

**Roca Honda Resources Response to Agency 10-04-2012 Comments
of Roca Honda Project Reclamation Plan, Revision 1 Responses, (May 25, 2012) and
the Biological Survey of the Reuse Pipeline, July 9, 2012, MK025RN**

March 21, 2013

Agency Review of Roca Honda Uranium Mine Reclamation Plan, Revision 1 and Biological Survey of the Reuse Pipeline			
Reviewer: David L. Clark Agency: NM MMD			Review Date: October 4, 2012
Item #	Section/Page (or general)	Topic	Comment
1.	Response to previous comments	Radiological survey of facilities footprint	19.10.6.603.C(1)(f) Consistent with the December 28, 2011, and the September 24, 2012 comments by the Groundwater Quality Bureau at NMED, MMD requires a radiological survey of the facilities footprint, following removal of all structures, to assure protection of human health and safety. This would include the areas around shafts and ore bays, beneath impoundments, the pipeline corridor, and the haulage routes within the permit area. The procedures used and the parameters tested should be consistent with the baseline radiological survey that was submitted by Roca Honda Resources in January 2011. The point being to demonstrate that the operation has not resulted in radiological conditions that may impact human health and safety beyond the conditions existing prior to mining. Please revise the response to 19.10.6.603.C(1)(f) NMAC, accordingly.

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Reviewer: David L. Clark
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	RHR Response		<p>RHR has prepared the attached document titled "Post Mine Radiological Surveys". This document, prepared by our radiological services contractor, SENES Consultants Limited, describes the radiological surveys that RHR will conduct to address MMD's and NMED's concerns with regard to 19.10.6.603.C(1)(f) NMAC. The document has been added to RHR's Reclamation Plan as Appendix D. Section 3.3.1, page 35, has been revised per MMD's request. Also, an introductory statement has been added to the end of the final paragraph of Section 2.2, page 8 of the Plan to inform the reader that a post mine radiological survey will be conducted. Please insert the attached new pages 8, 9, 10, 10a, and 35 and the Radiological Survey document (as new Appendix D) into your copy of the Reclamation Plan.</p>
2.	MOP Figure 1-3 and Biological Survey Figures 1 and 2	Discharge of treated water	<p>19.10.6.603.C, C(4) and F The September 2012 Mine Operations Plan, Figure 1-3, shows the reuse pipeline discharge point to be Laguna Polvedera, and the text on page 47 says that the discharge will be in the vicinity of Laguna Polvedera. The maps in the June 2012 Biological Survey of the Reuse Pipeline Route (Figure 1 and Figure 2) appear to indicate potential discharge locations into San Isidro Arroyo, Laguna Polvedera, and San Lucas Canyon. Laguna Polvedera is a desirable discharge point in MMD's view, as it would provide a stilling basin for energy dissipation. Discharge into San Isidro Arroyo would likely impact surface water control practices at the Lee Ranch Coal Mine. Please clarify the proposed reuse pipeline discharge location(s), and revise the appropriate maps, as necessary. (Should the maps in the Biological Survey of the Reuse Pipeline Route require modification, please note that this is MMD's only comment regarding that submittal).</p>

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	RHR Response		<p>The location of the discharge from the reuse pipeline is described in more detail in RHR's April 12, 2012 NPDES permit application, a copy of which was provided to MMD on April 12, 2012. Attached for your use is a copy of Figure 1-2 from the NPDES application which indicates that water will be discharged into San Lucas Arroyo if it is discharged into waters of the U.S., subject to the NPDES permit. While the Surge Tank is not shown on the figure, under normal operating conditions the water will enter the water tank, to be located north of Laguna Polvadera, for use as irrigation water by the local rancher. Alternatively, the water can be diverted directly into Laguna Polvadera or discharged to the San Lucas Arroyo. Discharge to the Laguna or the arroyo are contingency plans. There will be no discharge into San Isidro Arroyo. A revised Figure 1-3 to the Mine Operations Plan is provided per MMD request.</p>
3.	General	Discharge point erosion control structure design	<p>Discharge into either San Lucas Canyon or San Isidro Arroyo will potentially lead to erosion near the pipe outlet. The NMED Surface Water Quality Bureau (SWQB) have expressed concerns in their attached comments of September 14, 2012. The portion of the SWQB comments relating to surveying the undisturbed arroyo(s) may apply more directly to the Baseline Data Report; the request for designed erosion control structures at any discharge point into an arroyo may apply more directly to the Mine Operations Plan; however, we are including them now to allow for timely action on the part of RHR. MMD agrees that a survey of the geomorphic character of any arroyo that may receive pipeline discharge, for a minimum distance of 200 yards downstream of the discharge location, is necessary. MMD requires a design for an erosion control structure at the pipe outlet for one or both arroyos, as appropriate.</p> <p>Please commit to conducting necessary maintenance and repairs to arroyo erosion control structures at the pipe outlet during mine operations, and to remove the erosion control structures and reclaim the geomorphic character of the undisturbed arroyo, to include seeding and mulching, when discharge to the arroyo is concluded.</p>

Agency Review of Roca Honda Uranium Mine Reclamation Plan, Revision 1 and Biological Survey of the Reuse Pipeline

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	RHR Response		RHR is currently preparing a designed erosion control structure to be constructed at the discharge pipeline outlet in San Lucas Arroyo. The arroyo has been surveyed for a distance of 750 feet below the discharge location to address MMD and NMED concerns. The design and survey information will be submitted to MMD for its review when available, anticipated early in the 2 nd quarter of this year. In addition, as outlined in the BMP Monitoring Subsection of the Mine Operations Plan, at page 60, RHR commits to conducting the necessary maintenance and repairs to the erosion control structure during mine operations. Also as indicated in paragraphs 2 and 3, page 11 of the Reclamation Plan, RHR will remove the structure and reclaim the geomorphic character of the arroyo, to include seeding and mulching, when discharge to the arroyo is concluded.
4.	General	Vegetation reference area	19.10.6.603.G(1)(a) MMD proposes that relocating the supplement feed station further from the reference area would reduce impacts to the State section and the reference area. We understand that action would need to be approved by the landowner. Fencing of the reference area would be another means of controlling grazing impacts, and may be necessary, depending on future grazing practices and impacts. Should fencing of the reference area be warranted, MMD considers that a smaller reference area may be acceptable, limited to the approximate eastern third of the proposed reference area. Please add a commitment to Appendix B, to not conduct future reference sampling within the gullies or breached pond, or on the rock barrens within the reference area.
	RHR Response		RHR agrees to work with MMD in the definition of the reference area. This may include moving the western boundary to the east to avoid the rock cliffs and to be further from the ranchers feed station. RHR has added a commitment on the last page, last paragraph of Appendix B of the Reclamation Plan to not conduct reference sampling within gullies, stock ponds and rock barrens.

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Reviewer: Matthew Wunder
Agency: NMDGF

Review Date: September 13, 2012

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5.	General comments to Reclamation Plan	Miscellaneous comments within letter	<p>1. Although the reference area graphic (Figure 3-3) has not been revised, the text now specifies, as recommended, that mature pinyon-juniper woodland on the mesa top not be included in any reference vegetation transects.</p> <p>2. A Weed Control Plan has been added as Appendix C. Noxious weeds are currently present on the permit area in very limited locations. Mining activity, as with other forms of land development, will lead to conditions that may facilitate the spread of weeds through surface disturbance and increased vehicle traffic. If the project goes forward, the applicant should be required or encouraged to take aggressive eradication efforts to preclude future infestations, using the physical and/or chemical methods identified in Appendix C. In addition, constructed detention ponds should be closely monitored for tamarisk, the establishment of which can often be traced to dirt stock tanks.</p> <p>3. On page 37, the Reclamation Plan states that (s)ome of the arroyos that transect the operational area may be armored or straightened. We could find no description of these proposed channel alterations in the Mine Operations Plan. Such alterations could affect the site hydrologic balance and should be specifically described in the permit application.</p>
	RHR Response		<p>1. Figure 3-3 of the Reclamation Plan defines the current reference area. As stated in RHR's response to comment No. 4 above, RHR will work with MMD to redefine the reference area, as necessary, to eliminate some non-typical areas.</p> <p>2. The Weed Control Plan will be implemented by the site personnel as part of the routine Site inspection. The Weed Control Plan identifies tamarisk as an invasive plant. RHR will monitor the detention basins during operations per MMD's request.</p> <p>3. We have identified potential locations within the arroyos bordering the mine facility area where continued erosion could encroach into the facility. These potential areas will be examined during construction and the required protection measures will be determined in the field.</p>

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

Reviewer: Kurt Vollbrecht and Neal Schaeffer
Agency: NMED

Review Date: September 14, 2012

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6.	RHR responses to GWQB comments	Radiological survey	<p>In response to several GWQB comments regarding the proposed reclamation plan (Item No. 12 and Item No. 14 of the RHR table) RHR indicates that a separate closure plan will be submitted to comply with the requirements of the Water Quality Control Commission (WQCC) Regulations. It is not NMED's intent to require a separate closure plan when the existing reclamation plan can be modified slightly to meet the intent of both the New Mexico Mining Act and the WQCC Regulations. As previously stated, following removal of all structures, stockpiles and equipment from the site, the footprint of the facility must be surveyed to insure that no remaining contamination exists. At a minimum, the areas around shafts, beneath impoundments, the pipeline corridor, and the haul road corridor must be surveyed to insure no contaminants remain at levels in excess of background concentrations. This sampling protocol will insure that the requirements of both the Mining Act and the WQCC Regulations are met. NMED requests that MMD require RHR to include a sampling proposal in the reclamation plan to insure proper clean up criteria are met following cessation of mining and reclamation. The final cost estimate for reclamation should include the costs associated with the proposed sampling and analysis plan.</p> <p>The proposed reclamation plan, including a proposed sampling and analysis plan following closure will be incorporated, along with these comments and associated revisions, in the administrative record for DP-1717 for the Roca Honda Mine.</p>
	RHR Response		Please see RHR's response to comment No. 1.
7.	Comments on previous RHR responses – Section 3.3.5 of Rec Plan	Surface water channel description	<p>SWQB believes that mine dewatering discharges are a legitimate part of mine operations. We understand that RHR has not surveyed surface water channels that may receive significant volumes of water. These channels should be surveyed to describe their pre-mining shape (cross-section, longitudinal-section, and plan view). This should be addressed in both final baseline monitoring plans and final operational plans.</p>
	RHR Response		Please see RHR's response to comment No. 3 above. The field survey has been completed and the design of the discharge structural is in progress. The design will be submitted to MMD and NMED when completed and will be incorporated into the Mine Operations Plan.

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Agency: NMED

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8.	Comments on previous RHR responses	Discharge point erosion control	SWQB remains concerned that proposed mine dewatering discharges could destabilize surface water channels, resulting in unnecessary erosion. We raised these concerns with RHR during a site visit, when RHR planned to discharge to a tributary to San Mateo Creek. RHR responded with intent to conduct such surveying in that tributary. Since then, the location of this discharge has changed, but RHR apparently no longer intends to conduct this surveying at the new discharge locations. SWQB requests that MMD require a survey of the arroyo associated with the proposed NPDES outfall for a minimum distance of 200 yards downstream from the discharge location. In addition, SWQB requests that RHR submit a design for erosion control structures to be constructed at the outfall to minimize the potential for erosion of the arroyo at the outfall.
	RHR Response		See RHR's response to comment No. 3 and No. 7 above.
9.	Comments on previous RHR responses	Discharge outlet erosion control structure	These RHR comments are the first written mention we've seen of the new discharge location and design; and we are especially concerned about the potential for channel erosion from a pipe that is only 20-inches diameter. SWQB believes that the new discharge plan should be documented clearly, including describing any discharges to watercourses, characterizing expected channel erosion and necessary stabilization, and characterizing existing channel morphology pursuant to identifying any future, unexpected erosion. As mentioned in the first paragraph, we are not able to review the existing menagerie of plans and revisions, and we request a final set of plans (baseline monitoring, operations, and reclamation).
	RHR Response		Please see RHR's response to comment No. 3, 7 and 8 above. RHR is concerned that the NMED characterizes its submittals as a menagerie of plans and revisions. The permitting process for a new mine is very complex and detailed. RHR's original 2009 submittal has been reviewed by various state and federal agencies and there have been many requests for responses to comment and modification of the proposal. From its inception, MMD, NMED and the USFS have all recognized that RHR's proposal and the review thereof would be a dynamic process. The documents before the agencies are the most current versions of RHR's proposal. However, a "final" document will be available only after all of the agencies are satisfied. RHR's task of responding to comments and providing the requested information is not easier than the reviewers' task of review and comment. RHR continues to work with each

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			agency to provide the information requested and looks forward to obtaining the approvals required.
10.	Comments on previous RHR responses	Discharge channel morphology	The above RHR response is incorrect: SWQB concerns regarding erosion likely will <u>not</u> be addressed in any Discharge Plan (which is concerned with potential groundwater impacts), NPDES permit application (which is concerned with water quality, not channel morphology), or EIS (which merely describes potential impacts, not regulation of them). SWQB believes that these channel morphology concerns should be addressed in Mining Act permit because these potential impacts are a result of the mining activity.
	RHR Response		See RHR's response to comment No. 3, 7, 8, and 9 above.