



cotter

VIA U.S. MAIL

April 12, 2013

Mr. Travis Marshall
Environmental Protection Specialist
Department of Natural Resources
Colorado Division of Reclamation, Mining and Safety
Grand Junction Field Office
101 S. Third St., Suite 301
Grand Junction, CO 81501

RECEIVED

APR 15 2013

GRAND JUNCTION FIELD OFFICE
DIVISION OF
RECLAMATION MINING & SAFETY

Re: JD-9 Mine, Permit No. M-1977-306, Response to Comments from BLM

Dear Mr. Marshall:

I am writing in response to your letter dated February 27, 2013, which requests that Cotter Corporation (N.S.L.) ("Cotter") inform the Division of Reclamation, Mining and Safety ("Division") of how it will respond to the issues presented by the Bureau of Land Management (BLM) in its letter, dated February 19, 2013, to the Division, regarding Cotter's 112d Amendment Application ("Amendment") for the JD-9 Mine.

Include below are Cotter's responses to BLM's comments.

1. *BLM comment: 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.*

No response required.

2. *BLM comment: 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.*

DOE has been notified of Cotter's Amendment submittal for the JD-9 Mine permit. After the Amendment has been approved by DRMS, DOE will be provided a copy of the Amendment submittal.

3. *BLM comment: 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.*

Cotter is labeling the JD-9 lease tract boundary on the maps being submitted with the JD-9 Response to Adequacy Review.

4. *BLM comment: 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.*

Cotter has included baseline data that it has collected as part of the EPP.

5. *BLM comment: 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.*

Cotter is aware that a transportation study may need to be evaluated for JD-9.

6. *BLM comment: 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.*

A site visit with BLM has been scheduled.

7. *BLM comment: 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*

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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.

Cotter is aware of the proposed critical habitat designation.

8. *BLM comment: 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 approved plan, and they are requesting out input, or unless Cotter proposes any activity off-lease which requires approval from BLM.*

Cotter concurs with this approach.

If you have questions regarding this submittal, please call me at Cotter's Nucla office, 970-864-7347.

Respectfully,

A handwritten signature in cursive script, appearing to read "Glen Williams".

Glen Williams
Vice President, Mining Operations