

BASELINE DATA REPORT

Section 1.0

Introduction

JANUARY 2011

Revision 1

Submitted To:

New Mexico Mining and Minerals Division
&
U.S. Forest Service (Cibola National Forest)
&
New Mexico Environment Department

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1.0 Introduction

NMAC 19.10.6.602 D.(13)

The level of detail required for environmental baseline information may vary depending on the location, size, scope and type of mining operation and site-specific characteristics. Baseline data shall describe the environment of the proposed permit area and, to the extent practicable, the affected area. Data gathered or available to the applicant for other purposes, such as a site assessment previously submitted, may be used in part to meet the requirements of this Part. Baseline data shall be collected over a period of at least 12 months for evaluation of water quality and quantity, wildlife and wildlife habitat and vegetation. The Director may require studies of longer duration than 12 months to address unique, site-specific factors.

1.1 Introduction

Roca Honda Resources, LLC (RHR) has submitted an application for a new mine permit to the New Mexico Mining and Minerals Division (NM MMD) for its proposed Roca Honda uranium mine. The mine will be located in Sections 9, 10, and 16 of Township 13 North, Range 8 West (T13N R8W), in McKinley County, New Mexico. Figure 1-1 is a map of the proposed RHR permit area. Section 16 is owned by the State of New Mexico. The surface of Section 16 is leased to Fernandez Company, Ltd. (aka the Lee Ranch). The mineral estate in Section 16 is leased to RHR. Sections 9 and 10 are U.S. Forest Service (USFS) lands of the Cibola National Forest. RHR owns the unpatented mining claims on the property. Figure D-2 of the RHR permit application is a map of the federal mining claims and state lease.

The permit area is approximately 1,920 acres (all of Sections 9, 10, and 16). The permit boundaries include areas that have been previously disturbed by earlier mining companies which conducted exploration and development drilling activities for uranium in the 1960s, 1970s, and 1980s, prior to RHR's mineral ownership. RHR will mine uranium ore from the Westwater Canyon Member of the Morrison Formation.

1.2 Baseline Data Collection

The State of New Mexico (New Mexico Administrative Code [NMAC] 19.10.6) and USFS (36 Code of Federal Regulations 228) regulations require preparation of an environmental baseline analysis to support a mine permit application. This Baseline Data Report (BDR) provides a baseline against which to evaluate and quantify the effects of the mining activities, identify mitigation measures for construction and operation activities, and develop plans for reclamation of the disturbed areas. The USFS requirements generally encompass all state requirements and identify additional factors requiring evaluation in accordance with the National Environmental Policy Act. General environmental factors of interest to the USFS analysis are identified in the *U.S. Forest Service Handbook* (USFS 1993).

An initial environmental baseline analysis of the Roca Honda permit area was conducted using existing data available for the general permit area. Much of the existing data were collected in the 1970s and 1980s to support operations of the Gulf Mineral Resources Company (GMRC) Mt. Taylor uranium mine. Site specific data have been collected beginning in 2006. RHR submitted its original BDR in October 2009 as part of its Mine Permit Application. Baseline data collection

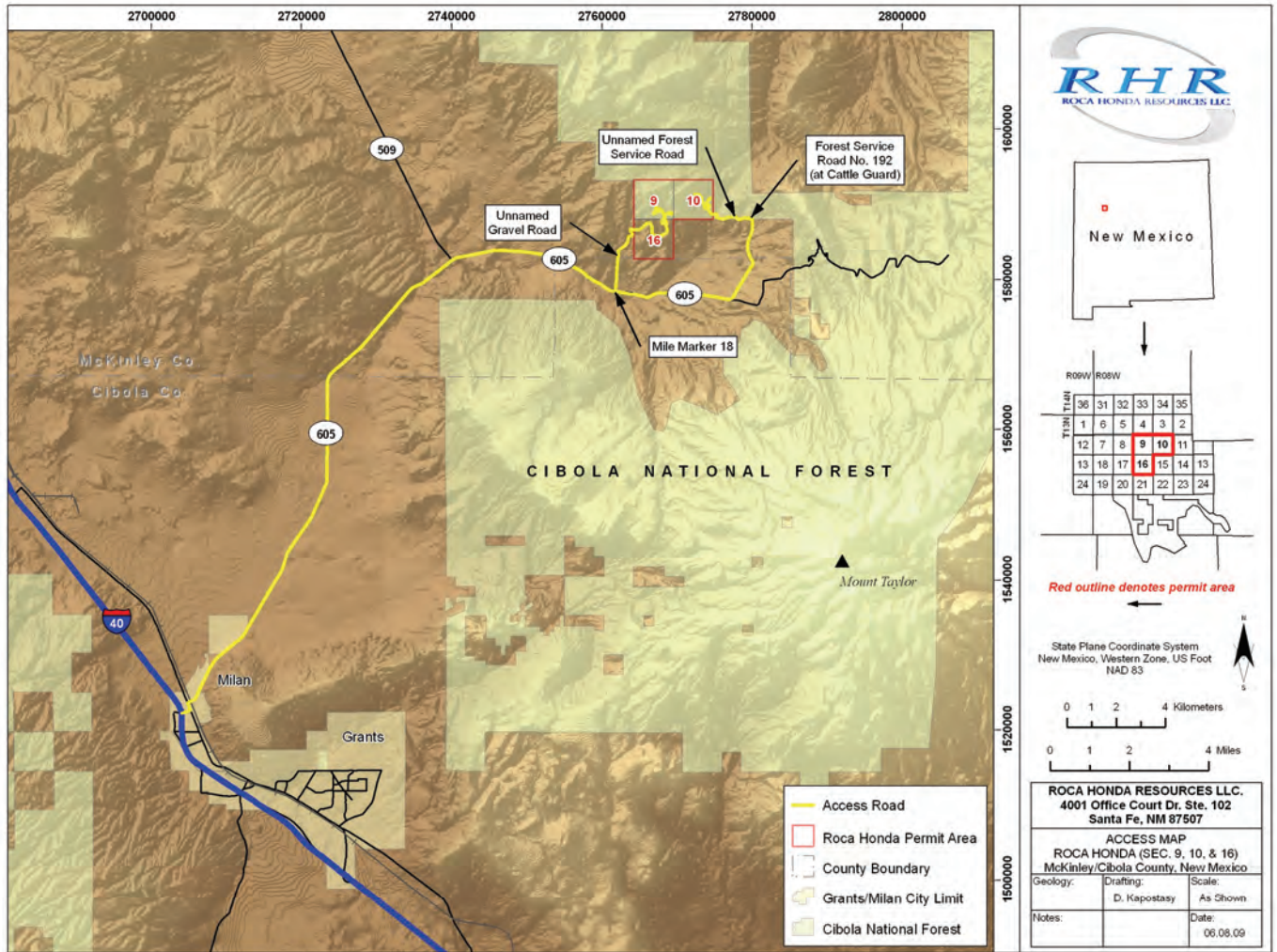


Figure 1-1. Roca Honda Permit Area Location Map

studies have continued to be performed subsequent to its submittal in conformance with RHR's approved Sampling and Analysis Plan (SAP) resulting in this BDR, Revision 1. This BDR for the Roca Honda mine project is organized according to the requirements of NMAC 19.10.6.602 D.(13) and the *U.S. Forest Service Handbook* for a baseline data report. It is a compilation of the data and known current site baseline information for environmental media in the vicinity of the site.

To avoid duplication and to fulfill state and federal requirements, this document was prepared for submittal to the signatories to the Memorandum of Understanding (MOU), i.e., USFS, NM MMD, New Mexico Environment Department (NMED), and New Mexico Department of Game and Fish (NMDGF). It is also submitted to other interested agencies such as the New Mexico State Land Office (SLO) and the New Mexico Office of the State Engineer (OSE). This revised BDR answers many of the questions raised by agency review and updates the data generated to date. Each relevant type of data is discussed in the specified section of the document. The available data are sufficient to fulfill the basic environmental baseline analysis requirements. However, certain additional data needs continue to be identified during analysis of the current baseline information. The RHR SAP has been implemented. Collection of the additional data is underway and the BDR will be supplemented periodically as new data becomes available. This document represents the first major revision of the BDR, i.e., Revision 1, January 2011.

The NMAC 19.10.6.602 D.(13) requirements are prescriptive. Each section of this BDR cites the specific requirements of NMAC 19.10.6 addressed in the section. The federal requirements are more general and consequently are not listed for each section. It should be noted that state requirements apply to all three sections of the permit area, whereas USFS requirements pertain to Sections 9 and 10 only. Activities conducted for Section 16, however, may affect some conditions in Sections 9 and 10.

1.3 References

36 CFR 228. Title 36, *Code of Federal Regulations*, Part 228 "Parks, Forests, and Public Property," Part 228, "Minerals," U.S. Forest Service, Department of Agriculture.

NMAC (New Mexico Administrative Code) 19.10.6. Title 19, "Natural Resources and Wildlife," Chapter 10 "Non-coal Mining," Part 6 "New Mining Operations," New Mexico Mining Commission, American Society for Testing and Materials.

USFS (U.S. Forest Service), 1993. "Environmental Factors," WO Amendment 1909.15-93-1, Part 61, Environmental Policy and Procedures Handbook, *Forest Service Handbook*, effective 9/3/93.