

Rio Algom Mining LLC

1500 Post Oak Blvd
Houston, Texas 77056
T + 1 713 296 4773
F + 1 713 993 3775

1 May 2018

VIA CERTIFIED MAIL

Lydia Johnson
Chief, Enforcement Assessment Section
United States Environmental Protection Agency
Region 6
1445 Ross Avenue, Suite 1200
Dallas, TX 75202-2733

RE: Follow-up to March 20, 2018, San Mateo Creek Basin Legacy Uranium Site Meeting

Dear Ms. Johnson:

Thank you for your 19 April 2018 letter following up on the 20 March 2018 meeting amongst the U.S. Environmental Protection Agency, Region 6 (EPA), the New Mexico Environment Department (NMED), the New Mexico Energy, Minerals, and Natural Resources Department (EMNRD), and industry stakeholders. We appreciated the opportunity to meet and believe continued dialogue amongst all would be productive and beneficial. To that end, Rio Algom Mining LLC (RAML) joined other industry stakeholders in a 30 April joint response to express our willingness to discuss a path forward through a functionally equivalent CERCLA process to evaluate potential impacts to groundwater resources in the San Mateo Creek Basin (SMCB) and possible responses where needed.

I write separately to identify certain technical and legal issues unique to RAML that warrant separate discussion. As one example, RAML has a number of open state permits, and there is significant interplay between the specific obligations and responsibilities arising from RAML's state permits and the broader objectives outlined in your 19 April letter. As another example, RAML is entitled to a statutory offset vis-à-vis the Tronox funds earmarked for Navajo Area Uranium Mines. Indeed, EPA is currently conducting a CERCLA removal action using those funds on RAML property. As you may know, EPA, NMED, EMNRD, and RAML collectively agreed to meet on 9 May to discuss these issues and others, and to provide an overview of our technical work to date. We were disappointed to learn that EPA decided not to participate in the scheduled meeting in light of your 19 April letter. These site-specific issues cannot be efficiently addressed on a broader, multi-stakeholder basis.

RAML is committed to investigating and addressing the historic impacts in the SMCB for which we are responsible. We are ready to undertake significant efforts at our Ambrosia Lake site and to work collaboratively with other stakeholders to assess broader SMCB issues. In addition to participating in general SMCB stakeholder meetings that EPA may organize, we respectfully request that EPA engage with RAML, NMED, and EMNRD directly in order to map out a process to address the technical and legal issues raised above. Assuming appropriate alignment, we are optimistic that an enforceable agreement could be developed that is aligned with the criteria and objectives outlined in your 19 April letter. We look forward to EPA

setting the specific date for the next SMCB stakeholder meeting in early June. Representatives from both NMED and EMNRD have expressed interest in meeting with RAML shortly after this meeting to discuss the status and approach on state permits in light of EPA's regional approach in SMCB. We request that EPA also attend this meeting. We look forward to continued engagement and partnership.

Very truly yours,



Tom Appleman
Managing Counsel

cc: Kevin Shade, EPA (email only)
Stephen Capuyan, EPA (email only)
Pam Travis, EPA (email only)
Kurt Volbrecht, NMED (email only)
Holland Shepherd, EMNRD (email only)