

State of New Mexico
Energy, Minerals and Natural Resources Department

Susana Martinez
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Cabinet Secretary-Designate

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Deputy Cabinet Secretary

Fernando Martinez, Director
Mining and Minerals Division



September 20, 2013

Mr. John DeJoia
Roca Honda Resources, LLC
4001 Office Court Drive, Suite 102
Santa Fe, NM 87507

RE: Agency Comments, Roca Honda Resources Mine Operations Plan Revision 1, and Baseline Data Report Revision 1, Permit Application No. MK025RN

Dear Mr. DeJoia:

The Mining and Minerals Division ("MMD") has reviewed the May 20, 2013 response to comments and replacement pages for the Mine Operations Plan Revision 1 May 2013 and Baseline Data Report Revision 1 May 2013. Roca Honda Resource's ("RHR") responses to MMD's comments were reviewed for technical adequacy, and except for the responses to MMD Comments #5 and #6, as noted below, were found to be adequate.

By letters dated July 1, 2013 the MMD solicited comments from the Environment Department ("NMED"), the State Land Office ("NMSLO"), the Department of Game and Fish ("NMDGF"), the Office of the State Engineer ("NMOSE") and the Cibola National Forest. Responses were subsequently received from NMED, NMDGF and NMSLO, and are attached.

MMD's review generated the following comments:

BDR – May 2013

19.10.6.603.D(13):

1. Section 8.2, page 8-3, 1st paragraph - the last sentence should refer to Figure 8-2. Please correct.
2. Section 8.4, page 8-14, - says Figure 8-7, page 8-12; Figure 8-7 is on page 8-13. Please correct.
3. In the paper version of Section 9, a replacement page 9-37 was not submitted on the back side of replacement page 9-36. The PDF version has all pages, as intended. Please submit a double-sided page 9-36/9-37 for the paper version.

MOP – May 2013

19.10.6.603.C(4)(c):

The response to MMD Comment #5 regarding surface water sampling is inadequate. We expect continued efforts to collect surface water samples from the upstream arroyos for baseline purposes to be made prior to permit issuance.

19.10.6.603.C(8):

The response to MMD Comment #6 regarding mitigation for the potential loss of the Bridge Spring wetland is inadequate. The proper time to address the need for mitigating wetland features is during the permitting process.

19.10.6.602.D(15)(f) and(g):

The seed mix described in Table 5-3 in the Mine Operations Plan contains some errors and is not consistent with Table 3-3 in the Reclamation Plan. Please make Table 5-3 the same as Table 3-3.

Permit Application – October 2009

19.10.6.602.D(4), (5) and (6):

In consequence of the acquisition of Strathmore and Roca Honda Resources by Energy Fuels, it appears that Sections D.4, D.5 and D.6 in the 2009 Permit Application for a New Mine will need to be updated.

Please respond to the MMD, NMED, NMDGF and NMSLO comments, and update the Permit Application Package, accordingly.

Should you have any questions or concerns regarding this matter, please contact me at (505) 476-3416.

Sincerely,



David L. Clark
Coal Program Manager

Enclosures

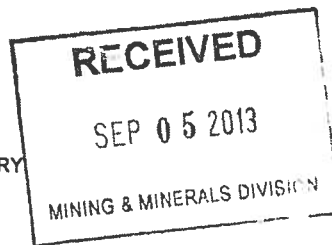
Cc: with enclosures Fernando Martinez, MMD
Michelle Ensey, NMDCA
Matthew Wunder, NMDG&F
Kurt Vollbrecht, NMED
Mike Johnson, NMOSE
Michael Mariano, NMSLO
Diane Tafoya, Cibola NF
Mine File MK025RN

GOVERNOR
Susana Martinez



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TO THE COMMISSION
James S. Lane, Jr.

STATE OF NEW MEXICO
DEPARTMENT OF GAME & FISH



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Daniel E. Brooks, Deputy Director

August 6, 2013

David L. Clark, Coal Program Manager
EMNRD Mining & Minerals Division
1220 South St. Francis Drive
Santa Fe NM 87505

**RE: Roca Honda Mine, Baseline Data Report Revision 1 and Mine Operations Plan
Revision 1, Permit MK025RN; NMDGF Project No. 15721**

Dear Mr. Clark:

In response to your letter dated July 1, 2013, the New Mexico Department of Game and Fish (Department) has reviewed information pertaining to the Roca Honda Mine. Your correspondence included replacement pages and comments dated May 15, 2013 from Roca Honda Resources, LLC responding to previous agency comments on the above referenced documents. The responses to the August 31, 2011 (NMDGF Project No. 14457) Department comments, address items expressed in our review of the Baseline Data Report (BDR) Revision 1.

Regarding Item #4 on the May 15 response table, the BDR Table 5-1 has been updated to include the bat *Corynorhinus towonsedii pallescens*. Please further update that table to include an entry for that species in the Potential to Occur column.

Responses to Items #5 and #6 are appropriate and sufficient.

There was no response to the Department's August 31, 2011 comments pertaining to noxious weed documentation or survey results for the Section 27 wildlife reference area.

Thank you for the opportunity to comment on these permit documents. If there are any questions, please contact Rachel Jankowitz, Mining Habitat Specialist at 505-476-8159 or rjankowitz@state.nm.us.

Sincerely,

Matthew Wunder, Chief
Ecological and Environmental Planning Division

David Clark
August 6, 2013
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cc: USFWS NMES Field Office
Kurt Vollbrecht, NMED Groundwater Quality Bureau



RECEIVED

SEP 04 2013

MINING & MINERALS DIVISION

Ray Powell, M.S., D.V.M.
COMMISSIONER

State of New Mexico
Commissioner of Public Lands
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September 3, 2013

David Clark
Mining and Minerals Division
1220 South St. Francis Drive
Santa Fe, NM 87505

RE: Request for Review and Comment, Roca Honda Resources, Baseline Data Report Revision 1, and Mine Operations Plan, Revision 1, Roca Honda Mine Permit No. MK025RN

Dear Mr. Clark:

Thank you for the opportunity to comment on the above documents. The State Land Office offers the following comments:

Item # 1: Awaiting geochemical analysis of material rock located at the Section 16 shaft site. RHR contracted with Key Agricultural Services, Inc. to perform a geochemical evaluation of the geological material from a core hole drilled at the location of the Section 16 production shaft.

Comment: Without careful material handling the acid generation process within some of the disturbed geological formations (primarily the Dilco Coal Member and Gibson Coal Member) may commence and affect subsurface resources when re-deposited in the mine. It is not clear from the discussion on Page 83 whether all material excavated and stockpiled from the Dilco and Gibson formations will be hauled off-site or whether they will be sampled and then deposited back in the mine. Clarification of exactly what steps RHR will take from an engineering perspective to assure the acid generation process does not begin should be discussed. Also, paragraph 18 of the SLO lease with RHR states that 'No processing or stockpiling of Off-Lease Materials' is authorized. Clarification of the source of the materials stockpiled on the surface of Section 16 needs to be identified.

Item # 2: Awaiting characterization of the baseline condition of arroyo(s) at the end of the reuse pipeline. RHR surveyed the San Lucas Arroyo and provided 17 cross-sections.

Comment: While RHR does discuss protective measures (i.e. arroyo armoring) which will take place within the permit boundary, the amount of water to be discharged to the San Lucas Arroyo has the potential to result in an incised channel within the existing arroyo both on and off the permit area. Sediment fate and transport and any associated

impacts as a result of mine water discharge to this arroyo whether on or off the permit area should be characterized.

Item # 3: Request by MMD to conduct ephemeral drainage water sampling. RHR responds that sampling attempts were made but that water sampling was unsuccessful. RHR expects to get water samples between permit approval and start of mine operations when more staff are on-site.

Comment: RHR's response shows that ephemeral drainage water sampling was not successfully pursued. If water samples were truly desired, weather data could have been monitored and staff could have been dispatched during rain events and samples successfully retrieved. This data's primary value is during the pre-permitting/planning phase of the operation and is much less useful if collected later.

Item # 4: Omission of the Townsend's big eared bat from a table of T&E species. RHR included this species in updated table.

No comment necessary from SLO.

Item # 5: MMD requests further consultation on raptor disturbance issues and to conduct nesting activity surveys. "RHR will consider the nest activity surveys at permit approval." RHR does not commit to surveys and hinges even the consideration of such surveys upon permit approval.

Comment: RHR provides a statement that is non-committal with regard to this issue. RHR should clearly answer the query posed by NM MMD with a response that describes what action will or will not occur. The response given delays decision-making on the part of RHR to a later date without providing a clear answer.

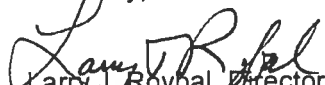
Item # 6: Request by MMD for acoustic bat monitoring. RHR will conduct acoustic monitoring for bats during bat migration periods and report results.

No comment necessary from SLO.

Item # 7: Cfs to gpm units conversion error. Error corrected by company.

No comment necessary from SLO.

Sincerely,


Larry J. Roybal, Director
(505) 827-5746

Clark, David, EMNRD

From: Vollbrecht, Kurt, NMENV
Sent: Thursday, September 19, 2013 1:42 PM
To: Clark, David, EMNRD
Subject: RE: Roca Honda comments?

Dave,

NMED has only a few minor comments on the BDR and MOP May 2013 revisions.

- 1) It appears that the entire surface water section (Section 8) of the BDR has been replaced with no explanation. It is unclear what the significance of this replacement is.
- 2) Within that new Section, figure 8-6 shows the revised reuse pipeline route with discharge locations in San Lucas Canyon. The next page, figure 8-7 shows the treated mine discharge at the former proposed location, a tributary to San Mateo Creek.
- 3) Does RHR intend to reissue final BDR and MOP documents that incorporate all previous changes or is it intended that the revision packets with page inserts be used as final documents?

Let me know if you have any questions.

Thanks.

Kurt Vollbrecht, Geologist
New Mexico Environment Department
Ground Water Quality Bureau
Mining Environmental Compliance Section
(505) 827-0195

From: Clark, David, EMNRD
Sent: Tuesday, September 17, 2013 3:56 PM
To: Vollbrecht, Kurt, NMENV
Subject: Roca Honda comments?

Hello Kurt,

We have not received any comments from NMED regarding the May 2013 version of the Roca Honda Mine Baseline Data Report and Mine Operation Plan, and no request for an extension of time to comment. Do you know if comments are forthcoming from NMED?

Thanks

Dave Clark
NM-MMD

