they are requesting out input, or unless Cotter proposes any activity off-lease which requires approval from BLM.

If you have any questions please contact James Blair, geologist for the Tres Rios Field Office at 970-882-6862.

Sincerely,



Connie Clementson
Tres Rios Field Manager

CC: Files
Barb Sharrow – UFO Field Manager
Rob Ernst – UFO Geologist
Ed Cotter – SM Stoller/DOE Lease Program
Glen Williams, Cotter Corp

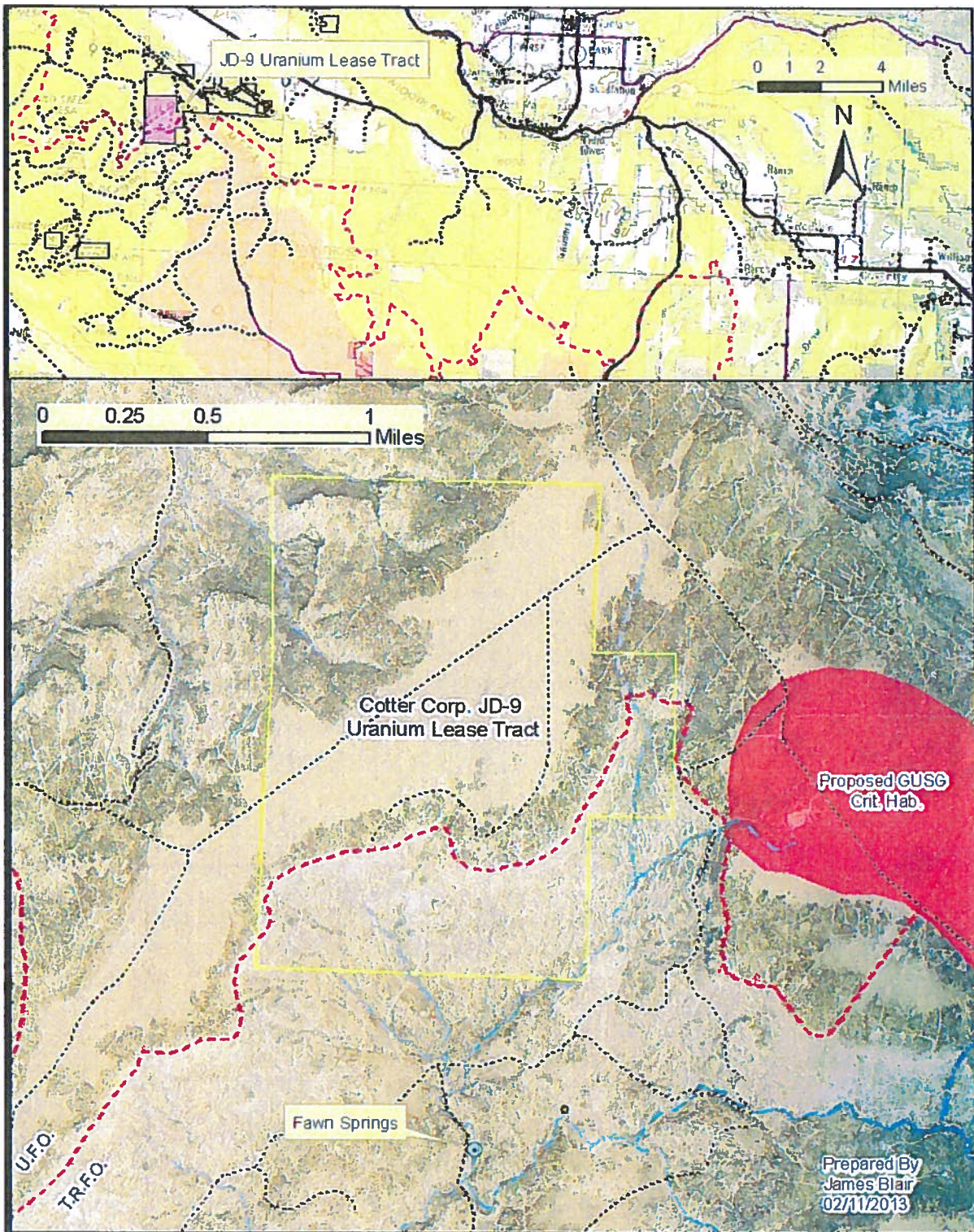


Figure 1: Map showing the location of the JD-9 Uranium Lease Tract. The upper panel shows land management status and the lower panel shows aerial imagery of the lease tract with various roads and drainages superimposed. Note the presence of Gunnison Sage Grouse proposed critical habitat (upper and lower panels) as well as the Tres Rios/Uncompahgre Field Office boundaries which bisects the lease tract.