

**Roca Honda Resources Response to Agency 07-05-2012 Comments
Of Roca Honda Project Mine Operations Plan Revision 1, January 2012, MK025RN**

September 19, 2012

Agency Review of Roca Honda Uranium Mine Operations Plan Revision 1			
Reviewer: David L. Clark Agency: NM MMD		Review Date: July 5, 2012	
Item #	Section/Page (or general)	Topic	Comment
1.	Section 4	Permit area	<p>19.10.1.7.P(3), 19.10.6.602.D(2) and (3), 19.10.6.602.SD (15)(b):</p> <p>The first paragraph of Section 4, Mine Surface Facilities, reports that RHR expects to disturb approximately 48 acres of haul road, utility corridor and the mine water discharge pipeline outside the permit area. Such disturbances fall under the MMD definition of "permit area", which includes areas on which mining operations are conducted or cause disturbance. Please include these areas of disturbance within the proposed permit boundary, updating all maps as necessary, and documenting RHR's right of entry on these areas, as necessary. As stated in the MMD's February 24, 2012 comment letter on the RHR Reclamation Plan Rev 1, private or public roads that existed prior to the RHR mining operation, and that will not require reclamation after the mining operation, need not be permitted.</p> <p>Sections 1 and 4 of the MOP have been revised to include the haul roads and utility and pipeline corridors in the permit area. Replacement pages (1 through 5, 38 through 42) are provided for insertion into the document. The utility access corridor and the majority of the pipeline are located on private property.</p> <p>The access agreements with the private land owner contain a provision allowing all regulatory agencies the right of access and will be provided as part of the remaining documentation needed prior to approval of the permit. The remaining property through which the pipeline runs is USFS land. The required access permissions will be part of the approved plan of operations received from the Forest Service.</p>
	RHR Response		

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Reviewer: David L. Clark Agency: NM MMD		Review Date: July 5, 2012	
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2.	Section 4, p 42, paragraph 4	Permit boundary	Please correct the statement that Figure 1-3 shows disturbances outside of the permit boundary, as those disturbances need to be included in the permit boundary. Section 4, page 42 has been revised to indicate that the access roads, utility corridor and mine water discharge pipeline are included in the mine permit area. A replacement page is provided for insertion into the document.
	RHR Response		
3.	Section 4, Page 48, paragraph 2	Meteorological and air quality monitoring stations	19.10.6.602.D(15)(c): The proposed locations of the meteorological and air monitoring stations need to be mapped.
	RHR Response		Page 48 paragraph 2 has been revised to describe where the meteorological and air monitoring stations will be relocated. A replacement page is provided for insertion into the document.
4.	Section 5, page 58, last sentence	Typographical error	"Heaving" wire appears to be a typographic error, please correct.
	RHR Response		The sentence has been revised. "heaving wire fence" has been change to "woven wire mesh". A replacement page 58 is provided for insertion into the document.
5.	Section 5, page 83, paragraph 6	Offsite disposal	There are two references to potential offsite disposal of acid producing or other toxic materials. Please clarify that offsite disposal, if necessary, would be to a facility permitted or licensed to receive such waste.
	RHR Response		RHR recognizes that should it become necessary to dispose of the non-ore stockpile material at an off-site location, such disposal will be performed only at a facility with the appropriate permissions to receive such materials. This commitment has been clarified to the MMD in response to similar comments (see RHR's response to MMD comments no. 2 dated May 29, 2012 regarding RHR's Reclamation Plan as an example.)

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Reviewer: Kevin Myers and Elaine Pacheco
Agency: NM OSE

Review Date: June 29, 2012

Item #	Section/Page (or general)	Topic	Comment
6.	Section 3, various pages	Mine dewatering	<p>The MOP describes two shafts (Section 16 and Section 10) for an 18 year life of mine with up to 8000 gallons per minute (gpm) pumped from dewatering wells and shafts. The text cites INTERA 2011 groundwater model as analyzing the NM OSE mine dewatering application for this scenario. However, the INTERA 2011 groundwater model evaluates 1 shaft for 13 year life of mine at 4500 gpm (7265 af/yr) and the NM OSE application describes pumping 7265 af/yr for 13 years. So, RHR should clarify Section 3 of MOP to better illustrate differences between the groundwater model, MOP, and NM OSE mine dewatering permit.</p> <p>The life of mine described in the MOP of 18 years reflects the time from day 1, when the permit is approved, until reclamation is complete. The statement regarding the INTERA model is correct. The INTERA model evaluates dewatering from the Section 16 shaft location and attendant dewatering wells within the mine area because while there will be two shafts, pumping from the mine to dewater will occur only from the Section 16 mine shaft and the dewatering wells, not from two shafts. The model describes 13 years of pumping, 3 years of pumping from the Gallup, Dakota and Westwater formations during shaft construction and 10 years of pumping during mine operations. The remaining 5 years described in the MOP reflect none mine dewatering activities such as mobilization, surface preparation, early construction and shaft sinking, and mine reclamation.</p>
	RHR Response		<p>With regard to the commenter's concern over the description of amount of water to be pumped, RHR has described in great detail the amount of water it anticipates to encounter and pump. The information contained in Section 3 is substantially identical to that contained in RHR's mine dewatering permit application. The only reference made to 8,000 gpm is on page 22 at the end of the first full paragraph wherein RHR indicates that "for the purpose of design of the facilities, and therefore this Plan, it has been assumed that pumping rates form the Westwater Canyon formation when both shafts are operating will be a MAXIMUM (emphasis added) of 8,000 gpm. This in no manner represents that pumping will exceed the amounts approved by the mine dewatering permit. It's sole purpose is to impart the information that the facilities are designed to operate at that capacity if necessary as this provides a conservative</p>

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7.	Attachment 1 Construction drawings	Dam Safety Bureau on jurisdictional status	<p>environmental, health and safety cushion to ensure sufficient pumping capacity that ensures miner safety in the event more water than anticipated is encountered. The water treatment plant is also designed to handle up to 8,000 gpm for similar reasons. RHR, therefore, considers it unnecessary to revise Section 3 at this time.</p> <p>I reviewed Attachment 1 Construction Drawings for Roca Honda Uranium Mine dated January 2012. The table below indicates the dam jurisdictional status of the larger proposed ponds base on the 60% submittal. Each pond was not given a unique descriptor in the drawings, which makes it difficult to identify each pond. Also, stage/storage tables to verify the volumes to the top of the embankments were not provided. The stage/storage table is information that will be required if there is a request that the OSE Dam Safety Bureau provided a final jurisdictional determination. The final jurisdictional determination will only be provided on the 95% or 100% drawing submittal and must include information identified in the OSE paper "Evaluation of Non-jurisdictional Dam", which can be downloaded from the OSE website. Also, on several drawings the pond contours did not tie into existing contours where appropriate and existing contours were not adequately labeled to verify the information in the preliminary evaluation of jurisdictional status table.</p> <table border="1" data-bbox="997 186 1183 1327"> <thead> <tr> <th>Structure</th> <th>Sheet</th> <th>Height (ft)</th> <th>Storage (acre-ft)</th> <th>Jurisdictional Status</th> </tr> </thead> <tbody> <tr> <td>Treatment Ponds</td> <td>34</td> <td>9</td> <td>Unknown</td> <td>Unknown</td> </tr> <tr> <td>Detention Basin</td> <td>35</td> <td>11</td> <td>9.44</td> <td>Potentially non-jurisdictional</td> </tr> <tr> <td>Retention Pond</td> <td>36</td> <td>0</td> <td>5.34</td> <td>Below grade/non-jurisdictional</td> </tr> <tr> <td>Detention Pond</td> <td>40</td> <td>0</td> <td>8.87</td> <td>Below grade/non-jurisdictional</td> </tr> </tbody> </table>	Structure	Sheet	Height (ft)	Storage (acre-ft)	Jurisdictional Status	Treatment Ponds	34	9	Unknown	Unknown	Detention Basin	35	11	9.44	Potentially non-jurisdictional	Retention Pond	36	0	5.34	Below grade/non-jurisdictional	Detention Pond	40	0	8.87	Below grade/non-jurisdictional
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RHR Response	<p>RHR believes that all of the ponds proposed for the RHR mine are "non-jurisdictional". This will be verified in advance of submitting the 90% percent design to the MMD.</p>																											

Agency Review of Roca Honda Uranium Mine Baseline Data Report Revision 1

Reviewer: Matthew Wunder Agency: NMDGF		Review Date: April 25, 2012	
Item #	Section/Page (or general)	Topic	Comment
8.	General	Permit area	<p>The revised MOP describes 48 additional acres of surface disturbance, to be used as a right-of-way for road improvement and the placement of pipelines. However, the operator does not consider this additional acreage to constitute an increase in the area permitted by EMNRD Mining and Minerals Division (MMD). The MMD position regarding whether the right-of-way needs to be included within permit limits should be clarified.</p> <p>Please see RHR responses to comments no. 1 and 2 above.</p>
RHR Response			
9.	General	Migratory bird treaty act	<p>To avoid possible violation of the federal Migratory Bird Treaty Act, we recommend all surface-disturbing construction activities be initiated outside the general bird breeding season of April through August. If it is necessary to initiate activities during this time period, a qualified biologist should conduct surveys for bird breeding activity. If any active nests are discovered, the area should be avoided until the young have fledged. Activity initiated prior to the breeding season and then continuing into April should not be a concern because sensitive birds will avoid areas of disturbance for the entire breeding season.</p> <p>The schedule for commencing construction is entirely dependent upon when RHR obtains all of the required permissions. RHR will work with the MMD and NMDGF to address these concerns as the schedule becomes more definitive.</p>
RHR Response			
10.	General	Protection of small animals	<p>The Department's review of the MOP made several recommendations intended to ensure protection of wildlife from chemical and physical hazards associated with the mine site. Many of these recommendations have been addressed in the Revision 1 document, including implementation of Department trenching guidelines and use of exclusion fencing around facilities for large and medium size mammals. Other recommendations are not explicitly addressed, including measures to protect small animals, reptiles and flying animals from treatment ponds, stormwater impoundments and drilling pits. These considerations may have been addressed in the design detail drawings referred to in the text. However, the Department has not reviewed these drawings.</p>

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Reviewer: Matthew Wunder
Agency: NMDGF

Review Date: April 25, 2012

Item #	Section/Page (or general)	Topic	Comment
	RHR Response		RHR notes the commenter's concerns and pledges to work with MMD and NMDGF to address them after NMDGF has reviewed the drawings.
11.	Section 5, Table 5.1, p 97	Springs	<p>The revised MOP refers to a groundwater report entitled "Assessment of Potential Groundwater Level Changes from Dewatering at the Proposed Roca Honda Mine, by Intera, Inc." that states there will be no, or negligible, effect on area springs. However, Table 5.1, page 97, estimates a potential maximum drawdown of 18 feet for Bridge Spring, the nearest spring to the proposed mine site. Bridge Spring is on private land and its condition is unknown, as are the biological resources it may be capable of supporting. We recommend the permitting process include informing the landowner concerning this potential impact.</p> <p>The landowner, i.e., the Fernandez Land Company, is aware of this. They have been provided with groundwater evaluation and discussions have been had. The Fernandez Company did not file protest of RHR's mine dewatering permit nor have they expressed any concern regarding Bridge Spring to RHR.</p>
	RHR Response		

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Reviewer: Kurt Vollbrecht & Neal Schaeffer
Agency: NMED GWQB & NMED SWQB

Review Date: May 9, 2012

Item #	Section/Page	Topic	Comment
12.	General	Coordination with Discharge Plan	The MOP as submitted will be incorporated into the administrative record for DP 1717. Technical review of the RHR mine proposal pursuant to the Water Quality Control Commission (WQCC) Regulations is ongoing, and NMED may have additional comments as may arise during subsequent drafting of a groundwater discharge permit. This memo does not include detailed comments on the 60% design drawings submitted by RHR.
	RHR Response		NMED's comment is noted. RHR is working directly with NMED to provide the information needed leading to approval of a Discharge Plan for RHR's mining operations.
13.	Section 3.1, p 17 and Section 3.3	Treatment of dewatering water	With regards to the dewatering wells installed ahead of shaft construction, at the top of page 17 it is indicated that the "...quality of water produced may be such that it can be discharged without undergoing treatment even before the water treatment plant is completed". It is further stated in Section 3.3 that the water produced from dewatering wells will be sampled to determine if water treatment is necessary prior to discharge. The development of an appropriate sampling and analysis plan and protocol for discharge must be established as part of a groundwater discharge permit.
	RHR Response		NMED's comment is noted. RHR is working directly with NMED to provide the information needed leading to approval of a Discharge Plan for RHR's mining operations.
14.	Section 4.0, p 45	Non-ore stockpile	It is stated on page 45 that non-ore material (mineralized material not of an adequate economic grade) will be placed on a lined stockpile area to prevent seepage into the underlying native material. No liner is shown for the non-ore stockpile in Drawing 45 showing cross sections through the various stockpiles. It is NMED understanding that this stockpile would be placed on some type of lined subgrade. Further on in the discussion of the non-ore stockpile it is indicated that if material characterization determines the potential for leaching of contaminants the material will "...taken offsite for disposal". RHR must designate the disposal site that would be used for this material.

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Reviewer : Kurt Vollbrecht & Neal Schaeffer
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	RHR Response		NMED's understanding is correct. The non-ore stockpile area will contain a lined sub-grade. The 90% design package will provide the details of that liner. Please see RHR Response to Comment no. 5 above with regard to disposal of materials.
15.	Section 4.0, p 46	Pipeline leak detection	It is indicated on page 46 that mine dewatering pipelines will be fitted with pressure gauges as a means to monitor for leaks in the pipeline system. NMED will require greater detail on the monitoring of pipelines and contingencies, including a mechanism for capture of solutions and repair of pipeline systems as part of the discharge permit technical review process, and subsequent preparation of a draft discharge permit.
	RHR Response		NMED's comment is noted. RHR is working directly with NMED to provide the information needed leading to approval of a Discharge Plan for RHR's mining operations.
16.	Section 4.0, p 47	Reuse of treated water for irrigation	It is indicated on page 47 that treated water from the water treatment plant will be made available for reuse by the "local rancher". No details are provided regarding an irrigation system capable of managing and distributing the expected volume of treated water discharge. Although NMED is aware that RHR has taken steps to acquire an approved NPDES permit for discharge, it has previously been stated by RHR that this would be used only as a backup, and that the primary mechanism for discharge would be irrigation. RHR must provide additional detail for the proposed irrigation system for agency review and comment.
	RHR Response		An irrigation system is not part of RHR's proposal for the mine permit, nor the Discharge Plan proposal. The water will be treated to meet WQCC and NPDES discharge standards. The local rancher will divert and manage the water at his discretion, as any farmer or rancher might upon having the opportunity to use water. Details of an irrigation system are left to the rancher discretion but are separate from RHR's proposed activities. Inclusion of the information on page 47 or the MOP in this regard is for information purposes only.

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17.	Section 4.0, p 47	Domestic wastewater treatment	<p>It is stated on page 47 that "...toilet, sinks, showers, and laundry wastewater..." will be conveyed through a series of buried septic tanks and then to the water treatment plant for treatment as necessary. No plan for sampling and handling of accumulated solids in the septic tanks is provided. There is a potential for this waste stream to be impacted by contaminants associated with underground mining, and this material must be characterized and disposed of appropriately.</p> <p>The combined domestic wastewater will be treated in septic tanks. The effluent from the treatment system will be pumped into the water treatment plant for further treatment. The digested solids in the septic tanks will be periodically pumped by a commercial dealer and hauled to the closest publicly owned treatment works (POTW) for further treatment and disposal.</p>
	RHR Response		
18.	Section 5.4, p 83 and p 10	Generation of acid solutions	<p>On page 83 of the MOP there is a brief discussion regarding the potential to generate acid solutions in the Westwater Canyon Member. It is unclear if the intent of the statement "...limonite and hematite chemically alter pyrite..." is meant to indicate that all pyrite that was present in the Westwater Canyon Member has been altered to hematite and/or limonite. The discussion as written is confusing and needs to be clarified. It should also be noted that on page 10 of the MOP it is stated "...also characteristic of the ore is pyrite and bleaching alteration." Materials characterization should include Acid-Base Accounting to demonstrate whether or not material has the potential to generate acid solutions.</p> <p>The commenter is generally correct. The phrase quoted was meant to indicate that limonite and hematite are formed at the expense of pyrite. Therefore the Westwater formation has little potential to generate acid generating solutions. Page 83 has been revised to clarify this point. A replacement page if provided for insertion into the document. With regard to material characterization, NMED has reviewed and approved the testing procedures to be used to characterize the material. As such RHR considers that a response to this comment is no longer necessary.</p>
	RHR Response		

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Reviewer: : Kurt Vollbrecht & Neal Schaeffer
Agency: NMED GWQB & NMED SWQB

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Item #	Section/Page	Topic	Comment
19.	General	Surface discharge of water	<p>As previously commented, SWQB remains concerned about the location(s) of the discharges of pumped waters and the associated protections against discharge-induced erosion.</p> <ol style="list-style-type: none"> 1. This Operations Plan should articulate how these discharge points will operate, especially in non-irrigating seasons and freezing conditions. Note that excessive irrigation may result in surface erosion as well as mobilization of suspended or dissolved solids beyond the edges of the fields. 2. This Operations Plan also should provide details about the stabilization structures associated with these discharges, especially those located in receiving stream channels. Note that such structures may be subject to CWA Section 404 permitting.
	RHR Response		<p>Please see RHR response to comment no. 13 with regard to the irrigation system. RHR will provide details on the stabilization structures as part of the 90% design package for the surface facilities.</p>
20.	Section 5.3.4 and 5.3.6	Arroyo channel morphology	<p>Also as previously commented, SWQB remains concerned that channel modification, both associated with this dewatering discharge and with other project activities, does not adequately contemplate natural channel stability. We reassert that pre-mining channel morphology should be documented, to guide reclamation surface regrading. This plan offers insufficient site-specific information to review the structures alluded to in Section 5.3.4 and 5.3.6, or the Surface Water Hydrologic Analysis Summary.</p>
	RHR Response		<p>RHR has recent aerial photography of the area, five-foot contours, and one-foot contours in the facility area. The channels will not be re-routed from their existing paths. Some areas will be channelized from the natural overland flow into a designed, engineered, discrete channel that prevents potential erosion into the facilities (see Drawing Package Sheets 5, 8, and 9 for Section 16 and 12 - 15 for Section 10). The eastern most arroyo in Section 16 will have bank protection added to a few areas to prevent erosion into the facilities. The detention basins will be bermed areas within the existing channels. During reclamation the diversion and new channels will be removed and/or filled to match the existing channels or existing grade in the case of overland flow (see Reclamation Plan Revision 1 dated August 2011). The construction and reclamation activities will be performed in accordance with the COE permit requirements. More detail will be provided at the 90% design.</p>

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Reviewer: : Michelle Ensey Agency: Department of Cultural Affairs Historic Preservation Division		Review Date: April 18, 2012	
Item #	Section/Page (or general)	Topic	Comment
21.	General	Permit area	<p>According to the revised plan, in addition to the disturbances proposed within the mine permit area, there are disturbances planned outside of the permit area. These disturbances include planned upgrades to an existing forest road in Section 11, planned upgrades to an existing road in Sections 20 and 17, a utility corridor located in Section 15 and a treated mine water transportation line and corridor. It is my understanding that of these disturbances outside the permit area, the significant new addition to the plan is the treated mine water transportation line and corridor.</p> <p>See responses to comments 1 and 2 above concerning the permit area. All of these areas mentioned have been surveyed for cultural resources and the results provided to the USFS and the State.</p>
22.	General	Survey of water transportation line corridor	<p>It is also my understanding that cultural resource surveys have been conducted on all of the permit area and all of the above proposed disturbances, except for the water transportation line and corridor. Since the water transportation line and corridor is essential to the workings of the mine, the line and corridor and the discharge area must be surveyed for cultural resources to ensure that any cultural resources that may be eligible for listing in the National Register of Historic Places or the State Register of Cultural Properties are taken into consideration.</p> <p>The cultural resources survey recommended by the commenter has been performed and a report has been provided to the USFS and the State. RHR is working with the USFS and the Department of Cultural Affairs to ensure that cultural resources identified are protected.</p>
	RHR Response		