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Via Electronic Mail

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David J. (DJ) Ennis, P.G.  
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New Mexico Mining and Minerals Division  
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**Re: Section 27 Mine, McKinley County**

Dear Ms. Maurer, Mr. Fox and Mr. Ennis:

On behalf of United Nuclear Corporation (“UNC”), I am writing to follow up on our meeting on May 26, 2023 to discuss UNC’s concerns with the requests set forth in the October 14, 2022 letter sent by the New Mexico Environment Department (“NMED”) and Mining and Minerals Division (“MMD”) (together, the “State Agencies”) with respect to additional reclamation and abatement work at the Section 27 Mine. We greatly appreciate your time and attention at the meeting and believe that the discussion was collaborative and productive.

Based on our notes from the meeting, we have identified the following next steps:

1. Surface Reclamation. As we discussed at our meeting, UNC cannot delineate to background to the west of the Section 27 Mine given the presence of the former Phillips Mill, which has been remediated by DOE to a standard significantly higher than background. The State Agencies agreed that UNC can stop at the boundary of DOE’s prior cleanup, and advised UNC to submit a plan for additional characterization that reflects this agreement. UNC is currently preparing a Supplemental Characterization Workplan and anticipates submitting it to the State Agencies on or before October 31, 2023.

## 2. Groundwater Abatement

We appreciate NMED's acknowledgement at our meeting of the complexities associated with investigating and abating groundwater conditions in the Ambrosia Lake Study Area ("ALSA"), where there are commingled mine and mill impacts that make it impossible to define and attribute contamination to any individual mine. We also agree with NMED that these conditions lend strong support for a comprehensive, regional approach to groundwater, rather than an individual, mine-by-mine approach. To this end, UNC has reconsidered its prior decision not to participate in negotiations with EPA over a regional scope of work for a groundwater RI/FS in the ALSA under CERCLA and will soon be reaching out to EPA, Homestake Mining Company and Rio Algom Mining, LLC in an effort to re-initiate those discussions.<sup>1</sup>

In the meantime, we appreciate that there is not yet an agreed-upon approach to address groundwater in the ALSA under CERCLA, and that unless and until that occurs, NMED requests that UNC complete Stage 1 abatement at Section 27 under the State program. As NMED has previously acknowledged, "the lack of sufficient pre-mining data, inter-connectiveness of mine workings, numerous mine operators in the area, and the extensive dewatering in the basin makes it difficult to define and attribute contamination to individual mine operations in the Ambrosia Lake area."<sup>2</sup>

At our May 26<sup>th</sup> meeting, INTERA presented the results of its groundwater modeling work, as well as additional data from the former Phillips Mill, which demonstrate that these difficulties are particularly acute at the Section 27 Mine, where there are commingled mine and mill impacts. In response to INTERA's presentation, NMED encouraged UNC to provide this information as part of the "nature and extent" characterization of onsite impacts under the Stage 1 abatement process, making the demonstration in a formal submission that there are impacts at Section 27 that have commingled with impacts from other former mill and mine operations. In keeping with NMED's position articulated above, UNC agrees that it is infeasible to distinguish impacts from the former Phillips Mill and specific mines. Accordingly, we understand that NMED does not expect UNC to attempt to delineate specific impacts from Section 27 or apportion those impacts, and that UNC need not "re-invent the wheel" given the significant amount of data collection and evaluation that has already been conducted.

With this feedback from NMED, UNC will prepare an addendum to the Stage 1 Abatement Investigation Report, updating the report that UNC originally submitted to NMED in November 2007 (as amended in January 2008). Provided that NMED does not have any comments on the approach as described herein, we propose making this submission on or before October 31, 2023.

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<sup>1</sup> NMED's regulations provide an exemption from abatement plan requirements where a person is abating water pollution under the authority of EPA pursuant to CERCLA. (NMAC 20.6.2.4105.A(2).) Consistent with this provision and our discussions at our May 26<sup>th</sup> meeting, it is our understanding that if the CERCLA process moves forward in the ALSA, NMED would not require UNC to continue with groundwater abatement under the State program at the Section 27 mine, but instead would defer to Region 6 as the lead agency with respect to groundwater. Please let us know as soon as possible if our understanding is incorrect.

<sup>2</sup> Letter dated February 5, 2009, from Jerry Schoeppner, Mining Environmental Compliance Section, Groundwater Quality Bureau, to Larry Bush, United Nuclear Corporation.

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Please let us know as soon as possible if you have any questions, comments or concerns related to UNC's understanding of the Agencies' position or the proposed path forward as described above. Otherwise, we will begin preparing a Supplemental Characterization Workplan for surface reclamation and an addendum to the 2007 Stage 1 Abatement Investigation Report for groundwater. Thank you again for your time and feedback on May 26<sup>th</sup>, and for your continued attention to this matter.

Sincerely,



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cc: Andrew Knight, NMED  
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