

MK028PR

JOHN-BILL

MINE

STATE OF NEW MEXICO
ENERGY, MINERALS AND NATURAL RESOURCES DEPARTMENT
Mining and Minerals Division
1220 St. Francis St.
Santa Fe, New Mexico 87505
Telephone: (505) 476-3400

MINING INSPECTION REPORT

Name of Operator: United Nuclear Corporation (UNC)
Name of Mine: Anne-Lee and John-Bill Mines
Address: P.O. Box 3077, Gallup, NM 87305
Permit Number: MK027PR and MK028PR
Commodity: Prior Reclamation Uranium Sites <input checked="" type="checkbox"/> SURFACE <input type="checkbox"/> UNDERGROUND
Date of Inspection: 11-15-2007
Time of On-Site Inspection: 10:30 ~15:30
Weather Conditions: ~55° to 65°F, cool/mild, dry, mostly clear, breezy
Purpose of Inspection: Re-Vegetation Success Monitoring & Prior Reclamation Inspection
Lead Inspector: Holland Shepherd – MMD
Present During Inspection: MMD: Holland Shepherd, James Hollen, Susan Lucas-Kamat; UNC: Larry Bush + one field staff
ENFORCEMENT ACTION TAKEN: None NOTICE OF VIOLATION: # _____ YES: ___ NO: <u>X</u> CESSATION ORDER: YES: ___ NO: <u>X</u>
Time: On-Site: <u>5</u> Permit Review: <u>2</u> Travel: <u>6</u> Report Writing: <u>2</u>
TOTAL INSPECTION TIME: <u>15</u> HOURS
NOTES: Both of the reclaimed uranium mine sites, Anne-Lee and John-Bill, are situated within the Ambrosia Lake Mining District, located approx. 20 miles north-northwest of Grants off State Rd. 509 in McKinley County, New Mexico. A series of locked gates require access permission obtained through UNC. A high clearance, 4WD vehicle is required when surface conditions are wet or snow covered. Anne-Lee Mine: (T 14 N, R 9 W, Sec. 27, N.M.P.M.) John-Bill Mine: (T 14 N, R 9 W, Sec. 34, N.M.P.M.) U.S.G.S. 7.5' Series Quadrangle Map: <i>Ambrosia Lake</i>

INSPECTION REPORT
11-15-07
Anne-Lee Mine – MK027PR
John-Bill Mine – MK028PR

PERMIT UPDATE:

July 16, 1993, June 21 & 29, 1994 – UNC submits information to MMD identifying mining operations pursuant to requirements of Section 5D of the 1993 NM Mining Act.

August 25, 1994 – MMD advises UNC that a deadline for filing site assessments of identified sites had passed on June 30, 1994 and that in order for UNC to come into compliance with the NMMA, UNC would be required to either complete site assessments for each of the identified properties, or provide written documentation that UNC is not the responsible party for these sites, or submit application to MMD for consideration of prior reclamation.

August 26, 1994 – UNC submits application to MMD requesting inspection of the Anne-Lee and John-Bill Sites for release from the requirements of the NMMA for Prior Reclamation completed.

October 19, 1994 – UNC states in a letter to MMD that the identified sites should be considered as abandoned mines and therefore, are not subject to the Act, and while they do not object to evaluating the identified sites for prior reclamation, UNC states further that, they believe that they have no obligation to comply with permitting or any other regulatory requirements of the NMMA for the identified mines.

November 15, 1994 – MMD states that while it disagrees with UNC's determination that the identified properties should be excluded from the Act, MMD approves UNC request to evaluate the Anne-Lee and John-Bill sites for Prior Reclamation completed.

August 3, 1995 – MMD Report on July 13, 1995 Anne-Lee and John-Bill Site Inspections.

September 29, 1995 – MMD determines that Prior Reclamation measures completed at the Anne-Lee and John-Bill sites do not satisfy the requirements of the NMMA. MMD informs UNC that it may either apply for a Variance from the requirements of the NMMA, or submit to MMD, a permit application and Closeout Plan for an Existing Mining Operation.

November 29, 1995 – UNC petitions the MMD determination and appeals to the NM Mining Commission.

April 29, 1997 – The NM Mining Commission dismisses UNC's appeal without prejudice.

May 29, 1997 – UNC advises the Commission it would dismiss the 1995 petition and seek Variance from MMD.

June 3, 1997 - UNC applied to MMD for Variance from Prior Reclamation requirements and extend compliance period by two growing seasons before MMD determination of compliance.

MMD granted UNC a variance through CY 1998 to extend compliance period with the NMMA.

May 25, 1999 – MMD determines that, through results of site inspections completed in Fall 1998, the Anne-Lee and John-Bill Sites continue to fail in meeting prior reclamation criteria for release

from NMMA and must be permitted as an Existing Mining Operation.

MMD extends UNC's 1998 Variance through CY 2000.

UNC's Variance expired in 2000 and since, UNC has failed to permit the Anne-Lee and John Bill Sites which have been determined by MMD to qualify as existing mines under NMSA 1978, Section 69-36-3 (E).

2007 – MMD conducts a review of previously active uranium mine sites in New Mexico, including UNC's Anne-Lee and John-Bill Sites.

June 15, 2007 – MMD informs UNC that the permitting compliance issues must be finally resolved either by conducting current site inspections to determine compliance with the Act, or by MMD filing motion with the NM Mining Commission requesting dismissal of UNC's appeal for non-prosecution.

July 10, 2007 – UNC agrees to allow MMD access to the Anne-Lee and John-Bill sites for inspection.

November 15, 2007 – Site Inspections completed by MMD at the Anne-Lee and John-Bill sites. Evaluation of data is ongoing and compliance determinations are pending from MMD.

INSPECTION NARRATIVE:

The site inspections were arranged by MMD through Larry Bush of UNC. MMD personnel met Larry Bush and one other UNC field staffer in Grants, and then followed Larry to the Ambrosia Lake District. In addition to observing the current status of each of the reclaimed sites for overall integrity and erosional stability, the purpose of the site inspections was to conduct vegetation monitoring and sampling transects to observe progress and determine success of ongoing re-vegetation efforts carried out at each site. Initial site re-vegetation efforts have failed to meet success criteria for release under prior reclamation and results from vegetative sampling conducted by MMD during the last site inspections completed in summer of 1995 indicated that, neither the Anne Lee site, nor the John Bill site, had reached required plant density or species diversity for release from the NMMA. The surfaces of both sites were highly erodible and very dry and according to Larry, the general area had not received any significant or measurable precipitation in over two months.

The Anne-Lee Mine consists of a reclaimed, concrete-plugged and buried mine shaft feature situated within an area approximately 1/10 acre in size. While the immediate area of the reclaimed shaft was re-seeded in 1994, prior to that, the surrounding area associated with the Anne-Lee Mine was reclaimed in the early 90's as part of the UMTRCA Title 1 reclamation completed by the DOE. The feature consists of a roughly square shaped, mound-like expression, rising approximately 20' above the surrounding land surface. A sealed, underground mine vent shaft feature and a groundwater monitoring well are also present in the immediate area and GPS locations of these features were acquired. Moderately steep outcrops extend some 40' to 60' outward from a slightly depressed and undulating, but generally flat, top-surface. Only the top surface of the feature is fenced to exclude cattle from grazing in the area and to protect the re-vegetation and reclamation aspects of the site from erosion issues and unauthorized grazing. Cattle activity along the unfenced outcrops of the feature have impacted existing vegetation and disturbed the surface soils creating potential erosion problems although no immediate erosion issues were observed. Although Larry Bush indicated that the shaft has settled and subsided on

numerous occasions over the years, it appeared stable during the inspection and Larry indicated that it had been stable for several years now. Larry mentioned that some of the reasons for such difficulty in attaining re-vegetation success standards at this site were partially due to settling within the buried shaft feature causing subsidence and collapse at the surface. The subsidence activity would require UNC to import fill to cover and re-contour the collapsed areas to original conditions. According to Larry, each collapse would drastically disturb and re-work the existing surface soils and any established vegetation growing on the site and setback UNC's reclamation and re-vegetation efforts.

Bioturbation through rodent activity within surface soils is also abundantly evident throughout the top surface and outslopes of the mound feature and has also contributed to the overall difficulties in establishing well-stabilized surfaces necessary for successful re-vegetation of the site. The heaviest bioturbation was observed along the northwest corner of the mound feature where vegetation was sparse and rodents have reworked surface soils and redistributed subsurface soils onto the surface of the mound feature by tunneling and excavating in this area. At this location (NW corner) gamma radiation levels were detected as being slightly elevated and above normal background gamma radiation levels, probably associated with this bioturbation activity. Background gamma radiation levels measured randomly throughout the surface of the Anne-Lee Site ranged from 6~11 $\mu\text{R/hr}$.

Larry indicated that prior reclamation work completed in the area by the DOE, scraped and removed most of the original post-mining topsoil surfaces of the surrounding area. He said that during active underground mining, no mined material had been dumped or stockpiled at the Anne-Lee location and the only purpose for this site was for use as an ore load-out shaft associated with the underground Sandstone Mine. Uranium ore was hoisted from the mine to the surface at this location using a head-frame hoist (removed). Ore was then hauled away from this location in haul trucks.

Two 50' vegetation transect surveys were completed in one-foot sampling intervals across the top surface of the mound feature from corner to corner. GPS coordinates were acquired at each of the locations designating the point of beginning and ending for both transects. The occurrence of grasses, forbs and shrub species, as well as, bare-ground and surface plant litter were recorded at each one-foot interval of the taped transect. Vegetation is mostly dormant, very sparsely distributed throughout the site and consists predominantly of Russian thistle and snakeweed. Also observed were four wing saltbrush, rubber rabbitbush, purple aster, alkali sacaton, western wheatgrass, and Indian rice grass. Larry indicated during the inspection that UNC would voluntarily re-seed the Anne-Lee reclamation area and that if MMD could provide him with an approved seed-mix and application rates, UNC would attempt to re-seed the reclamation area of the Anne-Lee in spring 2008.

The John-Bill Mine consists of reclaimed area of approximately 4 acres in size, and like the Anne-Lee site, is also a plugged and buried mineshaft feature initially reclaimed and seeded in 1994. Aside from an abandoned, wooden-framed electrical substation structure existing on site, no open shaft or any other mine related features are visible and the area is flat to gently undulating. Larry remarked that because of the failure of several previous re-vegetation attempts, the John-Bill site had been re-seeded 3 times subsequent to their initial reclamation efforts. A division is visible in the immediate vicinity surrounding the site clearly delineating the existing dominant vegetation (Russian thistle) from the vegetation present within the reclaimed area of the John-Bill site. Although the reclamation area of the John-Bill is also dominated by invasive Russian thistle and snakeweed, also observed within the reclamation area were well-established stands of native vegetation. As observed on the Anne-Lee site, a similar vegetation community exists at the John-Bill site. Notably different at the John-Bill, was the abundance of winterfat within the vegetative

community.

GPS coordinates were acquired at each of the locations designating the point of beginning and ending for both transects completed on the John-Bill site. The vegetation transect surveys completed at the John-Bill site were randomly generated and established by utilizing the same sampling grid and methodologies established during previous vegetation transect surveys completed in October 1998.

Because no vegetation reference area exists for either the Anne-Lee or the John-Bill sites, by which to judge whether the sites allow for designation as a self-sustaining ecosystem pursuant to the Act, the reference standard used for comparison by MMD in this case, is the NRCS Range Site Description for this area designated by the NRCS as WP-2, Sandy. Further statistical analyses using the quantitative results obtained from each vegetation transect survey completed on both sites will be required to determine whether the average percent cover values for each site have been attained and meet re-vegetation success criteria for release from the Act.

Upon completion of the vegetation transect surveys of the John-Bill; MMD concluded the site inspection by briefly discussing with Larry, the path forward. MMD indicated that based on lack of vegetation and overall poor field conditions observed at the Anne-Lee reclamation, release based on prior reclamation for this site was unlikely and that at minimum, the site would need re-seeding. MMD indicated that because the John-Bill site exhibited more successfully established re-vegetation conditions, results of pending statistical analysis of the transect data would have to be completed prior to MMD's determination of compliance with the Act.

ACTION ITEMS:

Complete statistical analysis of data obtained from vegetation transect surveys.

Recommend a seed-mix suitable for UNC to utilize in future re-vegetation efforts at the Anne-Lee Site.

Determine compliance with the Act.

PHOTOS:

Photos taken during this field inspection can be found archived at the following location:
L:\MARP\PriorReclamation

MAINTENANCE ITEMS:

Recommend that UNC extend fencing to include out slopes of the mound feature and exclude cattle from all reclaimed areas at the Anne-Lee Site. Fencing should be in accordance with NMDG&F Fencing Guidelines.

Recommend that UNC reseed the entire Anne-Lee reclamation area. The area should be mulched and re-seeded by hand broadcasting and raking an approved seed-mix into the surface. A recommended seed mix consisting of grasses and forbs, as well as, the suggested rates of application are specified below in lbs. pure live seed (PLS) per acre (lbs./ac.):

Blue Grama – Hatchita 1.0
Crested Wheat Grass 5.0
Western Wheat Grass 2.5

Indian Rice Grass 1.0
Alkali Sacaton .5
Sand Dropseed 1.5
Winterfat ??

ENFORCEMENT ACTIONS TAKEN OR TO BE CONSIDERED:

Utilize results of the November 2007 Site Inspections to determine compliance or necessary steps for UNC to complete in order to obtain compliance with the Act.

UNC should provide MMD with a plan for moving forward in resolving compliance issues related to these sites pursuant to the Act, and provide a reclamation plan that includes a schedule of proposed activities.

INSPECTOR'S SIGNATURE: _____ **DATE:** _____

* 2' SAMPLE INTERVAL *

Site Name JOHN BILL / UMC

Date 111507

Location AMBROSIA LK. DIST.

Grid ~ SEE PR FILE W/ MAP/GRID

Transect Description # 1 0° N ~ RANDOMLY GEN.

↑ * SEE GPS DATA
* PHOTOS

Investigators HS JH SLK

FRB = FORB

1	BG	2	BG	3	BG	4	BG	5	BG
6	BG	7	RT	8	AST	9	BG	10	L
11	L	12	RT	13	L	14	BG	15	L
16	RT	17	FRB	18	RT	19	L	20	BG
21	L	22	RT	23	L	24	BG	25	AST
26	RT	27	RT	28	RT	29	L	30	FRB
31	L	32	L	33	RT	34	L	35	L
36	BG	37	BG	38	BG	39	AST	40	BG
41	L	42	L	43	FRB	44	BG	45	BG
46	AST	47	L	48	BG	49	BG	50	L

Total Rock % _____

Total Bare Ground % _____

Total Grass % _____ Total Perennial % _____ Total Annual % _____

Total Forb % _____

Total Litter % _____

BG = BARE GROUND / SOIL

AST = ASTER ~ YELLOW OR / AND PURPLE

L = LITTER

RT = RUSSIAN THISTLE

FRB = FORB ~ MUSTARD SPECIES +/-

Site Name JOHN BILL / VNC Date 111507

Location AMBROSIA LAKE DIST. Grid _____

Transect Description # 2 @ 152°

Investigators HS JH SLK

1 Rocks	2 RT	3 Aster	4 RT	5 Litter
6 SPAR	7 SPAR	8 BG	9 BG	10 BG
11 SPAR	12 RT	13 BG	14 Litter	15 RT
16 RT	17 Litter	18 Forb	19 BG	20 RT
21 RT	22 RT	23 Litter	24 BG	25 Litter
26 BG	27 Litter	28 BG	29 Litter	30 RT
31 RT	32 BG	33 Litter	34 RT	35 RT
36 Forb	37 Litter	38 RT	39 Forb	40 Litter
41 Aster	42 Litter	43 BG	44 Litter	45 RT
46 BG	47 Forb	48 BG	49 RT	50 RT

Total Rock % _____
 Total Bare Ground % _____
 Total Grass % _____ Total Perennial % _____ Total Annual % _____
 Total Forb % _____
 Total Litter % _____

SPAR = SPARABOLIS
 ALKI. SACATON

2' SAMPLING INT.

44% No Plants
24% Litter
~~50%~~ 20% Plants

SPAR = SPARABOLIS

Site Name JOHN BILL / JWC

Date 111507

Location AMBROSIA CK DIST.

Grid _____

Transect Description #3 @ 170°

Investigators HS JH SLK

1 L	2 SPAR	3 SPAR	4 SPAR	5 BG
6 BG	7 BG	8 L	9 BG	10 L
11 L	12 L	13 L	14 L	15 BG
16 RT	17 RT	18 BG	19 RT	20 RT
21 L	22 SPAR	23 L	24 RT	25 FORB
26 FORB	27 BG	28 FORB	29 RT / FORB	30 L
31 RT	32 RT / FORB	33 RT	34 RT	35 RT
36 RT	37 FORB	38 FORB	39 FORB	40 L
41 FORB	42 RT	43 RT	44 FORB	45 RT
46 FORB	47 BG	48 RT	49 BG	50 BG

Total Rock % _____

Total Bare Ground % _____

Total Grass % _____ Total Perennial % _____ Total Annual % _____

Total Forb % _____

Total Litter % _____

* SEE SHT 1 OF 3 FOR LEGEND

* 2' SAMPLING INT.

Site Name: John Bull
 Operator: UNC
 Location: Ambrosia Lake District
 Grid: See map in Prior Rec file, grid from field investigations in 1995 & 1999
 Transect Number: 1
 Transect Description: 0 deg N
 Interval: 2 foot interval
 Date: 11/15/2007
 Investigators: Holland Shepherd, James Hollen, Susan Lucas Kamat

- | | |
|----------------------|------------------|
| 1 bare ground ✓ | |
| 2 bare ground ✓ | |
| 3 bare ground ✓ | |
| 4 bare ground ✓ | 43 forb ✓ |
| 5 bare ground ✓ | 44 bare ground ✓ |
| 6 bare ground ✓ | 45 bare ground ✓ |
| 7 russian thistle ✓ | 46 aster ✓ |
| 8 aster ✓ | 47 litter ✓ |
| 9 bare ground ✓ | 48 bare ground ✓ |
| 10 litter ✓ | 49 bare ground ✓ |
| 11 litter ✓ | 50 litter ✓ |
| 12 russian thistle ✓ | |
| 13 litter ✓ | |
| 14 bare ground ✓ | |
| 15 litter ✓ | |
| 16 russian thistle ✓ | |
| 17 forb ✓ | |
| 18 russian thistle ✓ | |
| 19 litter ✓ | |
| 20 bare ground ✓ | |
| 21 litter ✓ | |
| 22 russian thistle ✓ | |
| 23 litter ✓ | |
| 24 bare ground ✓ | |
| 25 aster ✓ | |
| 26 russian thistle ✓ | |
| 27 russian thistle ✓ | |
| 28 russian thistle ✓ | |
| 29 litter ✓ | |
| 30 forb ✓ | |
| 31 litter ✓ | |
| 32 litter ✓ | |
| 33 russian thistle ✓ | |
| 34 litter ✓ | |
| 35 litter ✓ | |
| 36 bare ground ✓ | |
| 37 bare ground ✓ | |
| 38 bare ground ✓ | |
| 39 aster ✓ | |
| 40 bare ground ✓ | |
| 41 litter ✓ | |
| 42 litter ✓ | |

$$BG = \text{||||} \text{||||} \text{||||} \text{|||} = 18$$

$$RT = \text{||||} \text{|||} = 9$$

$$LTR = \text{||||} \text{||} \text{||} \text{|} = 16$$

$$ASh = \text{|||} = 4$$

$$FAB = \text{|||} = 3$$

$$50$$



NEW MEXICO ENERGY, MINERALS and NATURAL RESOURCES DEPARTMENT

Bill Richardson
Governor
Joanna Prukop
Cabinet Secretary

Bill Brancard
Director
Mining and Minerals Division

August 22, 2007

Larry Bush
United Nuclear Corporation
UNC Holdings 2
P.O. Box 3077
Gallup, NM 87305

**RE: Response to United Nuclear Corporation Letter Dated July 10, 2007, Concerning ,
Prior Reclamation Sites, Anne-Lee Mine, John-Bill Mine, and Sandstone Mine, MK027PR,
MK028PR, and MK029PR**

Dear Mr. Bush:

Thank you for your, July 10, 2007 letter, responding to the Mining and Minerals Division's (MMD) letter, dated June 15, 2007. Your letter addressed the prior reclamation status of the three mines identified above.

Your letter indicates that the Sandstone Mine was already released by MMD. You attached a letter dated May 25, 1999, indicating that MMD did identify the Sandstone Mine, as eligible for prior reclamation release. MMD agrees with this finding and appreciates your review of our files to locate this document.

We would like to follow-up on your invitation to inspect the John Bill and Anne-Lee mine sites to determine their condition and status. MMD will be contacting you directly to set up inspection dates for these two sites.

MMD will refrain from filing its dismissal motion, before the Mining Commission, pending the opportunity to inspect the two sites for compliance under the New Mexico Mining Act.

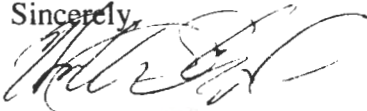
RE: Response to United Nuclear Corporation Letter Dated July 10, 2007, Concerning , Prior Reclamation Sites, Anne-Lee Mine, John-Bill Mine, and Sandstone Mine, MK027PR, MK028PR, and MK029PR

August 22, 2007

Page 2

Please feel free to call me at 505-476-3437, if you wish to discuss this matter further.

Sincerely,



Holland Shepherd
Program Manager
Mining Act Reclamation program

Attachments

cc: Karen Garcia, Chief, Mine Reclamation Bureau
Roy Blickwedel, Remedial Project Manager, General Electric
Prior Reclamation Site Files Nos: MK026PR, MK027PR, and MK028PR
Bill Olson, GWQB/NMED



MK 027PA

Roy Blickwedel
Remedial Project Manager
Corporate Environmental Programs

GE
640 Freedom Business Center
King of Prussia, PA 19406

T 610 992 7935
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roy.blickwedel@corporate.ge.com

RECEIVED
MARP

JUL 10 2007

MINING & MINERALS DIVISION

Holland Shepherd
Program Manager
Mining Act Reclamation Program
Mining and Minerals Division
1220 South St. Francis Drive
Santa Fe, NM 87505

July 10, 2007

Dear Holland:

We are responding to your June 15, 2007 letter that seeks permission to inspect three former UNC mines in the Ambrosia Lake District. As of September 1997 United Nuclear Corporation (UNC) became a wholly-owned, indirect subsidiary of the General Electric Company. GE Corporate Environmental Programs has been retained through a separate administrative services agreement to assist United Nuclear both technically and administratively with environmental issues at its New Mexico mine sites.

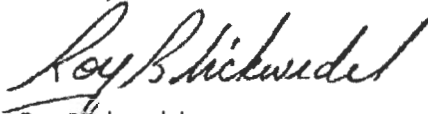
We have recently undertaken a file review of MMD's files to complete the history of activities at the three mines that you summarized in your June 15, 2007 letter. Based upon our review, UNC believes that the Sandstone Mine was already released from the conditions that you specified in your letter (see attached letter from MMD dated May 25, 1999). The May 25, 1999 correspondence was not presented in your letter. We therefore expect that only Ann Lee and John Bill mines are the relevant subjects of your request for inspection. While we have not fully completed our review of the MMD's files, we have not yet uncovered any documentation that a final inspection was performed following UNC's second effort to re-establish vegetation at Ann Lee and John Bill. We agree that a return inspection of Ann Lee and John Bill should be performed.

With respect to the Ann Lee Mine, your June 15, 2007 letter does not indicate that the majority of the Ann Lee Mine was reclaimed by the Department of Energy (DOE) as a vicinity property when it completed the UMTRCA Title 1 closure of the Philips Mill. The only remaining parcel, apparently in question as to the acceptability of prior reclamation, is the approximately one-half acre, fenced parcel that contains the mine pad. UNC expects that it is this fenced-in parcel that MMD considers to be in need of an inspection.

UNC agrees to grant MMD a right of entry to each of the two mines for the purpose of conducting an inspection, and further agrees to cooperate with any specific information requests that MMD may have, provided that the information exists. It is my understanding that UNC owns all of the property that contains the John Bill mine, and that all of the Anne Lee mine (except for a small, UNC-owned, fenced-in area immediately surrounding the shaft) was reclaimed as part of the vicinity closure of the Philips Mill by the Department of Energy. It is also our understanding that the only remaining requirements at Anne Lee and John Bill are to re-inspect the revegetation work that had been carried out following the initial seeding which did not attain the required plant density due to the drought conditions in existence at the time.

We respectfully request that MMD refrain from filing the motion to dismiss UNC's appeal pending the opportunity to inspect the two remaining mines. Please call Larry Bush or me at your convenience to schedule the inspections, and to provide other information that MMD needs to complete the releases for Ann Lee and John Bill.

Sincerely,

A handwritten signature in cursive script that reads "Roy Brickwedel". The signature is written in black ink and is positioned above the typed name.

Roy Brickwedel
Remedial Project Manager
Corporate Environmental Programs

cc Larry Bush
Kirk Macfarlane
Jon Indall



NEW MEXICO ENERGY, MINERALS
& NATURAL RESOURCES DEPARTMENT

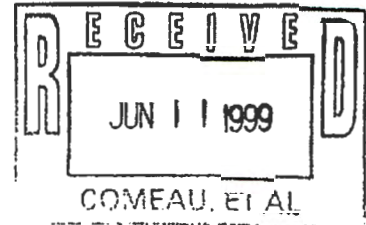
MINING AND MINERALS DIVISION
2040 South Pacheco Street
Santa Fe, New Mexico 87505
(505) 827-5970

Jennifer A. Salisbury
CABINET SECRETARY

Douglas M. Bland
DIVISION DIRECTOR

May 25, 1999

Larry Bush
United Nuclear Corporation
P.O.Box 3077
Gallup, NM 87305



RE: Determination of Release of Prior Reclamation Sites, Ann Lee, John Bill, and Sandstone

Dear Mr. Bush

In accordance with New Mexico Mining Act (NMMA) § 69-36-7-U, and § 510.A of the NMMA Rules (Rules) the Mining and Minerals Division has made a decision regarding release of the above sites from further requirements of the NM Mining Act.

In order for a site to be released from further requirements of the NMMA under prior reclamation, the standards set in the NMMA Rules § 510.A must be met. The Rule states, "The director shall release the owner or operator from further requirements of the Act and of this part if, after an inspection of the reclaimed areas, he determines that the reclamation measures satisfy the requirements of the Act and the substantive requirements for reclamation pursuant to this part." The substantive requirements for reclamation in Part 5 of the Rules in part can be found in § 506.J.3. which states, "the work to be done will reclaim disturbed areas within the permit area to a condition that allows for re-establishment of a self-sustaining ecosystem on the permit area following closure, appropriate for the life zone of the surrounding area."

The above mentioned sites were inspected in the summer of 1995, after they had been seeded in 1994. It was clear at that time that they could not meet the release criteria after just one growing season. United Nuclear applied for a variance in order to allow more time to realize results of the reclamation efforts. A variance was granted through the end of 1998 with the condition that MMD would re-inspect the sites at the end of the growing season in 1998. All three sites were inspected with vegetative sampling conducted in October 1998 (see attached Inspection Report). A representative from UNC was present for all inspections.

The vegetative sampling conducted during these inspections were carried out in accordance with accepted sampling methodologies. In the event there are no nearby reference areas in which to compare sampling results, technical standards are often used as a benchmark by which to judge whether a site will allow for a self-sustaining

ecosystem as described in the Rules. The standard used by the Division is the NRCS Range Site Description (RSD) for the particular area in question. It is generally accepted that 75% of the average percent cover values given in the RSD is a reasonable value in which to expect that the site will allow for a self-sustaining ecosystem if those levels are reached. The attached RSD used for all three UNC sites is WP-2, Sandy. As you can see, 75% of the average percent cover value for grasses and forbs would be 13.5%. When this value was compared to the 1998 sampling results, there were two sites that appear to meet or exceed that amount, Ann Lee and Sandstone. However, as discussed in the October 98 sampling report, Ann Lee was is not recommended for release because approximately 40% of the site was occupied by a large mound which was not vegetated at all. The Sandstone site did exhibit more positive results in that not only did it exceed the RSD average percent cover value with 22% cover, but also sustained a community of 4 different grass species and 2 perennial forbs, with at least one half-shrub species. Therefore, Sandstone is hereby released from further requirements of the NMMA. The other two sites, Ann Lee and John Bill will need to be permitted by MMD and meet all requirements of the NMMA § 69-36-7-U and § 510.A of the NMMA Rules.

Your interest in meeting Prior Reclamation requirements is appreciated. If you have any questions, feel free to call Kerrie Neet, Chief, Regulatory Programs Bureau at (505) 827-5988.

Sincerely,



For

Douglas M Bland
Division Director

cc: Kerrie E. Neet, Chief
Regulatory Programs Bureau

Fernando R Martinez, Program Manager
Mining Act Reclamation Program



NEW MEXICO ENERGY, MINERALS
& NATURAL RESOURCES DEPARTMENT

MINING AND MINERALS DIVISION
2040 South Pacheco Street
Santa Fe, New Mexico 87505
(505) 827-5970

Jennifer A. Salisbury
CABINET SECRETARY

Douglas M. Bland
DIVISION DIRECTOR

June 2, 1999

Larry Bush
United Nuclear Corporation
P.O. Box 3077
Gallup, NM 87305

Dear Mr. Bush:

Enclosed you'll find the Prior Reclamation Inspection Report of 1998. This should help clarify the issues you raised in our phone conversation today regarding release of United Nuclear Corporation's Prior Reclamation sites. Please excuse our inadvertent oversight in leaving it out of the last mailing to you.

Feel free to call me, at (505) 827-5982 after you receive this and we can discuss any remaining issues or questions you may have.

Sincerely,

A handwritten signature in cursive script, appearing to read "Karen W. Garcia".

Karen W. Garcia
Reclamation Specialist

Encl: 1998 Prior Reclamation Inspection Report

PRIOR RECLAMATION INSPECTION REPORT

FOR

UNITED NUCLEAR CORPORATION'S

ANN LEE

**JOHN BILL
and
SANDSTONE
MINES**

**Submitted in Partial Fulfillment of the New Mexico Mining Act
Section 69-36-7, Prior Reclamation**

**New Mexico Energy, Minerals and Natural Resources Department
Mining and Minerals Division
Mining Act Reclamation Program**

October 30, 1998



NEW MEXICO ENERGY, MINERALS and NATURAL RESOURCES DEPARTMENT

Bill Richardson
Governor
Joanna Prukop
Cabinet Secretary

Bill Brancard
Director
Mining and Minerals Division

7001 1940 0004 7920 3678

June 15, 2007

Larry Bush
United Nuclear Corporation
UNC Holdings 2
P.O. Box 3077
Gallup, NM 87305

RE: United Nuclear Corporation, Prior Reclamation Sites, Anne-Lee Mine, John-Bill Mine, and Sandstone Mine, Prior Reclamation Mine Site Nos, Respectively: MK027PR, MK028PR, and MK029PR

Dear Mr. Bush:

As part of its administration of the New Mexico Mining Act (Act), NMSA 1978, Sections 69-36-1 to 69-36-20, the Mining and Minerals Division (MMD) is conducting a review of previously active uranium mine sites in New Mexico. That review identified various sites operated by United Nuclear Corporation (UNC), including the Anne Lee, John Bill, and Sandstone mines, which qualify as existing mines under NMSA 1978, Section 69-36-3 (E), but for which no Mining Act permits were ever issued.

The Mining Act and Mining Act Rules, specifically, NMSA 1978, Section 69-36-5 (E), and §19.10.5.511 NMAC, allow an operator or owner of an existing mine where reclamation has previously occurred, to apply to MMD for a determination that the prior reclamation is sufficient to release the mine from the Act's requirements. UNC applied in 1994 for such releases from the Act at the three mines identified above.

Following receipt of UNC's release requests, and after inspecting the mine sites, MMD notified UNC through a letter dated September 29, 1995, that the releases could not be granted and that UNC would be required to complete the permit process for the sites as "existing mines." UNC, however, did not proceed with the permitting process, but chose to appeal MMD's Order regarding the Anne Lee, Sandstone and John Bill Mines to the New Mexico Mining Commission.

The appeal remained on the Commission's docket for a substantial period of time and the Commission, in a *sua sponte* order dated April 29, 1997, ordered the dismissal of UNC's appeal without prejudice for lack of prosecution, unless UNC submitted reasons why the appeal should not be dismissed within thirty days of the Commission's Order.

June 15, 2007

Page 2

In a letter dated May 29, 1997, received by the Commission on June 2, 1997, counsel for UNC advised it would seek a variance from MMD and urged the Commission not dismiss its appeal as such dismissal "would prejudice United Nuclear's right to seek review of the Director's Order in this matter." In that same letter, UNC assured that if the variance was granted, it was confident the matter could be resolved quickly and UNC would voluntarily dismiss its petition.

MMD granted UNC a variance in 1998 to extend the time for compliance with the Mining Act by two years. The records indicate that UNC took no further action in this matter when the variance expired in 2000.

Ten years have passed since the Commission issued its order and this matter should now be resolved. To do so, MMD is prepared to file a motion with the Commission requesting the Commission dismiss UNC's appeal for non-prosecution.

Alternatively, it has been twelve years since MMD completed its last inspections at the above mentioned mine sites. Environmental conditions may have changed at the sites to a degree that would warrant further discussion about the requirements for permitting the sites. If UNC were to allow MMD access to the Anne Lee, John Bill, and Sandstone mines so that MMD could determine whether, given the additional passage of time, any further reclamation is required at those sites that may resolve the matter, as well as the pending appeal.

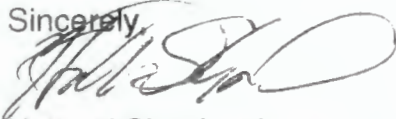
MMD therefore requests UNC contact our office within no less than thirty days of the date of this letter and indicate whether it agrees MMD should proceed to file a dismissal motion or whether UNC is agreeable to providing MMD access to the sites for inspections. MMD anticipates that some or all of the mine sites may no longer be owned by UNC; UNC nevertheless remains obligated to comply with the Mining Act as the operator of existing mines at the sites.

For MMD to complete inspection of the sites, MMD requires a right of entry to each site, site characterization information that may not have been part of UNC's previous release applications, current land ownership information and any other information UNC believes will assist MMD in completing its inspections.

If we do not receive a response within 30 days, MMD will proceed with filing its dismissal motion before the Commission, and may consider enforcement action as appropriate.

Please feel free to call me at 505-476-3437, if you wish to discuss this matter or have questions.

Sincerely,



Holland Shepherd
Program Manager
Mining Act Reclamation program

June 15, 2007

Page 3

cc: Karen Garcia, Chief, Mine Reclamation Bureau
Roy Blickwedel, Remedial Project Manager, General Electric
Prior Reclamation Site Files Nos: MK026PR, MK027PR, and MK028PR
Bill Olson, GWQB/NMED



NEW MEXICO ENERGY, MINERALS
& NATURAL RESOURCES DEPARTMENT

OFFICE OF THE SECRETARY
2040 South Pacheco Street
Santa Fe, New Mexico 87505
(505) 827-5950

Jennifer A. Salisbury
CABINET SECRETARY

August 10, 1999

Mr. Stephen Lauer
Carpenter, Comeau, Maldegan, Brennan, Nixon, and Templeman
P.O. Box 669
Santa Fe, NM 87504-0669

Re: Prior reclamation for United Nuclear's John Bill and Anne Lee mines

Dear Mr. Lauer:

On behalf of United Nuclear, you have expressed United Nuclear's desire to complete satisfactory prior reclamation of the John Bill and Anne Lee mines. You have also expressed a concern that United Nuclear's willingness to do so will not prejudice its position in United Nuclear's appeal concerning the St. Anthony Mine, Northeast Church Rock Mine, and Section 27 Mine (United Nuclear Corp. v. Mining and Minerals Division and Energy, Minerals, and Natural Resources Department, SF Nos. 96-1961, 1962, and 1963) ["the appeal"].

We believe the John Bill and Anne Lee mines are owned by United Nuclear and are covered by the Mining Act, and we encourage United Nuclear to satisfactorily complete reclamation for the John Bill and Anne Lee sites. We will not argue in the appeal that United Nuclear's reclamation of the John Bill and Anne Lee mines proves United Nuclear is the owner/operator of the St. Anthony, Northeast Church Rock, and Section 27 mines.

Please let me know if you need additional information.

Sincerely,

Bruce Rogoff
Asst. General Counsel



NEW MEXICO ENERGY, MINERALS and NATURAL RESOURCES DEPARTMENT

Bill Richardson
Governor
Joanna Prukop
Cabinet Secretary

Bill Brancard
Director
Mining and Minerals Division

August 22, 2007

Larry Bush
United Nuclear Corporation
UNC Holdings 2
P.O. Box 3077
Gallup, NM 87305

**RE: Response to United Nuclear Corporation Letter Dated July 10, 2007, Concerning ,
Prior Reclamation Sites, Anne-Lee Mine, John-Bill Mine, and Sandstone Mine, MK027PR,
MK028PR, and MK029PR**

Dear Mr. Bush:

Thank you for your, July 10, 2007 letter, responding to the Mining and Minerals Division's (MMD) letter, dated June 15, 2007. Your letter addressed the prior reclamation status of the three mines identified above.

Your letter indicates that the Sandstone Mine was already released by MMD. You attached a letter dated May 25, 1999, indicating that MMD did identify the Sandstone Mine, as eligible for prior reclamation release. MMD agrees with this finding and appreciates your review of our files to locate this document.

We would like to follow-up on your invitation to inspect the John Bill and Anne-Lee mine sites to determine their condition and status. MMD will be contacting you directly to set up inspection dates for these two sites.

MMD will refrain from filing its dismissal motion, before the Mining Commission, pending the opportunity to inspect the two sites for compliance under the New Mexico Mining Act.

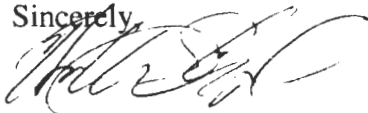
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August 22, 2007

Page 2

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Sincerely,



Holland Shepherd
Program Manager
Mining Act Reclamation program

Attachments

cc: Karen Garcia, Chief, Mine Reclamation Bureau
Roy Blickwedel, Remedial Project Manager, General Electric
Prior Reclamation Site Files Nos: MK026PR, MK027PR, and MK028PR
Bill Olson, GWQB/NMED



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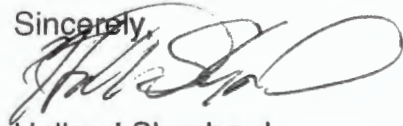
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OFFICE OF THE SECRETARY
2040 South Pacheco Street
Santa Fe, New Mexico 87505
(505) 827-5950

Jennifer A. Salisbury
CABINET SECRETARY

August 10, 1999

Mr. Stephen Lauer
Carpenter, Comeau, Maldegan, Brennan, Nixon, and Templeman
P.O. Box 669
Santa Fe, NM 87504-0669

Re: Prior reclamation for United Nuclear's John Bill and Anne Lee mines

Dear Mr. Lauer:

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Please let me know if you need additional information.

Sincerely,

A handwritten signature in cursive script, appearing to read "Bruce Rogoff".

Bruce Rogoff
Asst. General Counsel



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Please let me know if you need additional information.

Sincerely,

Bruce Rogoff
Asst. General Counsel

PHONE LOG

6/2/99

Called Larry Bush back after he left message for Fernando. He was somewhat confused about our letter because he had not received the sampling report with it. I told him I'd send the report out in today's mail and it would make more sense. He seemed willing to accept our decision, just wants to figure out what all needs to be done and wrap it up quickly.

Cover
Plants 32%
Litter 32%
Bareground 36%

42% ~~Bare~~ No Plants
22% Litter
64% Plants
6

Site Name UNC Ambrosia Lake Date 10/22/98

Location John Bill Grid 12 0°

#1

Transect Description 50' every 1'

Investigators _____

1	L	2	L	3	L	4	L	5	L
6	L	7	L	8	B	9	B	10	L
11	L	1	B	13	B	14	B	15	B
16	L	17	B	18	B	19	L	20	L
21	L	22	L	23	L	24	L	25	L
26	L	27	B	28	B	29	B	30	B
31	L	32	L	33	L	34	L	35	L
36	B	37	B	38	L	39	L	40	L
41	sds	42	L	43	L	44	L	45	B
46	B	47	L	48	B	49	L	50	L

Total Rock % _____
Total Bare Ground % 34
Total Grass % 2 Total Perennial % 2 Total Annual % _____
Total Forb % _____
Total Litter % 64

Litter is Russian Thistle w/little Kocia

Site Name UNC Ambrosia Lake Date 10/22/98

Location John Bill Grid 9 336° #2

Transect Description 50' every 1'

Investigators Holland Shepherd, Rob Pine, Ed Morales

1	B	2	B	3	B	4	wwg	5	wwg
6	B	7	B	8	L	9	B	10	L
11	sds	12	sds	13	cwg	14	B	15	B
16	B	17	B	18	B	19	B	20	B
21	B	22	B	23	B	24	L	25	L
26	B	27	B	28	B	29	B	30	B
31	B	32	B	33	L	34	cwg	35	B
36	B	37	B	38	L	39	L	40	L
41	L	42	L	43	L	44	L	45	B
46	B	47	B	48	B	49	wwg	50	B

Total Rock % _____

Total Bare Ground % 62

Total Grass % 14 Total Perennial % 14 Total Annual % _____

Total Forb % _____

Total Litter % 24

Litter is primarily this years Russian Thistle + Rockies

Site Name UNC Ambrosia Lake

Date 10/22/98

Location John Bill

Grid 15 285° #3

Transect Description 50' every 1'

Investigators _____

1	L	2	L	3	L	4	L	5	L
6	L	7	L	8	L	9	B	10	L
11	L	1	L	13	L	14	L	15	L
16	L	17	L	18	L	19	L	20	L
21	L	22	L	23	B	24	B	25	B
26	L	27	L	28	L	29	L	30	L
31	L	32	L	33	B	34	B	35	B
36	L	37	ww6	38	L	39	B	40	L
41	B	42	B	43	B	44	L	45	L
46	L	47	B	48	L	49	B	50	B

Total Rock % _____
Total Bare Ground % 28
Total Grass % 2 Total Perennial % 2 Total Annual % _____
Total Forb % _____
Total Litter % 70

Litter is Russian Thistle & Kochia

Site Name UNC Ambrosia Lake

Date 10/22/98

4

Location John Bill

Grid 7 152°

Transect Description 50' every 1'

Investigators Holland

1	B	2	B	3	B	4	wwg	5	B
6	B	7	L	8	L	9	L	10	L
11	L	12	sds	13	L	14	B	15	rock
16	B	17	L	18	L	19	L	20	sds
21	L	22	L	23	L	24	B	25	B
26	B	27	L	28	L	29	L	30	L
31	B	32	B	33	L	34	L	35	B
36	L	37	L	38	L	39	L	40	B
41	L	42	L	43	wwg	44	B	45	B
46	B	47	L	48	B	49	L	50	L

Total Rock % 2

Total Bare Ground % 36

Total Grass % 8 Total Perennial % _____ Total Annual % _____

Total Forb % _____

Total Litter % 54

Litter all Russian Thistle + Kochia (This years growth)

5 photos

Site Name UNC Ambrosia Lake

Date 10/22/98 #5

Location John Bill

Grid 3 232°

Transect Description 50' every 1'

Investigators Holland

1	L	2	L	3	L	4	L	5	L
6	L	7	L	8	L	9	L	10	L
11	L	12	B	13	B	14	L	15	L
16	L	17	L	18	L	19	L	20	L
21	L	22	L	23	B	24	B	25	L
26	L	27	L	28	L	29	L	30	B
31	B	32	L	33	L	34	L	35	L
36	L	37	L	38	L	39	L	40	L
41	L	42	B	43	L	44	L	45	L
46	L	47	L	48	L	49	B	50	L

Total Rock % _____

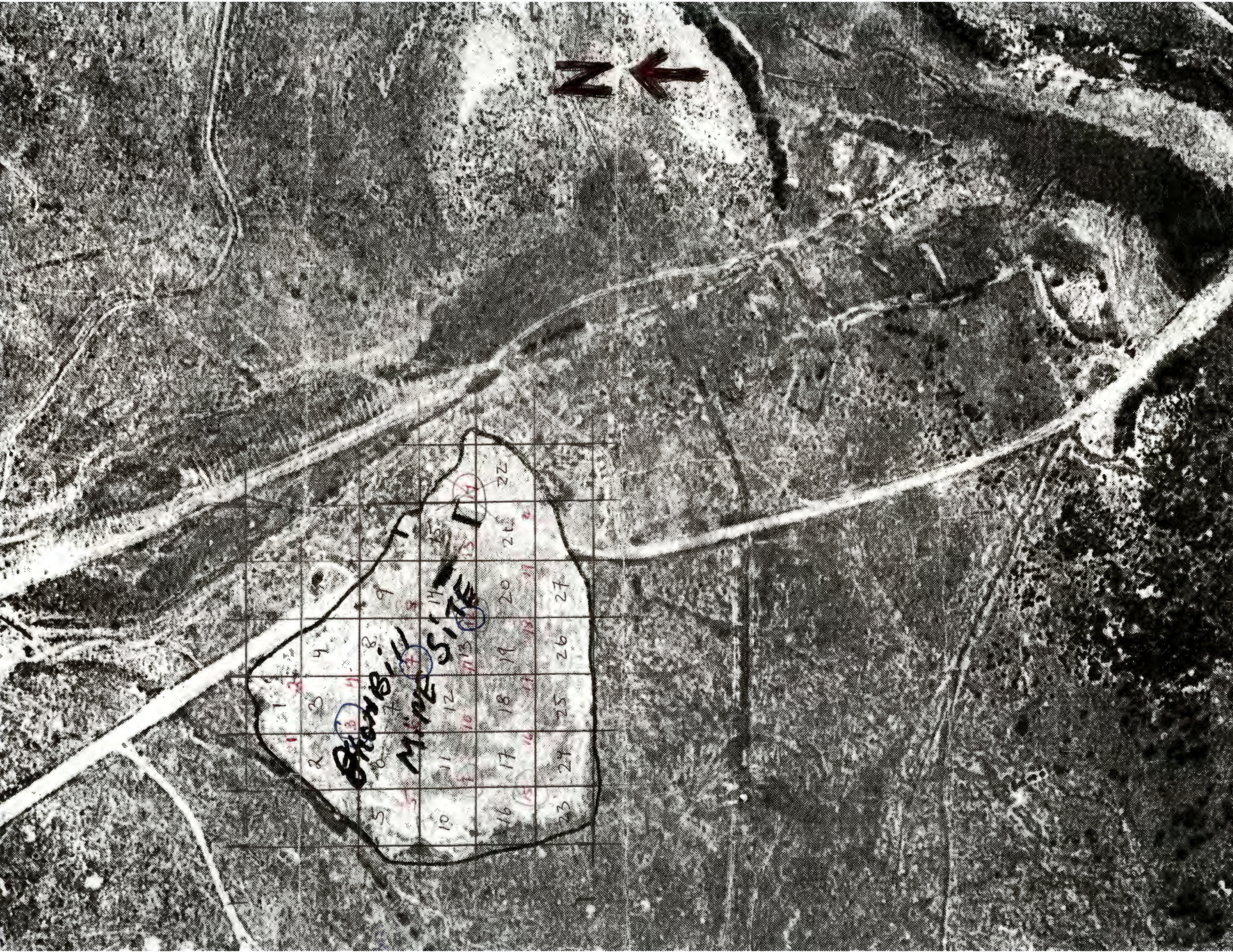
Total Bare Ground % 16

Total Grass % 0 Total Perennial % 0 Total Annual % _____

Total Forb % _____

Total Litter % 84

- Litter almost all RT + Kochia



<u>Grid</u>	<u>Dir</u>
15	285
9	336
3	232
7	152
14	12
12	0
19	328
11	216
1	179
13	259

JOHN BILL

Table 2.A

COVER TYPE	% COVER					AVG	STD DEV
	TRNS 1	TRNS 2	TRNS 3	TRNS 4	TRNS 5		
GRASS and FORBS	2	14	2	8	0	5.2	5.8
PERENNIAL	2	14	2	8	0	5.2	5.8
ANNUAL	0	0	0	0	0	0.0	0.0
LITTER	64	12	70	54	84	56.8	27.3
BARE GROUND	34	62	28	36	16	35.2	16.9

Figure 2.A

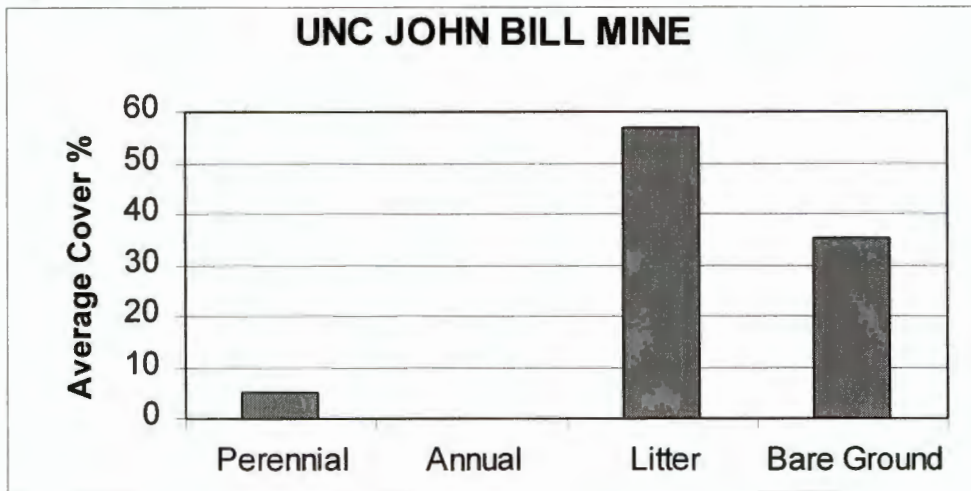
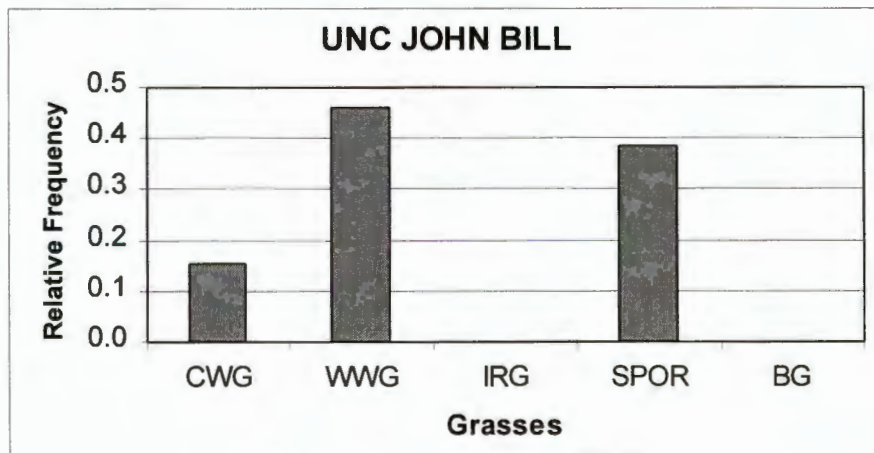


Figure 2.B



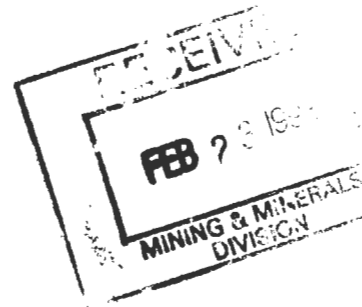
UNITED NUCLEAR CORPORATION

Jim



1720 Louisiana N.E.
Suite 400

Albuquerque, New Mexico 87110
Telephone 505/262-1800
Fax 505/262-1809



February 19, 1998

Dr. Kathleen Garland, Director
Mining and Minerals Division
Energy, Minerals, and Natural Resources
2040 South Pacheco Street
Santa Fe, New Mexico 87505

Re: *Application for a Variance from Prior Reclamation Inspection Date for Anne Lee, John Bill, and Sandstone Mines*

Dear Dr. Garland:

This letter is to inform you that United Nuclear Corporation has completed the public notice requirements for its requested variance from the September 30, 1995 date for a determination by the Director regarding prior reclamation activities for the three mines for which the variance was submitted on June 3, 1997. United Nuclear provided public notice pursuant to 19 NMAC 10.2 § 903 and submits the following documentation as verification of such;

1. Section 902 of the regulations describes the contents of the public notice.

A copy of the notice is attached. Also attached is a copy of the proposed notice which we submitted to MMD for its review. That copy contains MMD's hand-written proposed changes which were incorporated into the published notice.

2. Section 903 of the regulations sets forth the publication requirements. More specifically, subsection 903.A requires that the Director be provided proof that the owners of record within one-half mile of the mines, as shown in the most recent property tax schedule, were provided the notice by certified mail.

Attached is a copy of a map which shows the surface ownership around sections 28 and 34, T14N, R9W, the sections upon which the mines are located. The McKinley County Clerk's Office provided the information regarding surface ownership according to the most recent tax roles. From this map it was determined that the following persons or entities were to be contacted to fulfill this requirement;

- a. Quivira Mining Company
- b. The State of New Mexico
- c. Ms. Isabel Marquez

Attached are copies of letters and certified mail receipts received as a result of those mailings.

Dr. Kathleen Garland
February 19, 1998
Page 2

The County Clerk's Office further indicated that they have no record of ownership and therefore, no address for the property contained in Section 21, T14N, R9W, identified on the map as "Ambrosia Tract".

3. Section 903.B. of the regulations requires that the Director be provided proof that notice has been provided by certified mail to all municipalities and counties and tribal organizations within a 10 mile radius of the properties . . . on or before the newspaper publication date required by Section 903.C.

Attached are copies of letters sent to the McKinley and Cibola County Managers' offices together with copies of the certified mail receipts which fulfill this requirement. Note that these letters were sent on November 17, 1997. Note further, that the notice was published on December 1, 1997.

4. Section 903.C of the regulations requires that the Director be provided proof that the notice was published in accordance with the requirements as stated in this subsection.

Attached is a copy of the notice as it appeared in the December 1, 1997 Gallup Independent together with an affidavit of publication.

5. Section 903.D of the regulations requires that the Director be provided proof that the notice was posted in at least four publicly accessible and conspicuous places on or before the newspaper publication date.

Attached is a memorandum which identifies the locations at which the notice was posted. Note that the notice was not posted at the entrance to the mines because the entrances are neither conspicuous or publicly accessible.

6. Section 903.E of the regulations require that the Director be provided proof that the notice was mailed to the mineral lessor on or before the newspaper publication date.

Attached is a copy of a letter sent to Hecla Mining Company, the mineral lessor.

7. Section 903.F requires that the Director be provided proof that notice was mailed to all persons who have made a written request to the Director.

Attached are copies of letters sent to the list of persons requesting notification. The list was provided to United Nuclear by the MMD.

8. Section 903.G requires that the Director be provided proof the notification was mailed to the Environment Department, the State Engineer, the Department of Game and Fish, the Forestry

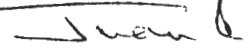
Dr. Kathleen Garland
February 19, 1998
Page 3

Division, and the State Historic Preservation Division.

Attached are copies of the letters sent to the respective agencies.

We trust that submittal of this information will allow you to approve our variance request. If you have any questions or require additional information, please feel free to contact us.

Sincerely,



Juan R. Velasquez

cc: Ed Morales

UNITED NUCLEAR CORPORATION



1720 Louisiana Blvd., NE
Suite 400
Albuquerque, NM 87110

FAX Transmittal Form

Facsimile Number: (505) 262-1809
Verification Number: (505) 262-1800

Date: August 27, 1997

To: Robert Young

Organization/Location: Mining & Minerals Division

Facsimile Number: (505) 827-7195

Verification Number: (505) 827-5970

From: Juan R Velasquez

Organization/Location: United Nuclear Corp.

Comments:

I am faxing this to you per our telephone conversations in which you request reviewing our proposed notice prior to publication. Please provide any comments or suggestions.

Juan R Velasquez

No. of Pages Including This Page: 2 Time Sent (Mountain): _____
Sent By: _____ Verified By: _____ Time: _____

PUBLIC NOTICE

United Nuclear Corporation (United Nuclear) has submitted an **APPLICATION FOR A VARIANCE** for its Anne Lee, John Bill, and Sandstone mines located at Ambrosia Lake, McKinley County, in accordance with the provisions of Subpart 10 of the New Mexico Mining Act Rules (NMAC 10.2 Subpart 10).

The Anne Lee mine is located on Sections 27 and 28, Township 14 North, Range 9 West, New Mexico Principle Meridian. Only approximately 1/10 acre on Section 28 was disturbed during mining operations. Additional portions of Sections 27 and 28 were disturbed by activities conducted by the U.S. Department of Energy unrelated to the Anne Lee Mine.

The John Bill and Sandstone mines are located on Section 34, Township 14 North, Range 9 West, New Mexico Principle Meridian. Approximately 4 acres in Section 34 was disturbed due to these two mines. United Nuclear applied for a release from further requirements under the New Mexico mining Act due to prior reclamation work, including revegetation, performed by United Nuclear. The purpose of this variance is to provide up to two additional growing seasons before the determination is made by the Mining and Minerals Division (MMD) that ~~the site meets the~~ *United Nuclear* ~~criteria for release from additional revegetation requirements.~~

reclamation measures satisfy the requirements of the New Mexico Mining Act.
The applicant's address is:

United Nuclear Corporation
1700 Louisiana Blvd. N.E.
Suite 400
Albuquerque, New Mexico 87110

Interested persons wishing to submit written comments or a request for a public hearing on this matter may do so by writing to:

Director, Mining and Minerals Division
Energy, Minerals, and Natural Resources Department
State of New Mexico
2042 South Pacheco Street
Santa Fe, New Mexico 87505

The deadline for submittals is (date).

Copies of the Application for a Variance are available for public inspection at the Public Library and Cibola County Clerk's Office in Grants, New Mexico and at the Public Library and McKinley County Clerk's Office in Gallup, New Mexico.

PUBLIC NOTICE

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The Anne Lee mine is located on Sections 27 and 28, Township 14 North, Range 9 West, New Mexico Principle Meridian. Only approximately 1/10 acre on Section 28 was disturbed during mining operations. Additional portions of Sections 27 and 28 were disturbed by activities conducted by the U.S. Department of Energy unrelated to the Anne Lee Mine.

The John Bill and Sandstone mines are located on Section 34, Township 14 North, Range 9 West, New Mexico Principle Meridian. Approximately 4 acres in Section 34 was disturbed due to these two mines. United Nuclear applied for a release from further requirements under the New Mexico mining Act due to prior reclamation work, including revegetation, performed by United Nuclear. The purpose of this variance is to provide up to two additional growing seasons before the determination is made by the Mining and Minerals Division (MMD) that United Nuclear's reclamation measures satisfy the requirements of the New Mexico Mining Act.

The applicant's address is:

United Nuclear Corporation
1700 Louisiana Blvd. N.E.
Suite 400
Albuquerque, New Mexico 87110

Interested persons wishing to submit written comments or a request for a public hearing on this matter may do so by writing to:

Director, Mining and Minerals Division
Energy, Minerals, and Natural Resources Department
State of New Mexico
2042 South Pacheco Street
Santa Fe, New Mexico 87505

The deadline for submittals is thirty (30) days from the date of this notice

Copies of the Application for a Variance are available for public inspection at the Public Library and Cibola County Clerk's Office in Grants, New Mexico and at the Public Library and McKinley County Clerk's Office in Gallup, New Mexico, and the Energy, Minerals, and Natural Resources Dept., Santa Fe, New Mexico.

AVISO PUBLICO

United Nuclear Corporation (United Nuclear) ha sometido una SOLICITUD PARA UNA VARICIÓN para sus Minas Anne Lee, John Bill, y Sandstone, localicadas en Ambrosia Lake, de acuerdo con las provisiones de Subparte 10 de las Reglas del Acto de Minería del estado de Nuevo México (NMAC 10.2 Subparte 10).

The mina Anne Lee está localicada en secciones 27 y 28, unidad primaria de gobierno local T14N, R9W, Meridiano Principal de Nuevo México. No más que 1/10 acre en sección 28 se fue disturbado durante la operación de la mina. Más terreno se fue disturbado por causa de actividades del Departamento de Energía de Los Estados Unidos que no fueron relatado ha la mina.

Las minas John Bill y Sandstone están localicadas en Seccion 34, unidad primaria de gobierno local, T14N, R9W, Meridiano Principal de Nuevo México. Aproximadamente cuatro (4) acres en sección 4 se fue disturbado causa de estas minas. United Nuclear aplico de aliviarse de las reglas del Acto de Minería por la rehibilitacion que se habido completido antes del pasaje de the reglas. El propósito de esta varición es para proveer de de que se pasen dos más estaciones de crecimiento antes de la determinación, a ser hecho por la División de Minería y Minerales (MMD), que las medidas de rehibilitación de United Nuclear estan de acuerdo con las reglas del Acto de Minería.

La dirección del suplicante es:

United Nuclear Corporation
1720 Louisiana Blvd N.E.
Suite 400
Albuquerque, New Mexico 87110

Personas interesadas que desean someter algún comentario escrito, o una súplica para una audiencia pública sobre esta materia, deben dirigir su solicitud escrito a:

Director, Mining and Minerals Division
Energy, Minerals, and Natural Resources Department
2040 South Pacheco Street
Santa Fe, New Mexico 87505

La fecha final para someter propuestos o comentario es treinta (30) días de la fecha de este Aviso. Copias de la solicitud para una Variación están disponibles para inspección pública en al Biblioteca Pública y en la oficina del Secretario del Condado de Cibola, en Grants, Nuevo México, en la Biblioteca Pública, y en la oficina del Secretario del Condado de McKinley, en Gallup, Nuevo México, y en la oficina Departamento de Energía, Minerales, y Resources Naturales en Santa Fe, Nuevo México.



MINING & MINERALS

PUBLIC NOTICE

United Nuclear Corporation (United Nuclear) has submitted an **APPLICATION FOR A VARIANCE** for its Anne Lee, John Bill, and Sandstone mines located at Ambrosia Lake, McKinley County, in accordance with the provisions of Subpart 10 of the New Mexico Mining Act Rules (NMAC 10.2 Subpart 10).

The Anne Lee mine is located on Sections 27 and 28, Township 14 North, Range 9 West, New Mexico Principle Meridian. Only approximately 1/10 acre on Section 28 was disturbed during mining operations. Additional portions of Sections 27 and 28 were disturbed by activities conducted by the U.S. Department of Energy unrelated to the Anne Lee Mine.

The John Bill and Sandstone mines are located on Section 34, Township 14 North, Range 9 West, New Mexico Principle Meridian. Approximately 4 acres in Section 34 was disturbed due to these two mines. United Nuclear applied for a release from further requirements under the New Mexico mining Act due to prior reclamation work, including revegetation, performed by United Nuclear. The purpose of this variance is to provide up to two additional growing seasons before the determination is made by the Mining and Minerals Division (MMD) that ~~the variance~~

~~is sufficient to meet additional revegetation requirements.~~ *United Nuclear's reclamation measures satisfy the requirements of the New Mexico Mining Act.*
The applicant's address is:

United Nuclear Corporation
1700 Louisiana Blvd. N.E.
Suite 400
Albuquerque, New Mexico 87110

Interested persons wishing to submit written comments or a request for a public hearing on this matter may do so by writing to:

Director, Mining and Minerals Division
Energy, Minerals, and Natural Resources Department
State of New Mexico
2042 South Pacheco Street
Santa Fe, New Mexico 87505

The deadline for submittals is ~~(two)~~ *30 days from the date of this notice.*

Copies of the Application for a Variance are available for public inspection at the Public Library and Cibola County Clerk's Office in Grants, New Mexico and at the Public Library and McKinley County Clerk's Office in Gallup, New Mexico, and *the Energy, Minerals, and Natural Resources Dept., Santa Fe, New Mexico.*

Affidavit of Publication

STATE OF NEW MEXICO) SS
COUNTY OF MCKINLEY

RANGEL, LYDIA being duly sworn upon oath, deposes and says:

As LEGAL CLERK of The Independent, a newspaper published in and having a general circulation in McKinley County, New Mexico and in the City of Gallup, New Mexico and having a general circulation in Cibola County, New Mexico and in the City of Grants, New Mexico and having a general circulation in Apache County, Arizona and in the City of St. Johns and in the City of Window Rock, Arizona therein: that this affiant makes this affidavit based upon personal knowledge of the facts herein sworn to. That the publication, a copy of which is hereto attached was published in said newspaper during the period and time of publication and said notice was published in the newspaper proper, and not in a supplement thereof,

for one time, the first publication being on the 1st day of December, 1997 the second publication being on the _____ day of _____, 19____ the third publication on the _____ day of _____, 19_____.

and the last publication being on the _____ day of _____, 19_____.

That such newspaper, in which such notice or advertisement was published, is now and has been at all times material hereto, duly qualified for such purpose, and to publish legal notices and advertisements within the meaning of Chapter 12, of the statutes of the State of New Mexico, 1941 compilation.

Lydia Rangel
Affiant.

Sworn and subscribed to before me this 9th day of December, A.D., 1997.

Diene Cruz
Notary Public

My commission expires
June 22, 2001

LEGAL NOTICE Gallup McKinley County New Mexico

PUBLIC NOTICE

United Nuclear Corporation (United Nuclear) has submitted an APPLICATION FOR A VARIANCE for its Anne Lee, John Bill, and Sandstone mines located at Ambrosia Lake, McKinley County, in accordance with the provisions of Subpart 10 of the New Mexico Mining Act Rules (NMAC 10.2 Subpart 10).

The Anne Lee mine is located on Sections 27 and 28, Township 14 North, Range 9 West, New Mexico Principle Meridian. Only approximately 1/10 acre on Section 28 was disturbed by activities conducted by the U.S. Department of Energy unrelated to the Anne Lee Mine.

The John Bill and Sandstone mines are located on Section 34, Township 14 North, Range 9 West, New Mexico principle Meridian. Approximately 4 acres in Section 34 was disturbed due to these two mines.

United Nuclear applied for a release from further requirements under the New Mexico mining Act due to prior reclamation work, including revegetation, performed by United Nuclear. The purpose of this variance is to provide up to two additional growing seasons before the determination is made by the Mining and Minerals

Division (MMD) that United Nuclear's reclamation measures satisfy the requirements of the New Mexico Mining Act.

The applicant's address is:
United Nuclear Corporation
1700 Louisiana Blvd., N.E.
Suite 400

Albuquerque, New Mexico 87110
Interested persons wishing to submit written comments of a request for a public hearing on this matter may do so by writing to:

Director Mining and Minerals Division
Energy, Minerals and Natural Resources
Department

State of New Mexico
2042 South Pacheco Street
Santa Fe, New Mexico 87505

The deadline for submission is thirty (30) days from the date of this notice.

Copies of the Application for a Variance are available for public inspection at the Public Library and Cibola County Clerk's Office in Grants, New Mexico and at the Public Library and McKinley County Clerk's Office in Gallup, New Mexico, and the Energy, Minerals and Natural Resources Dept., Santa Fe, New Mexico.

AVISÓ PÚBLICO

United Nuclear Corporation (United Nuclear) ha sometido una SOLICITUD PARA UNA VARIACION para sus Minas Anne Lee, John Bill, y Sandstone, localizadas en Ambrosia Lake, de acuerdo con las provisiones de Subparte 10 de las Reglas de Acto de Minería del estado de Nuevo México (NMAC 10.2 Subparte 10).

La mina Anne Lee está localizada en secciones 27 y 28, unidad primaria de gobierno local T14N, R9W, Meridiano Principal de Nuevo México. No más que 1/10 acre en sección 28 se fue disturbado durante la operación de la mina. Más terreno se fue disturbado por causa de actividades del Departamento de Energía de Los Estados Unidos que no fueron relatado ha la mina.

Las minas John Bill y Sandstone están localizadas en Sección 34, unidad primaria de gobierno local, T14N, R9W, Meridiano Principal de Nuevo México. Aproximadamente cuatro (4) acres en sección 4 se fue disturbado causa de estas minas. United Nuclear aplico de alivarse de las reglas de Acto de Minería por la rehabilitación que se había completado antes de pasaje de las reglas. El propósito de esta variación es para proveer de que pasen dos más estaciones de crecimiento antes de la determinación, a ser hecho por la División de Minería y minerales (MMD), que las medidas de rehabilitación de United Nuclear estan de acuerdo con las reglas de Acto de Minería.

La dirección de solicitante es:
United Nuclear Corporation
1720 Louisiana Blvd., N.E.
Suite 400

Albuquerque, New Mexico 87110

Personas interesadas que desean someter algún comentario escrito, o una súplica para una audiencia pública sobre esta materia, deben dirigir su solicitud escrito a:

Director Mining and Minerals Division
Energy, Minerals and Natural Resources
Department

2040 South Pacheco Street
Santa Fe, New Mexico 87505

La fecha final para someter propuestos o comentario es treinta (30) días de la fecha de este Aviso. Copias de la solicitud para una Variación están disponibles para inspección pública en la Biblioteca Pública y en la oficina de Secretario del Condado de Cibola, en Grants, Nuevo México, en la Biblioteca Pública, y en la oficina de Secretario de Condado de McKinley, en Gallup, Nuevo México, y en la oficina Departamento de Energía, Minerales y Recursos Naturales en Santa Fe, Nuevo México.

Legal #14632 Published in The Independent December 1, 1997.

AL-ZUNI

HIRING INLAYERS

TOP PAY

OR INFORMATION

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979-0600

O LOAN:
Ammonds, Saddles, Rifles
before you pawn.

**SON
OWN**
Gallup, NM
(Safe Vault)

ELLIS TANNER TRADING CO.

Where you can always
pawn for cash

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between I-40 & the Zuni Rd.
505-863-4434

TRADING CO.
PAWN

Gallup on Hwy. 602
W (505) 778-5531

LOANS
\$100-\$500
Licensed by the State of NM
GENTRY FINANCE
201 W. Coal • 722-3400

NOTICE

that United Nuclear's
ures satisfy the require-
Mexico Mining Act.
dress is:
orporation
d., N.E.

v. Mexico 87110
wishing to submit writ-
a request for a public
itter may do so by writ-

id Minerals Division
and Natural Resources

co
3 Street
ico 87505
ubmittals is thirty (30)
of this notice.
lication for a Variance
ublic inspection at the
Cibola County Clerk's
ew Mexico and at the
nd McKinley County
illup, New Mexico, and
rals and Natural Re-
a Fe, New Mexico.

02. Services

SAVE TIME AND MONEY
Pay for 10 months of subscription, get
12 months of the Independent \$85.00
Visa/MC-Cash-Check. The Independent
500 N. 9th Gallup 87301. Coupon must
be sent in with payment
HOME DELIVERIES ONLY

Airless Spray Equipment
and water blasters for rent
Sunburst Color Center
1700 S. 2nd 722-9177

Concrete Septic Tanks, under ground
concrete well houses, infiltrator
material, complete systems available
DAVID BACA JR. PRECAST CO.
505-722-4928 or 505-240-0153

Housecleaning, office cleaning,
ironing, run errands, ETC..
Call 505-488-6207

03. Lost and Found

LOST. Red Australian Shepherd with
white markings, docked tail. Lost in col-
lege area Mon. 24th. Needs life preserv-
ing heart medicine. Reward offered.
505-863-1912, 505-863-4155,
505-863-6147

04. Help Wanted

Carpet Cleaner Helper
Carpet laying experience
helpful. Call 505-722-7373

Case Manager, BA in Psychology or re-
lated field; 2 years experience with SDMI
preferred. Send resume, 3 references to
Valencio Counseling Services, Inc.
Box 67, Grants, NM 87020
Attn: Darlene Hayes

PUBLIC NOTICE

United Nuclear Corporation (United Nuclear) has submitted an APPLICATION FOR A VARIANCE for its Anne Lee, John Bill, Sandstone mines located at Ambrosia Lake, McKinley County, in accordance with the provisions of Subpart 10 of the New Mexico Mining Act Rules (NMAC 10.2 Subpart 10).

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United Nuclear Corporation
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Albuquerque, New Mexico 87110

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Energy, Minerals and Natural Resources Department
State of New Mexico
2042 South Pacheco Street
Santa Fe, New Mexico 87505

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AVISO PUBLICO

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Las minas Anne Lee está localizada en secciones 27 y 28 unidad primaria de gobierno local T14N, R9W, Meridiano Principal de Nuevo México. No más que 1/10 acre en sección 28 se fue disturbado durante la operación de la mina. Más terreno se fue disturbado por causa de actividades del Departamento de Energía de Los Estados Unidos que no fueron relacionado ha la mina.

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1700 Louisiana Blvd. N.E.
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Albuquerque, New Mexico 87110

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04. Help Wanted

NO EXPERIENCE NECESSARY!
\$500 to \$900 Weekly/Potential Processing Mortgage Refunds. Own Hours. Call 1-800-449-1037 Ext. 688

Professional, dedicated R.N.s needed.
Come join our New Team.
Red Rock Care Center
3720 Churchrock Road.
Apply in front office

TEXAS oil company urgently needs dependable person now in GALLUP area. Regardless of training, write L.C. Hopkins, Dept. S-87305, Box 711, Ft. Worth, TX 76101-0711.

Do you need extra \$ MONEY for the Holidays? You can earn up to \$153 monthly by becoming a regular plasma donor. Help others who are in need of life saving medical products. We have computerized, high-tech automated machines that provide a safer and faster procedure during your plasma donation. REGULAR DONOR HOIIRS

31. House for Sale



Action Realty Of Gallup
204 East Aztec
863-4417

INVESTORS OR FIRST TIME BUYERS
Home refurnished, downtown location,
Carpport, 1 1/2 bath, priced to sell in the
mid 40's. Don't miss it! Call Kathy
Schmitt 863-4417, after 7PM at
722-7349

Pacesetters Realty
107 W. AZTEC 722-7211

UNITED NUCLEAR CORPORATION



P.O. Box 3077
Gallup, New Mexico 87305-3077

Telephone: (505) 722-6651
Fax: (505) 722-6654

TO: Juan Velasquez

November 20, 1997

FROM: Edward M. Morales

A handwritten signature in cursive script, appearing to read 'E. Morales'.

SUBJECT: Posting Notice For Variance on Mine Properties

Places Posted

Date Posted

Gallup Public Library
(Lobby Bulletin Board)

11/19/97

Gallup McKinley County Clerk's Office
(Notice Bulletin Board)

11/19/97

Grants Public Library Front Window

11/20/97

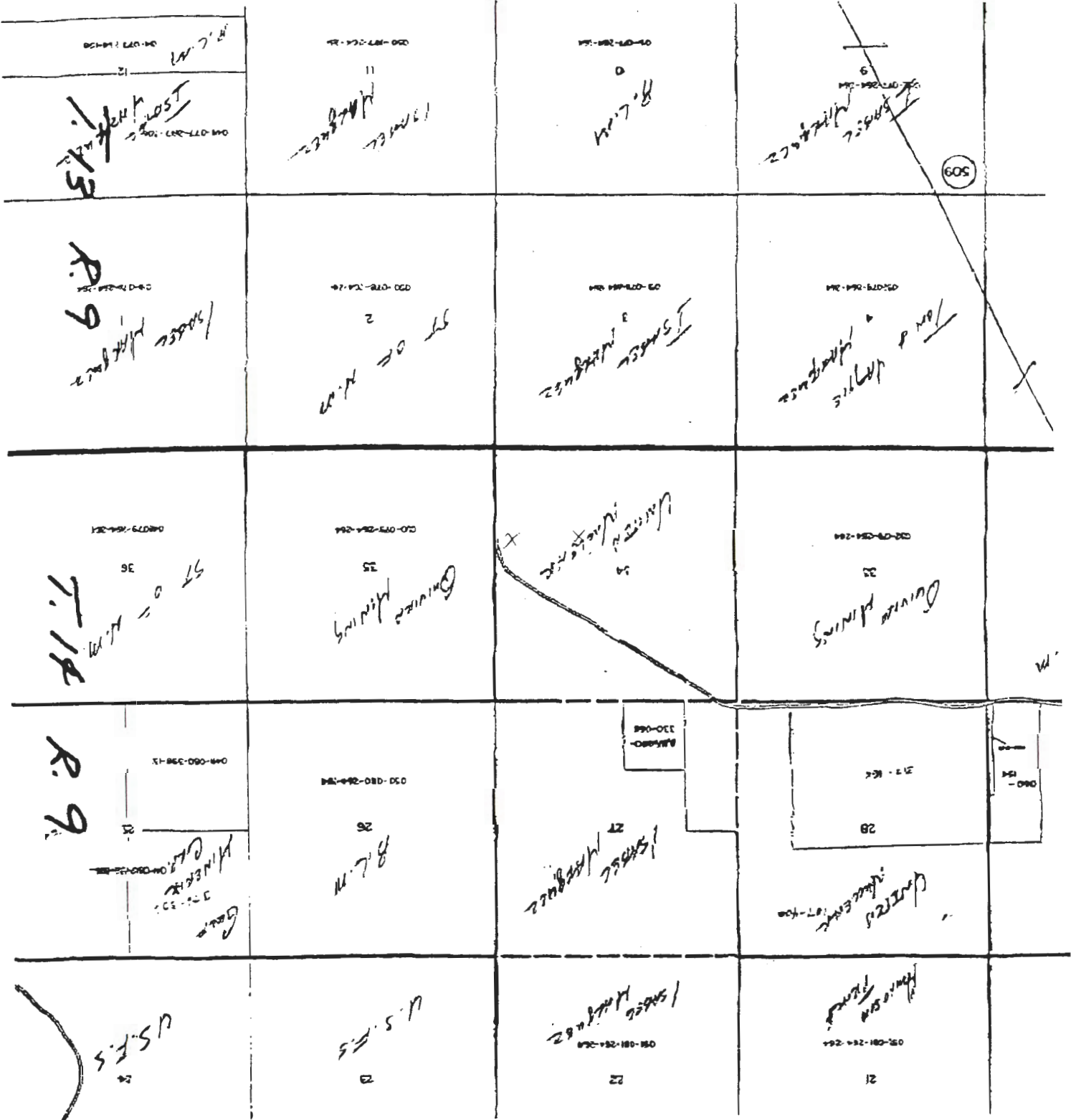
Grants Cibola County Clerks Office
(Notice Hallway Bulletin Board)

11/20/97

Milan Post Office (Lobby Bulletin Board)

11/20/97

Each place received a copy of the application for variance except the Milan post office.



UNITED NUCLEAR CORPORATION



1720 Louisiana N.E.
Suite 400

Albuquerque, New Mexico 87110
Telephone 505/262-1800
Fax 505/262-1809

November 17, 1997

**CERTIFIED MAIL
RETURN RECEIPT REQUESTED**

Quivira Mining Company
P.O. Box 218
Grants, New Mexico 87020

Re: Application For a Variance

Dear Sir or Madam:

United Nuclear Corporation is providing you with public notice that it has submitted a request for a variance for its Anne Lee, John Bill, and Sandstone mines located in Ambrosia Lake, McKinley County in accordance with the New Mexico Mining Act requirements. The purpose of this variance request is to provide up to two additional growing seasons before the determination is made by the Mining and Minerals Division (MMD) that United Nuclear's reclamation measures satisfy the requirements of the Act. The enclosed Public Notice will be published in the *Gallup Independent* in December, 1997.

Sincerely,

A handwritten signature in black ink, appearing to read "Juan R. Velasquez", written over a horizontal line.

Juan R. Velasquez

Enclosure: As stated

UNITED NUCLEAR CORPORATION



1720 Louisiana N.E.
Suite 400

Albuquerque, New Mexico 87110
Telephone 505/262-1800
Fax 505/262-1809

November 17, 1997

**CERTIFIED MAIL
RETURN RECEIPT REQUESTED**

State of New Mexico Property Control Division
General Services Department
P.O. Box 1149
Santa Fe, New Mexico 87503

Re: Application For a Variance

Dear Sir or Madam:

United Nuclear Corporation is providing you with public notice that it has submitted a request for a variance for its Anne Lee, John Bill, and Sandstone mines located in Ambrosia Lake, McKinley County in accordance with the New Mexico Mining Act requirements. The purpose of this variance request is to provide up to two additional growing seasons before the determination is made by the Mining and Minerals Division (MMD) that United Nuclear's reclamation measures satisfy the requirements of the Act. The enclosed Public Notice will be published in the *Gallup Independent* in December, 1997.

Sincerely,

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Juan R. Velasquez

Enclosure: As stated

UNITED NUCLEAR CORPORATION



1720 Louisiana N.E.
Suite 400

Albuquerque, New Mexico 87110
Telephone 505/262-1800
Fax 505/262-1809

November 17, 1997

**CERTIFIED MAIL
RETURN RECEIPT REQUESTED**

Isabel Marquez
P.O. Box 3526
Milan, New Mexico 87021

Re: Application For a Variance

Dear Mrs. Marquez:

United Nuclear Corporation is providing you with public notice that it has submitted a request for a variance for its Anne Lee, John Bill, and Sandstone mines located in Ambrosia Lake, McKinley County in accordance with the New Mexico Mining Act requirements. The purpose of this variance request is to provide up to two additional growing seasons before the determination is made by the Mining and Minerals Division (MMD) that United Nuclear's reclamation measures satisfy the requirements of the Act. The enclosed Public Notice will be published in the *Gallup Independent* in December, 1997.

Sincerely,

A handwritten signature in black ink, appearing to read "Juan R. Velasquez", with a stylized flourish extending to the right.

Juan R. Velasquez

Enclosure: As stated

UNITED NUCLEAR CORPORATION



1720 Louisiana N.E.
Suite 400

Albuquerque, New Mexico 87110
Telephone 505/262-1800
Fax 505/262-1809

November 17, 1997

**CERTIFIED MAIL
RETURN RECEIPT REQUESTED**

McKinley County Manager
P.O. Box 70
Gallup, New Mexico 87305

Re: Application For a Variance

Dear Sir or Madam:

United Nuclear Corporation is providing you with public notice that it has submitted a request for a variance for its Anne Lee, John Bill, and Sandstone mines located in Ambrosia Lake, McKinley County in accordance with the New Mexico Mining Act requirements. The purpose of this variance request is to provide up to two additional growing seasons before the determination is made by the Mining and Minerals Division (MMD) that United Nuclear's reclamation measures satisfy the requirements of the Act. The enclosed Public Notice will be published in the *Gallup Independent* in December, 1997.

Sincerely,

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Juan R. Velasquez

Enclosure: As stated

UNITED NUCLEAR CORPORATION



1720 Louisiana N.E.
Suite 400

Albuquerque, New Mexico 87110
Telephone 505/262-1800
Fax 505/262-1809

November 17, 1997

**CERTIFIED MAIL
RETURN RECEIPT REQUESTED**

Cibola County Manager
515 West High Street
Grants, New Mexico 87020

Re: Application For a Variance

Dear Sir or Madam:

United Nuclear Corporation is providing you with public notice that it has submitted a request for a variance for its Anne Lee, John Bill, and Sandstone mines located in Ambrosia Lake, McKinley County in accordance with the New Mexico Mining Act requirements. The purpose of this variance request is to provide up to two additional growing seasons before the determination is made by the Mining and Minerals Division (MMD) that United Nuclear's reclamation measures satisfy the requirements of the Act. The enclosed Public Notice will be published in the *Gallup Independent* in December, 1997.

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Juan R. Velasquez

Enclosure: As stated

UNITED NUCLEAR CORPORATION



1720 Louisiana N.E.
Suite 400

Albuquerque, New Mexico 87110
Telephone 505/262-1800
Fax 505/262-1809

November 17, 1997

**CERTIFIED MAIL
RETURN RECEIPT REQUESTED**

Hecla Mining Company
6500 Mineral Drive, Box C-8000
Coeur d'Arlene, ID 83814-1931

Re: Application For a Variance

Dear Sir or Madam:

United Nuclear Corporation is providing you with public notice that it has submitted a request for a variance for its Anne Lee, John Bill, and Sandstone mines located in Ambrosia Lake, McKinley County in accordance with the New Mexico Mining Act requirements. The purpose of this variance request is to provide up to two additional growing seasons before the determination is made by the Mining and Minerals Division (MMD) that United Nuclear's reclamation measures satisfy the requirements of the Act. The enclosed Public Notice will be published in the *Gallup Independent* in December, 1997.

Sincerely,

A handwritten signature in black ink, appearing to read "Juan R. Velasquez", written over a horizontal line.

Juan R. Velasquez

Enclosure: As Stated

UNITED NUCLEAR CORPORATION



1720 Louisiana N.E.
Suite 400

Albuquerque, New Mexico 87110
Telephone 505/262-1800
Fax 505/262-1809

November 17, 1997

**CERTIFIED MAIL
RETURN RECEIPT REQUESTED**

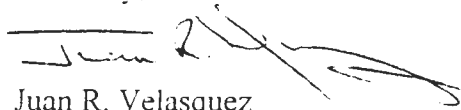
Dr. Glenna Dean, Staff Archeologist
Office of Cultural Affairs
228 E. Palace Ave.
Santa Fe, New Mexico 87503

Re: Application For a Variance

Dear Dr. Dean:

United Nuclear Corporation is providing you with public notice that it has submitted a request for a variance for its Anne Lee, John Bill, and Sandstone mines located in Ambrosia Lake, McKinley County in accordance with the New Mexico Mining Act requirements. The purpose of this variance request is to provide up to two additional growing seasons before the determination is made by the Mining and Minerals Division (MMD) that United Nuclear's reclamation measures satisfy the requirements of the Act. The enclosed Public Notice will be published in the *Gallup Independent* in December, 1997.

Sincerely,


Juan R. Velasquez

Enclosure: As Stated

UNITED NUCLEAR CORPORATION



1720 Louisiana N.E.
Suite 400

Albuquerque, New Mexico 87110
Telephone 505/262-1800
Fax 505/262-1809

November 17, 1997

**CERTIFIED MAIL
RETURN RECEIPT REQUESTED**

Ms. Sally Smith
300 W. Yankee
Silver City, New Mexico 88061

Re: Application For a Variance

Dear Ms. Smith:

United Nuclear Corporation is providing you with public notice that it has submitted a request for a variance for its Anne Lee, John Bill, and Sandstone mines located in Ambrosia Lake, McKinley County in accordance with the New Mexico Mining Act requirements. The purpose of this variance request is to provide up to two additional growing seasons before the determination is made by the Mining and Minerals Division (MMD) that United Nuclear's reclamation measures satisfy the requirements of the Act. The enclosed Public Notice will be published in the *Gallup Independent* in December, 1997.

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Suite 400

Albuquerque, New Mexico 87110
Telephone 505/262-1800
Fax 505/262-1809

November 17, 1997

**CERTIFIED MAIL
RETURN RECEIPT REQUESTED**

Sierra Club
Rio Grande Chapter
945 Camino Carlos Rey
Sant Fe, New Mexico 87501

Re: Application For a Variance

Dear Sir or Madam:

United Nuclear Corporation is providing you with public notice that it has submitted a request for a variance for its Anne Lee, John Bill, and Sandstone mines located in Ambrosia Lake, McKinley County in accordance with the New Mexico Mining Act requirements. The purpose of this variance request is to provide up to two additional growing seasons before the determination is made by the Mining and Minerals Division (MMD) that United Nuclear's reclamation measures satisfy the requirements of the Act. The enclosed Public Notice will be published in the *Gallup Independent* in December, 1997.

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Suite 400

Albuquerque, New Mexico 87110
Telephone 505/262-1800
Fax 505/262-1809

November 17, 1997

**CERTIFIED MAIL
RETURN RECEIPT REQUESTED**

Mr. Paul Robinson, Research Director
Southwest Research & Information Center
Albuquerque, New Mexico 87106

Re: Application For a Variance

Dear Mr. Robinson:

United Nuclear Corporation is providing you with public notice that it has submitted a request for a variance for its Anne Lee, John Bill, and Sandstone mines located in Ambrosia Lake, McKinley County in accordance with the New Mexico Mining Act requirements. The purpose of this variance request is to provide up to two additional growing seasons before the determination is made by the Mining and Minerals Division (MMD) that United Nuclear's reclamation measures satisfy the requirements of the Act. The enclosed Public Notice will be published in the *Gallup Independent* in December, 1997.

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Telephone 505/262-1800
Fax 505/262-1809

November 17, 1997

**CERTIFIED MAIL
RETURN RECEIPT REQUESTED**

Mr. Doug Wolf
N.M. Law Center
103 La Cienega Street
Santa Fe, New Mexico 87501

Re: Application For a Variance

Dear Mr. Wolf:

United Nuclear Corporation is providing you with public notice that it has submitted a request for a variance for its Anne Lee, John Bill, and Sandstone mines located in Ambrosia Lake, McKinley County in accordance with the New Mexico Mining Act requirements. The purpose of this variance request is to provide up to two additional growing seasons before the determination is made by the Mining and Minerals Division (MMD) that United Nuclear's reclamation measures satisfy the requirements of the Act. The enclosed Public Notice will be published in the *Gallup Independent* in December, 1997.

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November 17, 1997

**CERTIFIED MAIL
RETURN RECEIPT REQUESTED**

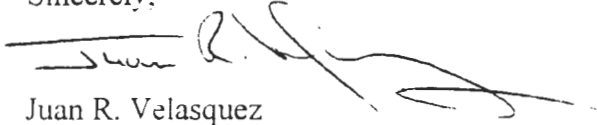
Mr. Doug Meiklejohn
N.M. Environmental Law Center
103 La Cienega street
Santa Fe, New Mexico 87501

Re: Application For a Variance

Dear Mr. Meiklejohn:

United Nuclear Corporation is providing you with public notice that it has submitted a request for a variance for its Anne Lee, John Bill, and Sandstone mines located in Ambrosia Lake, McKinley County in accordance with the New Mexico Mining Act requirements. The purpose of this variance request is to provide up to two additional growing seasons before the determination is made by the Mining and Minerals Division (MMD) that United Nuclear's reclamation measures satisfy the requirements of the Act. The enclosed Public Notice will be published in the *Gallup Independent* in December, 1997.

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Albuquerque, New Mexico 87110
Telephone 505/262-1800
Fax 505/262-1809

November 17, 1997

**CERTIFIED MAIL
RETURN RECEIPT REQUESTED**

Mr. Grove Burnett
Western Environmental Law Center
P.O. Box 1507
Taos, New Mexico 87571

Re: Application For a Variance

Dear Mr. Burnett:

United Nuclear Corporation is providing you with public notice that it has submitted a request for a variance for its Anne Lee, John Bill, and Sandstone mines located in Ambrosia Lake, McKinley County in accordance with the New Mexico Mining Act requirements. The purpose of this variance request is to provide up to two additional growing seasons before the determination is made by the Mining and Minerals Division (MMD) that United Nuclear's reclamation measures satisfy the requirements of the Act. The enclosed Public Notice will be published in the *Gallup Independent* in December, 1997.

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November 17, 1997

**CERTIFIED MAIL
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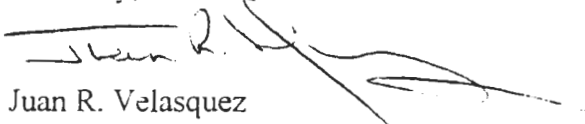
Ms. Maxine Goad
P.O. Box 2503
Santa Fe, New Mexico 87504

Re: Application For a Variance

Dear Ms. Goad:

United Nuclear Corporation is providing you with public notice that it has submitted a request for a variance for its Anne Lee, John Bill, and Sandstone mines located in Ambrosia Lake, McKinley County in accordance with the New Mexico Mining Act requirements. The purpose of this variance request is to provide up to two additional growing seasons before the determination is made by the Mining and Minerals Division (MMD) that United Nuclear's reclamation measures satisfy the requirements of the Act. The enclosed Public Notice will be published in the *Gallup Independent* in December, 1997.

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November 17, 1997

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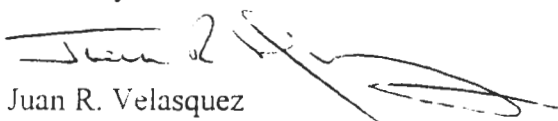
Mr. Andrew V. Sandoval, Chief
Conservation Services Division
Villagra Building
P.O. Box 25112
Santa Fe, New Mexico 87504

Re: Application For a Variance

Dear Mr. Sandoval:

United Nuclear Corporation is providing you with public notice that it has submitted a request for a variance for its Anne Lee, John Bill, and Sandstone mines located in Ambrosia Lake, McKinley County in accordance with the New Mexico Mining Act requirements. The purpose of this variance request is to provide up to two additional growing seasons before the determination is made by the Mining and Minerals Division (MMD) that United Nuclear's reclamation measures satisfy the requirements of the Act. The enclosed Public Notice will be published in the *Gallup Independent* in December, 1997.

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Suite 400

Albuquerque, New Mexico 87110
Telephone 505/262-1800
Fax 505/262-1809

November 17, 1997

**CERTIFIED MAIL
RETURN RECEIPT REQUESTED**

Mr. Bob Rogers
State Engineer's Office
P.O. Box 844
Santa Fe New Mexico 88031

Re: Application For a Variance

Dear Mr. Rogers:

United Nuclear Corporation is providing you with public notice that it has submitted a request for a variance for its Anne Lee, John Bill, and Sandstone mines located in Ambrosia Lake, McKinley County in accordance with the New Mexico Mining Act requirements. The purpose of this variance request is to provide up to two additional growing seasons before the determination is made by the Mining and Minerals Division (MMD) that United Nuclear's reclamation measures satisfy the requirements of the Act. The enclosed Public Notice will be published in the *Gallup Independent* in December, 1997.

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1720 Louisiana N.E.
Suite 400

Albuquerque, New Mexico 87110
Telephone 505/262-1800
Fax 505/262-1809

November 17, 1997

**CERTIFIED MAIL
RETURN RECEIPT REQUESTED**

Mr. Toby Martinez, State Forester
State Forestry Division
P.O. Box 1948
Santa Fe, New Mexico 87504-1948

Re: Application For a Variance

Dear Mr. Martinez:

United Nuclear Corporation is providing you with public notice that it has submitted a request for a variance for its Anne Lee, John Bill, and Sandstone mines located in Ambrosia Lake, McKinley County in accordance with the New Mexico Mining Act requirements. The purpose of this variance request is to provide up to two additional growing seasons before the determination is made by the Mining and Minerals Division (MMD) that United Nuclear's reclamation measures satisfy the requirements of the Act. The enclosed Public Notice will be published in the *Gallup Independent* in December, 1997.

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1720 Louisiana N.E.
Suite 400

Albuquerque, New Mexico 87110
Telephone 505/262-1800
Fax 505/262-1809

November 17, 1997

**CERTIFIED MAIL
RETURN RECEIPT REQUESTED**

Kerrie Neet, Mining Unit Team Leader
Environment Department
P.O. Box 26110
Santa Fe, New Mexico 87502

Re: Application For a Variance

Dea Ms. Neet:

United Nuclear Corporation is providing you with public notice that it has submitted a request for a variance for its Anne Lee, John Bill, and Sandstone mines located in Ambrosia Lake, McKinley County in accordance with the New Mexico Mining Act requirements. The purpose of this variance request is to provide up to two additional growing seasons before the determination is made by the Mining and Minerals Division (MMD) that United Nuclear's reclamation measures satisfy the requirements of the Act. The enclosed Public Notice will be published in the *Gallup Independent* in December, 1997.

Sincerely,

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Juan R. Velasquez

Enclosure: As Stated

Is your RETURN ADDRESS completed on the reverse side?

SENDER:

- Complete items 1 and/or 2 for additional services.
- Complete items 3, and 4a & b.
- Print your name and address on the reverse of this form so that we can return this card to you.
- Attach this form to the front of the mailpiece, or on the back if space does not permit.
- Write "Return Receipt Requested" on the mailpiece below the article number.
- The Return Receipt will show to whom the article was delivered and the date delivered.

I also wish to receive the following services (for an extra fee):

1. Addressee's Address
2. Restricted Delivery

Consult postmaster for fee.

3. Article Addressed to:
 Kerrie Neet
 Mining Unit Team Leader
 P.O. Box 26110
 Santa Fe, NM
 87502

4a. Article Number
 P 293 255 189

4b. Service Type
 Registered Insured
 Certified COD
 Express Mail Return Receipt for Merchandise

7. Date of Delivery
 NOV 30 1997

5. Signature (Addressee)
 Sig Rivera

8. Addressee's Address (Only if requested and fee is paid)

6. Signature (Agent)
 Sig Rivera

PS Form 3811, December 1991 ☆ U.S.G.P.O. : 1992-307-530 **DOMESTIC RETURN RECEIPT**

Thank you for using Return Receipt Service.

Is your RETURN ADDRESS completed on the reverse side?

SENDER:

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- The Return Receipt will show to whom the article was delivered and the date delivered.

I also wish to receive the following services (for an extra fee):

1. Addressee's Address
2. Restricted Delivery

Consult postmaster for fee.

3. Article Addressed to:
 Mr. Andrew V. Sandoval
 Conservation Services Division
 Villagra Building
 P.O. Box 25112
 Santa Fe, NM 87504

4a. Article Number
 P293 255 192

4b. Service Type
 Registered Insured
 Certified COD
 Express Mail Return Receipt for Merchandise

7. Date of Delivery
 NOV 30 1997

5. Signature (Addressee)

8. Addressee's Address (Only if requested and fee is paid)

6. Signature (Agent)
 Wanda Martinez

PS Form 3811, December 1991 ☆ U.S.G.P.O. : 1992-307-530 **DOMESTIC RETURN RECEIPT**

Thank you for using Return Receipt Service.

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I also wish to receive the following services (for an extra fee):

1. Addressee's Address
2. Restricted Delivery

Consult postmaster for fee.

3. Article Addressed to:
 Mr. Grove Burnett
 Western Environmental
 Law Center
 P.O. Box 1507
 Taos, NM 87571

4a. Article Number
 P293 255 194

4b. Service Type
 Registered Insured
 Certified COD
 Express Mail Return Receipt for Merchandise

7. Date of Delivery
 11/19/97

5. Signature (Addressee)
 Arde Gray

8. Addressee's Address (Only if requested and fee is paid)

6. Signature (Agent)

PS Form 3811, December 1991 ☆ U.S.G.P.O. : 1992-307-530 **DOMESTIC RETURN RECEIPT**

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SENDER:

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I also wish to receive the following services (for an extra fee):

- Addressee's Address
- Restricted Delivery

Consult postmaster for fee.

3. Article Addressed to:
 Dr. Glenna Dean
 Staff Archaeologist
 Office of Cultural Affairs
 228 E. Palace Ave.
 Santa Fe, NM 87503

4a. Article Number
 P293 255 200

4b. Service Type
 Registered Insured
 Certified COD
 Express Mail Return Receipt for Merchandise

7. Date of Delivery
 11-21-97

5. Signature (Addressee)

6. Signature (Agent)

8. Addressee's Address (Only if requested and fee is paid)

PS Form 3811, December 1991 ☆ U.S.G.P.O. : 1992-307-530 **DOMESTIC RETURN RECEIPT**

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SENDER:

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I also wish to receive the following services (for an extra fee):

- Addressee's Address
- Restricted Delivery

Consult postmaster for fee.

3. Article Addressed to:
 Cibola County Manager
 515 West High Street
 Grants, NM 87020

4a. Article Number
 P293 255 204

4b. Service Type
 Registered Insured
 Certified COD
 Express Mail Return Receipt for Merchandise

7. Date of Delivery
 11-20-97

5. Signature (Addressee)
 Robert Meyer

6. Signature (Agent)

8. Addressee's Address (Only if requested and fee is paid)

PS Form 3811, December 1991 ☆ U.S.G.P.O. : 1992-307-530 **DOMESTIC RETURN RECEIPT**

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I also wish to receive the following services (for an extra fee):

- Addressee's Address
- Restricted Delivery

Consult postmaster for fee.

3. Article Addressed to:
 State of NM Property Control Div
 General Services Dept.
 PO Box 1149
 Santa Fe, NM 87503

4a. Article Number
 P293 255 203

4b. Service Type
 Registered Insured
 Certified COD
 Express Mail Return Receipt for Merchandise

7. Date of Delivery
 NOV 21 1997

5. Signature (Addressee)

6. Signature (Agent)
 James Becker

8. Addressee's Address (Only if requested and fee is paid)

PS Form 3811, December 1991 ☆ U.S.G.P.O. : 1992-307-530 **DOMESTIC RETURN RECEIPT**

Thank you for using Return Receipt Service.

Is your RETURN ADDRESS completed on the reverse side?

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- I also wish to receive the following services (for an extra fee):
- Addressee's Address
 - Restricted Delivery
- Consult postmaster for fee.

3. Article Addressed to:
 Mr. Bob Rogers
 State Engineer's Office
 P.O. Box 844
 Santa Fe, NM 88031

4a. Article Number
 P293255191

4b. Service Type
 Registered Insured
 Certified COD
 Express Mail Return Receipt for Merchandise

7. Date of Delivery
 1 1997

5. Signature (Addressee)

8. Addressee's Address (Only if requested and fee is paid)

6. Signature (Agent)
[Handwritten Signature]

Thank you for using Return Receipt Service.

Is your RETURN ADDRESS completed on the reverse side?

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- I also wish to receive the following services (for an extra fee):
- Addressee's Address
 - Restricted Delivery
- Consult postmaster for fee.

3. Article Addressed to:
 Ms. Sally Smith
 300 W. Yankee
 Silver City, NM
 Diane Smith 88001

4a. Article Number
 P293255199

4b. Service Type
 Registered Insured
 Certified COD
 Express Mail Return Receipt for Merchandise

7. Date of Delivery
 11-20-97

5. Signature (Addressee)

8. Addressee's Address (Only if requested and fee is paid)

6. Signature (Agent)

Thank you for using Return Receipt Service.

Is your RETURN ADDRESS completed on the reverse side?

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- I also wish to receive the following services (for an extra fee):
- Addressee's Address
 - Restricted Delivery
- Consult postmaster for fee.

3. Article Addressed to:
 Mr. Paul Robinson, Research Director
 Southwest Research + Info Cntr.
 Albuquerque, NM 87106

4a. Article Number
 P293255197

4b. Service Type
 Registered Insured
 Certified COD
 Express Mail Return Receipt for Merchandise

7. Date of Delivery
 11-26-97

5. Signature (Addressee)

8. Addressee's Address (Only if requested and fee is paid)

6. Signature (Agent)
[Handwritten Signature]

Thank you for using Return Receipt Service.

Is your RETURN ADDRESS completed on the reverse side?

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I also wish to receive the following services (for an extra fee):

- Addressee's Address
- Restricted Delivery

Consult postmaster for fee.

3. Article Addressed to:

Hecla Mining Co.
6500 Mineral Dr. Box C-8000
Coeur d'Arlene, ID
83814-1931

4a. Article Number
P 293 255 201

4b. Service Type

Registered Insured
 Certified COD
 Express Mail Return Receipt for Merchandise

7. Date of Delivery
NOV 24 1991

5. Signature (Addressee)

8. Addressee's Address (Only if requested and fee is paid)

6. Signature (Agent)
Aime Zabel

PS Form 3811, December 1991 ☆ U.S.G.P.O.: 1992-307-530 **DOMESTIC RETURN RECEIPT**

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Is your RETURN ADDRESS completed on the reverse side?

SENDER:

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I also wish to receive the following services (for an extra fee):

- Addressee's Address
- Restricted Delivery

Consult postmaster for fee.

3. Article Addressed to:

Mr. Doug Wolf
N.M. Law Center
103 La Cienega Street
Santa Fe, NM
87501

4a. Article Number
P293 255 196

4b. Service Type

Registered Insured
 Certified COD
 Express Mail Return Receipt for Merchandise

7. Date of Delivery
11/24/91

5. Signature (Addressee)

8. Addressee's Address (Only if requested and fee is paid)

6. Signature (Agent)

PS Form 3811, December 1991 ☆ U.S.G.P.O.: 1992-307-530 **DOMESTIC RETURN RECEIPT**

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- Addressee's Address
- Restricted Delivery

Consult postmaster for fee.

3. Article Addressed to:

Mr. Toby Martinez
State Forestry Division
P.O. Box 1948
Santa Fe, NM 87504-1948

4a. Article Number
P293 255 190

4b. Service Type

Registered Insured
 Certified COD
 Express Mail Return Receipt for Merchandise

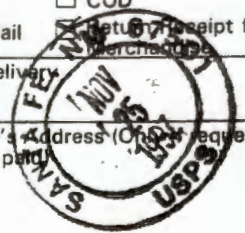
7. Date of Delivery

5. Signature (Addressee)

8. Addressee's Address (Only if requested and fee is paid)

6. Signature (Agent)
K... ..

PS Form 3811, December 1991 ☆ U.S.G.P.O.: 1992-307-530 **DOMESTIC RETURN RECEIPT**



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Mr. Doug Meiklejohn
 NM Environmental Law Center
 103 La Cienega Street
 Santa Fe, NM
 87504

4a. Article Number
 P 293 255 195

4b. Service Type

Registered Insured
 Certified COD
 Express Mail Return Receipt for Merchandise

7. Date of Delivery
 11/2/91

5. Signature (Addressee)

8. Addressee's Address (Only if requested and fee is paid)

6. Signature (Agent)

PS Form 3811, December 1991 ☆ U.S.G.P.O. : 1992-307-530 **DOMESTIC RETURN RECEIPT**

Thank you for using Return Receipt Service.

Is your RETURN ADDRESS completed on the reverse side?

SENDER:

- Complete items 1 and/or 2 for additional services.
- Complete items 3, and 4a & b.
- Print your name and address on the reverse of this form so that we can return this card to you.
- Attach this form to the front of the mailpiece, or on the back if space does not permit.
- Write "Return Receipt Requested" on the mailpiece below the article number.
- The Return Receipt will show to whom the article was delivered and the date delivered.

I also wish to receive the following services (for an extra fee):

- Addressee's Address
- Restricted Delivery

Consult postmaster for fee.

3. Article Addressed to:

Quivira Mining Co.
 P.O. Box 218
 Grants, NM 87020

4a. Article Number
 P 293 255 202

4b. Service Type

Registered Insured
 Certified COD
 Express Mail Return Receipt for Merchandise

7. Date of Delivery
 7-21-97

5. Signature (Addressee)

8. Addressee's Address (Only if requested and fee is paid)

6. Signature (Agent)

PS Form 3811, December 1991 ☆ U.S.G.P.O. : 1992-307-530 **DOMESTIC RETURN RECEIPT**

Thank you for using Return Receipt Service.

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- Complete items 3, and 4a & b.
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- Attach this form to the front of the mailpiece, or on the back if space does not permit.
- Write "Return Receipt Requested" on the mailpiece below the article number.
- The Return Receipt will show to whom the article was delivered and the date delivered.

I also wish to receive the following services (for an extra fee):

- Addressee's Address
- Restricted Delivery

Consult postmaster for fee.

3. Article Addressed to:

McKinley County Mngr.
 P.O. Box 70
 Gallup, NM 87305

4a. Article Number
 P 293 255 205

4b. Service Type

Registered Insured
 Certified COD
 Express Mail Return Receipt for Merchandise

7. Date of Delivery
 11-21-97

5. Signature (Addressee)

8. Addressee's Address (Only if requested and fee is paid)

6. Signature (Agent)

PS Form 3811, December 1991 ☆ U.S.G.P.O. : 1992-307-530 **DOMESTIC RETURN RECEIPT**

Thank you for using Return Receipt Service.

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 - Write "Return Receipt Requested" on the mailpiece below the article number.
 - The Return Receipt will show to whom the article was delivered and the date delivered.

I also wish to receive the following services (for an extra fee):

1. Addressee's Address

2. Restricted Delivery

Consult postmaster for fee.

3. Article Addressed to:
 Isabel Marquez
 P.O. Box 3526
 Milan, NM 87021

4a. Article Number
 P 293 255 206

4b. Service Type
 Registered Insured
 Certified COD
 Express Mail Return Receipt for Merchandise

7. Date of Delivery
 NOV 24 1997

5. Signature (Addressee)
 Edua Marquez

6. Signature (Agent)

8. Addressee's Address (Only if requested and fee is paid)

Thank you for using Return Receipt Service.

Is your RETURN ADDRESS completed on the reverse side?

- SENDER:**
- Complete items 1 and/or 2 for additional services.
 - Complete items 3, and 4a & b.
 - Print your name and address on the reverse of this form so that we can return this card to you.
 - Attach this form to the front of the mailpiece, or on the back if space does not permit.
 - Write "Return Receipt Requested" on the mailpiece below the article number.
 - The Return Receipt will show to whom the article was delivered and the date delivered.

I also wish to receive the following services (for an extra fee):

1. Addressee's Address

2. Restricted Delivery

Consult postmaster for fee.

3. Article Addressed to:
 Ms. Maxine Goad
 P.O. Box 2503
 Santa Fe, NM 87504

4a. Article Number
 P 293 255 193

4b. Service Type
 Registered Insured
 Certified COD
 Express Mail Return Receipt for Merchandise

7. Date of Delivery
 NOV 20 1997

5. Signature (Addressee)
 Maxine Goad

6. Signature (Agent)

8. Addressee's Address (Only if requested and fee is paid)

Thank you for using Return Receipt Service.

Is your RETURN ADDRESS completed on the reverse side?

- SENDER:**
- Complete items 1 and/or 2 for additional services.
 - Complete items 3, and 4a & b.
 - Print your name and address on the reverse of this form so that we can return this card to you.
 - Attach this form to the front of the mailpiece, or on the back if space does not permit.
 - Write "Return Receipt Requested" on the mailpiece below the article number.
 - The Return Receipt will show to whom the article was delivered and the date delivered.

I also wish to receive the following services (for an extra fee):

1. Addressee's Address

2. Restricted Delivery

Consult postmaster for fee.

3. Article Addressed to:
 Ms. Maxine Goad
 P.O. Box 2502
 Santa Fe, NM 87504

4a. Article Number

4b. Service Type
 Registered Insured
 Certified COD
 Express Mail Return Receipt for Merchandise

7. Date of Delivery
 NOV 20 1997

5. Signature (Addressee)
 Maxine S. Goad

6. Signature (Agent)

8. Addressee's Address (Only if requested and fee is paid)

Thank you for using Return Receipt Service.

State of New Mexico
Mining and Minerals Division
2040 South Pacheco St.
Santa Fe, NM 87505

Fax Cover Sheet

Date: 08/28/97

To: Juan Velsquez

From: Robert Young

Company: United Nuclear Corp.

Agency: Mining and Minerals Division

Telephone: (505) 262-1800

Telephone: (505) 827-5970

Fax #: (505) 262-1809

Fax #: (505) 827-7195

Number of Pages: 2 (including cover sheet)

Message:

Juan:

Attached is your proposed form of
public notice with our suggested
changes added.

Original will be sent by mail yes no Unless Requested

PUBLIC NOTICE

United Nuclear Corporation (United Nuclear) has submitted an **APPLICATION FOR A VARIANCE** for its Anne Lee, John Bill, and Sandstone mines located at Ambrosia Lake, McKinley County, in accordance with the provisions of Subpart 10 of the New Mexico Mining Act Rules (NMAC 10.2 Subpart 10).

The Anne Lee mine is located on Sections 27 and 28, Township 14 North, Range 9 West, New Mexico Principle Meridian. Only approximately 1/10 acre on Section 28 was disturbed during mining operations. Additional portions of Sections 27 and 28 were disturbed by activities conducted by the U.S. Department of Energy unrelated to the Anne Lee Mine.

The John Bill and Sandstone mines are located on Section 34, Township 14 North, Range 9 West, New Mexico Principle Meridian. Approximately 4 acres in Section 34 was disturbed due to these two mines. United Nuclear applied for a release from further requirements under the New Mexico mining Act due to prior reclamation work, including revegetation, performed by United Nuclear. The purpose of this variance is to provide up to two additional growing seasons before the determination is made by the Mining and Minerals Division (MMD) that ~~the site meets the~~

~~mine features from additional reclamation requirements.~~ *United Nuclear's reclamation measures satisfy the requirements of the New Mexico Mining Act.*
The applicant's address is:

United Nuclear Corporation
1700 Louisiana Blvd. N.E.
Suite 400
Albuquerque, New Mexico 87110

Interested persons wishing to submit written comments or a request for a public hearing on this matter may do so by writing to:

Director, Mining and Minerals Division
Energy, Minerals, and Natural Resources Department
State of New Mexico
2042 South Pacheco Street
Santa Fe, New Mexico 87505

The deadline for submittals is ~~(to be)~~ *30 days from the date of this notice.*

Copies of the Application for a Variance are available for public inspection at the Public Library and Cibola County Clerk's Office in Grants, New Mexico and at the Public Library and McKinley County Clerk's Office in Gallup, New Mexico, *and the Energy, Minerals, and Natural Resources Dept., Santa Fe, New Mexico.*



NEW MEXICO ENERGY, MINERALS
& NATURAL RESOURCES DEPARTMENT

MINING AND MINERALS DIVISION
2040 South Pacheco Street
Santa Fe, New Mexico 87505
(505) 827-5970

Jennifer A. Salisbury
CABINET SECRETARY

Kathleen A. Garland
DIVISION DIRECTOR

July 18, 1997

Mr. Juan Velasquez
United Nuclear Corporation
1720 Louisiana N.E.
Albuquerque, NM 87110

Re: Request for Variance Regarding Anne Lee, John Bill and Sandstone Mines

Dear Mr. Velasquez:

MMD is in receipt of your letter dated June 3, 1997 requesting a variance from the requirements of Prior Reclamation for the mines identified above. Your application is complete.

Please proceed with the public notice requirements of 19 NMAC 10.2 Section 1003. We have provided you with a list of public members who have asked to be notified regarding these types of requests (see attached).

Please contact me directly with any further questions.

Sincerely,

A handwritten signature in black ink, appearing to read "H. Shepherd".

Holland Shepherd
Bureau Chief
Mining Act Reclamation Bureau
Mining and Minerals Division

attachment

HWS

cc: Kathleen Garland, MMD Director
Jennifer McCumber, Counsel EMNRD

UNITED NUCLEAR CORPORATION



1720 Louisiana N.E.
Suite 400

Albuquerque, New Mexico 87110
Telephone 505/262-1800
Fax 505/262-1809

Dr. Kathleen Garland, Director
Mining and Minerals Division
Energy, Minerals, and Natural Resources
2040 South Pacheco Street
Santa Fe, New Mexico 87505

RECEIVED

JUN 4 1997

MINING & MINERALS DIV.

June 3, 1997

Re: *Application for a Variance from Prior Reclamation Inspection Date for Anne Lee, John Bill, and Sandstone Mines*

Dear Dr. Garland:

This letter constitutes an application by United Nuclear Corporation for a variance from the September 30, 1995 date for a determination by the Director regarding prior reclamation activities for three mines as discussed below. This application is made pursuant to 19 NMAC 1.2 § 1002 and the letter dated September 29, 1995. Please notify us upon a determination that this application is complete and United Nuclear will then provide public notice pursuant to 19 NMAC 10.2 § 903.

1. Applicant's name and address:

United Nuclear Corporation
1720 Louisiana N.E.
Suite 400
Albuquerque, New Mexico 87110

2. Application date:

June 3, 1997

3. Mining Operation:

Anne Lee Mine
John Bill Mine
Sandstone Mine

4. Location of Mine:

Anne Lee Mine - Portions of T14N, R9W, Section 28
McKinley County, New Mexico

John Bill Mine & Sandstone Mine - Portions of T14N, R9W, Section 34
McKinley County, New Mexico

5. Section From Which Variance Is Sought

19 NMAC 10.2 § 510

6. Extent of Variance

United Nuclear Corporation requests that the determination date be extended to September, 1998.

7. Evidence of Economic Burden on Applicant

In a letter dated September 29, 1995 MMD informed United Nuclear of its inspection findings that the reclamation measures taken at these mines did not satisfy the requirements of the New Mexico Mining Act and the substantive requirements for reclamation pursuant to the Mining Act Rules. MMD further informed United Nuclear that because United Nuclear has completed most reclamation measures the it could apply for a variance from the Rules.

Unless this application for variance is granted, the applicant could be required to apply for a permit and prepare and submit a closeout plan for reclamation of these mines. The applicant has no desire to permit these mines as the applicant has no intent to mine them in the future. Permitting these mines would result in an significant economic burden due to the cost of preparing and submitting the permit application, closeout plan, annual fees, and the cost of obtaining and maintaining financial assurance. These costs are undue, since the reclamation of the surface areas of the mine have already been completed, largely to the satisfaction of MMD, except that for confirmation of successful revegetation of the reclaimed areas. The applicant expects that a simple inspection can satisfy MMD of successful revegetation and site stabilization such that the mines can be released from any further requirements of the Mining Act at minimal cost to the applicant and the agency. Additional information is contained in MMD's inspection reports dated September 18, 1995 which are incorporated herein by reference.

8. Granting a Variance Will Not Result in a Significant Threat to Human, Health, Safety, or the Environment.

As confirmed in MMD's inspection report for the three mines, the reclamation work at the mines was completed, except for very minor matters, such as covering concrete slabs with soil, before the inspection in July 1995. The inspection report identified no conditions that would pose a significant threat to human health or safety or the environment. Additional information is contained in MMD's inspection reports dated September 18, 1995 which are incorporated herein by reference.

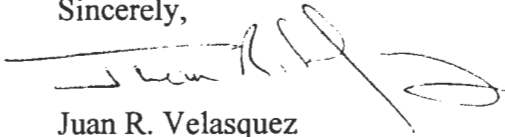
Dr. Kathleen Garland
June 3, 1997
Page 3

9. Fee For a Variance

Enclosed is check in the amount of \$500 for the variance pursuant to 19 NMAC 10.2 § 201.K. Because of the close proximity of the surface disturbance (within two miles on contiguous property) and common applicant an surface ownership, United Nuclear requests a single variance covering all three mines.

In submitting this variance application, United Nuclear maintains its reservations of rights and all defenses stated in its request for inspection for prior reclamation, its Notice of Appeal to the Mining Commission regarding MMD's prior reclamation determinations, and all other correspondence and communications with MMD. In particular, United Nuclear reiterates the special circumstances regarding the disturbances at the Anne Lee Mine resulting from the Department of Energy's activities. If you have any questions regarding this application, please feel free to contact us.

Sincerely,

A handwritten signature in black ink, appearing to read "Juan R. Velasquez", is written over a horizontal line. The signature is stylized and includes a large, sweeping flourish at the end.

Juan R. Velasquez

cc: Ed Morales
Paul X. McLain

Dr. Kathleen Garland

June 3, 1997

Page 4

bcc: Dalva Moellenberg - Gallagher & Kennedy
Steve Lauer - Comeau, Maldegan, Templeman & Indall

State of New Mexico
Mining and Minerals Division
2040 South Pacheco St.
Santa Fe, NM 87505

Fax Cover Sheet

Date: 06/03/97

To: Mr. Juan Velasquez

From: Robert Young

Company: United Nuclear

Agency: Mining and Minerals Division

Telephone:

Telephone: (505) 827-5970

Fax #: (505) 262-1809

Fax #: (505) 827-7195

Number of Pages: 7 (including cover sheet)

Message:

*Here is a sample Application For
Variance. Please fax a copy of
your proposed form of public notice
to MMD before you publish it.*

Original will be sent by mail yes no

Unless Requested

HOMESTAKE MINING COMPANY

P.O. BOX 98
GRANTS, NEW MEXICO 87020
(505) 287-4456

March 29, 1996

CERTIFIED MAIL NO.: P 369 600 937

Ms. Kathleen A. Garland, Director
Mining and Minerals Division of
New Mexico Energy, Minerals and
Natural Resources Department
P.O. Box 6429
Santa Fe, New Mexico 87505-6429



Re: Application for Variance for Section 23 Mine, Homestake Mining Company

Dear Ms. Garland:

Enclosed is the *Application for Variance* for Section 23 Mine located in McKinley County, Township 14 North, Range 10 West. We have followed Subpart 9 - Public Participation for an application for a variance. As per Subpart 903.A the following adjacent land owners were given notice: Quivira Mining Company, Bureau of Land Management and Mr. Jerry Elkins. Subpart 903.B requires that McKinley County and Navajo Nation be given notice. Published notice in English and Spanish was done on March 29, 1996 in the Gallup independent and Cibola County Beacon as required by Subpart 903.C. Subpart 903.D required posting of notice in four locations, which were done at: McKinley County Clerk's office and McKinley Public Library in Gallup, New Mexico; and Public Library and Cibola County Clerk's office in Grants, New Mexico. Subpart 903.E required mailing notice to Cerrillos Land Company mineral lessor. Subpart 903.G required notice to be sent to Environmental Department, State Engineer, Department of Game and Fish, Forestry Division and State Historic Preservation Division. See attached letters for proof of notice. Copies of returned certified mail receipts and newspaper proof of publication will be forwarded to you under a separate cover letter.

I believe that the *Application for Variance* is complete and answers all concerns dealing with this variance. Enclosed is the \$522.50 fee for an application for variance. I'm looking forward to a timely response and should you or you staff have any questions please contact me at the Grants Project office.

Sincerely,

F. R. Craft
Resident Manager

FRC:jg

Enclosures

APPLICATION FOR VARIANCE
Pursuant to New Mexico Mining Act Rules Subpart 10
(19 NMAC 10.2 Subpart 10)

- 1002.A** 1. The applicant is:
Homestake Mining Company of California
P.O. Box 98
Grants, New Mexico 87020
Contact person: Mr. Fred Craft
Telephone: 505 287-4456
Fax: 505 287-9289
2. This application is submitted 29 March 1996
3. A variance is sought for the Section 23 Mine at Ambrosia Lake.
4. The mine is located in Township 14 North, Range 10 West, McKinley County.
5. A variance is sought from Subpart 5, Section 510.B, which requires that a permit application be submitted within 6 months after the owner receives notice of the determination that prior reclamation measures do not satisfy the requirements for reclamation. Rather than submit a permit application, Homestake proposes the course of action described below.
6. This section describes the extent to which, and why, Homestake wishes to vary from Subpart 5.
- 6. a. Background** As a result of an MMD inspection of the Section 23 Mine conducted on 29 June 1995, the Director determined in a letter dated 29 September 1995 (which was received by Homestake on 16 November 1995) that: "The Section 23 Mine was identified by staff as having insufficient cover to meet release." The Director went on to say: "However, since Homestake has completed most reclamation measures at the mine, Homestake may apply for a variance from the provisions of the NMMA Rules pursuant to Rule 10. Otherwise, Homestake must apply for a permit under the provisions of Rule 5.10.B." Subsequent communications between Holland Shepherd of MMD and Fred Craft of Homestake determined that all other reclamation measures, other than revegetation, have been satisfactorily completed at the Section 23 Mine.

6. b. Proposal Therefore, Homestake proposes the following course of action for the Section 23 Mine. In the fall of 1996, following summer rains but before the estimated end of the growing season, Homestake will conduct a statistically-valid vegetation survey of the site, including enough 30-meter line intercept transects to meet sample adequacy. The survey will measure vegetation cover by species, and photographs will be taken to document the condition of the vegetation. If the results of the 1996 survey demonstrate that release criteria are met, then Homestake will ask MMD to release the Mine from further liability for reclamation. If the 1996 survey results do not meet release criteria, Homestake will follow the same survey procedure in 1997. If the site does not meet release criteria at the end of the 1997 vegetation survey, Homestake will determine the appropriate course of action to take in order meet release criteria, and will then provide MMD with an opportunity to review and comment on the proposed course of action.

6. c. Justification The MMD report dated 26 September 1995 says that 5 species of plants that were seeded in 1992 are present on the site, in addition to 10 other species (or 12 if you include the two species listed in the first paragraph of the Section 23 narrative but not listed in the subsequent Table). According to the Prior Reclamation Report for the Section 23 Mine which Homestake submitted to MMD, dated 29 August 1994, only 5 species of plants were seeded at the site. Therefore, all species seeded have apparently germinated. Among the non-seeded species indicated to be present in 1995 are 3 valuable perennials, namely Scarlet globemallow, Winterfat, and Fourwing saltbush, that are commonly use in revegetation of mines in northwest New Mexico. The presence of at least 8 perennial species on the site, in spite of the fact that none of them showed up in the transect MMD measured, indicates that Section 23 is capable of supporting a diverse mix of the native perennial plant species that are desirable for the site. Moreover, there is no evidence from the MMD survey, or from any other source, that any soil contamination or other problems exist that would interfere with plant growth at the site.

Native vegetation such as that found at Ambrosia Lake is commonly described in the literature as "patchy" (see, for example, New Mexico Vegetation Past, Present, and Future, by W.A. Dick-Peddie, p. 123.). This fact, combined with the uneven distribution of precipitation that is characteristic of the area, means that it is not unusual to find native sites where the distribution of plant species is uneven and considerable bare ground is present after a disturbance. Likewise, it is not unusual to find revegetated areas where the seeded species are also patchy, especially given the fact that, without supplemental irrigation, native plants can take as many as 5 complete growing seasons (or more) to establish in northwest New Mexico. Note that only two complete growing

seasons (those of 1993 and 1994) elapsed between the June 1992 seeding of Section 23 and the June 1995 MMD inspection.

The MMD report of the June 1995 inspection, on page 9, notes: "Homestake may need to consider reseeding this site or wait to see if an adequate cover can be achieved in another season or two of growth" (emphasis added). In this variance application, Homestake proposes to take the latter course of action, i.e., to wait one or two more growing seasons to see if adequate cover can be achieved. This seems to be justified because of the presence on the site of at least 8 species of perennial vegetation, and the fact that only 2 complete growing seasons elapsed between seeding and the MMD inspection. It is also worth noting that total precipitation at Grants airport (the nearest National Weather Service station, located approximately 19 miles south of Ambrosia Lake) in 1994, the year before the MMD inspection, was 7.73 inches, which is only about 72% of the annual average. And, in the 2 months prior to the MMD inspection (May and June, 1995), only 0.74 inch of precipitation was recorded at the Homestake Grants mill site, which is located approximately 14 miles south of Ambrosia Lake. Therefore, if the growing season before the inspection had below-average precipitation, and the months immediately prior to the inspection had little precipitation, then it is reasonable to assume that the vegetative cover measured during the inspection may not reflect the amount of cover that might be present if the site is given two more growing seasons (1996 and 1997) with average precipitation.

7. If the requested variance is not granted, Homestake will be forced to apply for a permit pursuant to Subpart 5, and then wait 12 years following the issuance of the permit for the site to be released. The cost of compiling a complete permit application for the Section 23 Mine pursuant to Subpart 5 and the other applicable Subparts, is estimated to be approximately \$25,000. Fees associated with a permit are estimated according to the following calculations.

1. Permit application (Rule 201.A.1)	\$ 1,000.00	
(201.A.2.)	1,000.00	
(205.A)	90.00	
Total permit application fee:		\$ 2,090
2. Annual fee (202.A.1.)	\$ 1,000.00	
(202.A.2)	900.00	
(205.A)	85.50	
Annual fee:	\$ 1,985.50	
Total annual fee for 12 years:		
	\$1,985.50 X 12 years =	\$ 23,826

The reclamation performance bond is estimated to be approximately \$150,000 (100 acres X \$1,500 per acre for revegetation only), resulting in an opportunity cost (the cost of having this amount of money, plus other costs associated with the permit, unavailable for investment, conservatively estimated on the basis of only 5% possible return on investment) of $\$200,916 \times 5\%$ per year for 12 years = \$120,552. In total, the cost of permitting the Section 23 Mine is estimated as follows:

Prepare permit application:	\$ 25,000
Permit application fee:	2,090
Annual fee for 12 years:	23,826
Performance bond:	150,000
Opportunity cost:	120,552
 Total estimated cost of permitting:	 \$321,468

It is not reasonable to require Homestake to spend approximately \$321,468, and wait 12 years to see if the vegetation becomes established, given what is known about the time required to establish vegetation in northwest New Mexico and the opportunity to resolve this issue in less time (see above in section 6.). By the end of the growing season of 1997, if the vegetation at the site does not meet release criteria, then Homestake will at that time determine the appropriate course of action to take in order meet release criteria. Before undertaking any action, Homestake will provide MMD with an opportunity to review and comment on the proposed course of action. Until then, there is no justification to require the expenditure of approximately \$321,468, especially given the fact that not one dollar of that money will result in expediting the establishment of vegetative cover at the Section 23 Mine.

8. As indicated above in section 6., all of the reclamation requirements at the site, other than revegetation, have been satisfactorily completed. The site does not now constitute in any way a threat to human health, safety, or the environment, according to the 26 September 1995 report of the MMD inspection of 29 June 1995. Granting this variance would not result in any change at the site that would modify that status. Therefore, granting this variance would not result in a significant threat to human health, safety or the environment.

9. Pursuant to Rules 201.K and 205.A, the fee for an application for a variance is \$522.50, which is enclosed.

PUBLIC NOTICE

Homestake Mining Company of California (HMC) has submitted an APPLICATION FOR A VARIANCE for its Section 23 Mine at Ambrosia Lake, in accordance with the provisions of Subpart 10 of the New Mexico Mining Act Rules of February 15, 1996 (19 NMAC 10.2 Subpart 10).

The Mine is located in McKinley County at Ambrosia Lake, in Township 14 North, Range 10 West, New Mexico Principal Meridian. The Mine covers 100 acres of land previously disturbed for uranium mining. All of the Mine site has been reclaimed according the requirements of applicable laws and regulations. The purpose of the variance is to provide for up to two additional growing seasons before the determination is made by the Mining and Minerals Divison (MMD) that the site meets the criteria for release from additional revegetation requirements.

The applicant's address is:
Homestake Mining Company of California
P.O. Box 98
Grants, New Mexico 87020

Interested persons wishing to submit written comments or a request for a public hearing on this matter may do so by writing to:

Director, Mining and Minerals Division
Energy, Minerals and Natural Resources Department
State of New Mexico
2042 South Pacheco Street
Santa Fe, New Mexico 87505

The deadline for submittals is Monday, April 29, 1996.

Copies of the Application for a Variance is available for public inspection at the Public Library and Cibola County Clerk's office in Grants, New Mexico, at the Public Library and McKinley County Clerk's office in Gallup, New Mexico.
Friday, March 29, 1996.

AVISO PUBLICO

Homestake Mining Company of California (HMC) ha sometido una SOLICITUD PARA UNA VARIACION para su Mina de Sección 23 en Ambrosia Lake, de acuerdo con las provisiones de Subparte 10 de las Reglas del Acto de Minería del estado de Nuevo México, del 15 de febrero de 1996 (19 NMAC 10.2 Subpart 10).

La Mina de Sección 23 está situada en el Condado de McKinley, en Ambrosia Lake, en Township 14 Norte, Extensión 10 Oeste, New Mexico Principal Meridian. La Mina tiene una extensión de 100 acres de tierra anteriormente perturbado por la minería del uranio. Todo el sitio de la Mina ha sido rehabilitado conforme a los requisitos de las leyes y reglamentos aplicables. El propósito de la variación es proveer para que pase dos más estaciones de crecimiento antes de la determinación, a ser hecho por la División de Minería y Minerales (MMD), que el sitio cumple con los criterios para releva de las obligaciones de algún requisito adicional para la revegetación.

La dirección del suplicante es:
Homestake Mining Company of California
P.O 98
Grants, New Mexico 87020.

Personas interesadas que desean someter algún comentario escrito, o una súplica para una audiencia pública sobre esta materia, deben dirigir su solicitud escrito a:

Director, Mining and Minerals Division
Energy, Minerals and Natural Resources Department
2040 South Pacheco Street
Santa Fe, New Mexico 87505.

La fecha final para someter propuestas o comentarios es el lunes, día 29 de abril de 1996.

Copias de la solicitud para una variación están disponibles para inspección pública en la Biblioteca Pública y en la oficina del Secretario del Condado de Cibola, en Grants, New Mexico, y en la Biblioteca Pública y en la oficina del Secretario del Condado de McKinley, en Gallup, New Mexico.
Viernes, 29 de marzo, 1996.

Received

NOV 29 1995

GALLAGHER & KENNEDY
A PROFESSIONAL ASSOCIATION

DALVA L. MOELLENBERG
ENVIRONMENTAL AND NATURAL
RESOURCES LAW
DIRECT LINE
16021 530-8223

New Mexico Mining Commission
2600 NORTH CENTRAL AVENUE
PHOENIX, ARIZONA 85004-3020
16021 530-8000
FAX: 16021 530-8101

November 29, 1995

VIA FACSIMILE AND
OVERNIGHT DELIVERY

Mr. Doug Bland
Clerk for the Mining Commission
2040 South Pacheco
Santa Fe, New Mexico 87505

Re: Petition for Review--Prior Reclamation Status Anne Lee, Sandstone and
John Bill Mines, McKinley County, New Mexico

Dear Mr. Bland:

Enclosed please find for filing as of the date above, a Petition for Review of an Order of the Director of the Mining and Minerals Division dated September 29, 1995, denying the application of United Nuclear Corporation ("United") for a determination that its prior reclamation activities at the Anne Lee, Sandstone, and John Bill mines in McKinley County, New Mexico satisfy the requirements of the New Mexico Mining Act ("NMMA") and the substantive requirements for reclamation of pursuant to the NMMA rules.

This petition is filed via facsimile today, with an original and 12 copies to follow by overnight mail. Pursuant to our conversation of earlier today with Mr. William Brancard, United understands that the petition will be deemed properly filed today by facsimile. As you may be aware, the Director's September 29, 1995 Order was misaddressed and not received by United until November 16, 1995. An extra copy of the petition has been enclosed for you to conform and return in the enclosed self-addressed stamped envelope.

Thank you for your attention to this matter.

Very truly yours,

GALLAGHER & KENNEDY

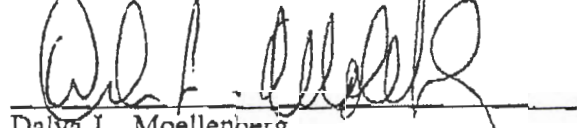
By 
Dalva L. Moellenberg

DLM/bjp
cc: Juan R. Velasquez, United Nuclear Corporation
335294

Sandstone, and/or John Bill mines satisfy the requirements of the NMMA and the substantive requirements for reclamation pursuant to the NMMA rules and (2) whether United must submit a permit application and closeout plan for the Anne Lee, Sandstone and/or John Bill mines.

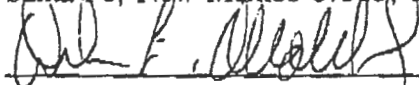
RESPECTFULLY SUBMITTED this 29th day of November, 1995.

GALLAGHER & KENNEDY, P.A.



Dalva L. Moellenberg
2600 North Central Avenue
Phoenix, Arizona 85004
(602) 530-8100
(602) 530-8101 (fax)
Attorneys for United Nuclear Corporation

A facsimile was sent and the original and 12 copies of the foregoing were sent via overnight mail for filing to Mr. Doug Bland, Clerk for the Mining Commission, 2040 South Pacheco, Santa Fe, New Mexico 87505, this 29th day of November, 1995.

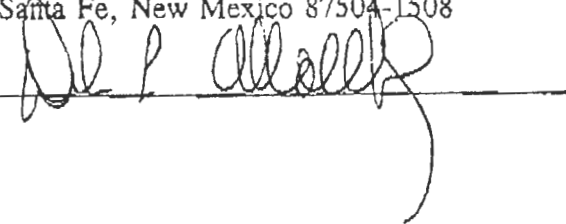


Copy of the foregoing mailed this 29th day of November, 1995, to:

Dr. Kathleen Garland
Director
Mining and Minerals Division
2040 South Pacheco
Santa Fe, New Mexico 87505

Carol Leach, Esq.
Counsel
Energy, Minerals and Natural Resources Department
2040 South Pacheco
Santa Fe, New Mexico 87505

William Brancard, Esq.
New Mexico Attorney General's Office
P.O. Box 1508
Santa Fe, New Mexico 87504-1508



NEW MEXICO ENERGY, MINERALS AND NATURAL RESOURCES DEPARTMENT

September 29, 1995

Mr. Juan R. Velasquez
United Nuclear Corporation
1700 Louisiana
Albuquerque, NM 87110

RE: Prior Reclamation Status, Anne Lee, Sandstone and John Bill Mines, McKinley County, New Mexico

Dear Mr. Velasquez:

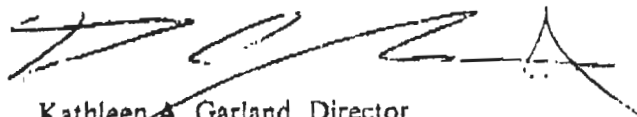
The Mining and Minerals Division (MMD) has completed the inspection of reclamation measures at United Nuclear's Anne Lee, Sandstone and John Bill Mines.

Please find enclosed two copies of inspection reports. One report addresses the Anne Lee Mine and the other addresses the John Bill and Sandstone Mines.

Based on findings described in the enclosed inspection reports, reclamation measures at United Nuclear's Anne Lee, Sandstone and John Bill Mines do not satisfy the requirements of the New Mexico Mining Act (NMMA) and the substantive requirements for reclamation pursuant to the NMMA Rules. As United Nuclear has completed most reclamation measures, United Nuclear may apply for a variance from the provisions of the NMMA Rules pursuant to NMMA Rule 10. Otherwise, United Nuclear must submit a permit application and closeout plan for an existing mining operation within six months of receipt of this letter pursuant to NMMA Rule 5.10.B. The enclosed prior reclamation inspection reports detail the findings of the inspections but do not include the photos/slides contained in the MMD file copy.

If you have any questions please contact Holland Shepherd of the Mining Act Bureau, (505) 827-5971.

Sincerely,



Kathleen A. Garland, Director
Mining and Minerals Division

cc: Maxine Goad, New Mexico Environment Dept.

Enclosures

OFFICE OF THE SECRETARY - P. O. BOX 4429 - SANTA FE, NM 87505-6429 - (505) 827-1950
ADMINISTRATIVE SERVICES DIVISION - P. O. BOX 4439 - SANTA FE, NM 87505-6439 - (505) 827-1925
ENERGY CONSERVATION AND MANAGEMENT DIVISION - P. O. BOX 4439 - SANTA FE, NM 87505-6439 - (505) 827-1900
FORESTRY AND RESOURCES CONSERVATION DIVISION - P. O. BOX 1948 - SANTA FE, NM 87504-1948 - (505) 827-5030
MINING AND MINERALS DIVISION - P. O. BOX 4429 - SANTA FE, NM 87505-6429 - (505) 827-5970
OIL CONSERVATION DIVISION - P. O. BOX 4439 - SANTA FE, NM 87505-6439 - (505) 827-7131
PARK AND RECREATION DIVISION - P. O. BOX 1947 - SANTA FE, NM 87504-1947 - (505) 827-7463

September 29, 1995

Mr. Juan R. Velasquez
United Nuclear Corporation
1700 Louisiana
Albuquerque, NM 87110

RE: Prior Reclamation Status, Anne Lee, Sandstone and John Bill Mines, McKinley County, New Mexico

Dear Mr. Velasquez:

The Mining and Minerals Division (MMD) has completed the inspection of reclamation measures at United Nuclear's Anne Lee, Sandstone and John Bill Mines.

Please find enclosed two copies of inspection reports. One report addresses the Anne Lee Mine and the other addresses the John Bill and Sandstone Mines.

Based on findings described in the enclosed inspection reports, reclamation measures at United Nuclear's Anne Lee, Sandstone and John Bill Mines do not satisfy the requirements of the New Mexico Mining Act (NMMA) and the substantive requirements for reclamation pursuant to the NMMA Rules. As United Nuclear has completed most reclamation measures, United Nuclear may apply for a variance from the provisions of the NMMA Rules pursuant to NMMA Rule 10. Otherwise, United Nuclear must submit a permit application and closeout plan for an existing mining operation within six months of receipt of this letter pursuant to NMMA Rule 5.10.B. The enclosed prior reclamation inspection reports detail the findings of the inspections but do not include the photos/slides contained in the MMD file copy.

If you have any questions please contact Holland Shepherd of the Mining Act Bureau, (505) 827-5971.

Sincerely,



Kathleen A. Garland, Director
Mining and Minerals Division

cc: Maxine Goad, New Mexico Environment Dept.

Enclosures

**PRIOR RECLAMATION INSPECTION REPORT
AND
RECOMMENDATION FOR RELEASE OR PERMIT
REQUIREMENT**

United Nuclear Corporation - Anne Lee Mine

**Submitted in Partial Fulfillment of New Mexico Mining Act
Section 69-36-7 U, Prior Reclamation**

**New Mexico Energy, Minerals and Natural Resources Department
Mining and Minerals Division
Mining Act Reclamation Bureau**

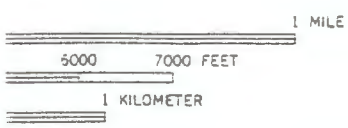
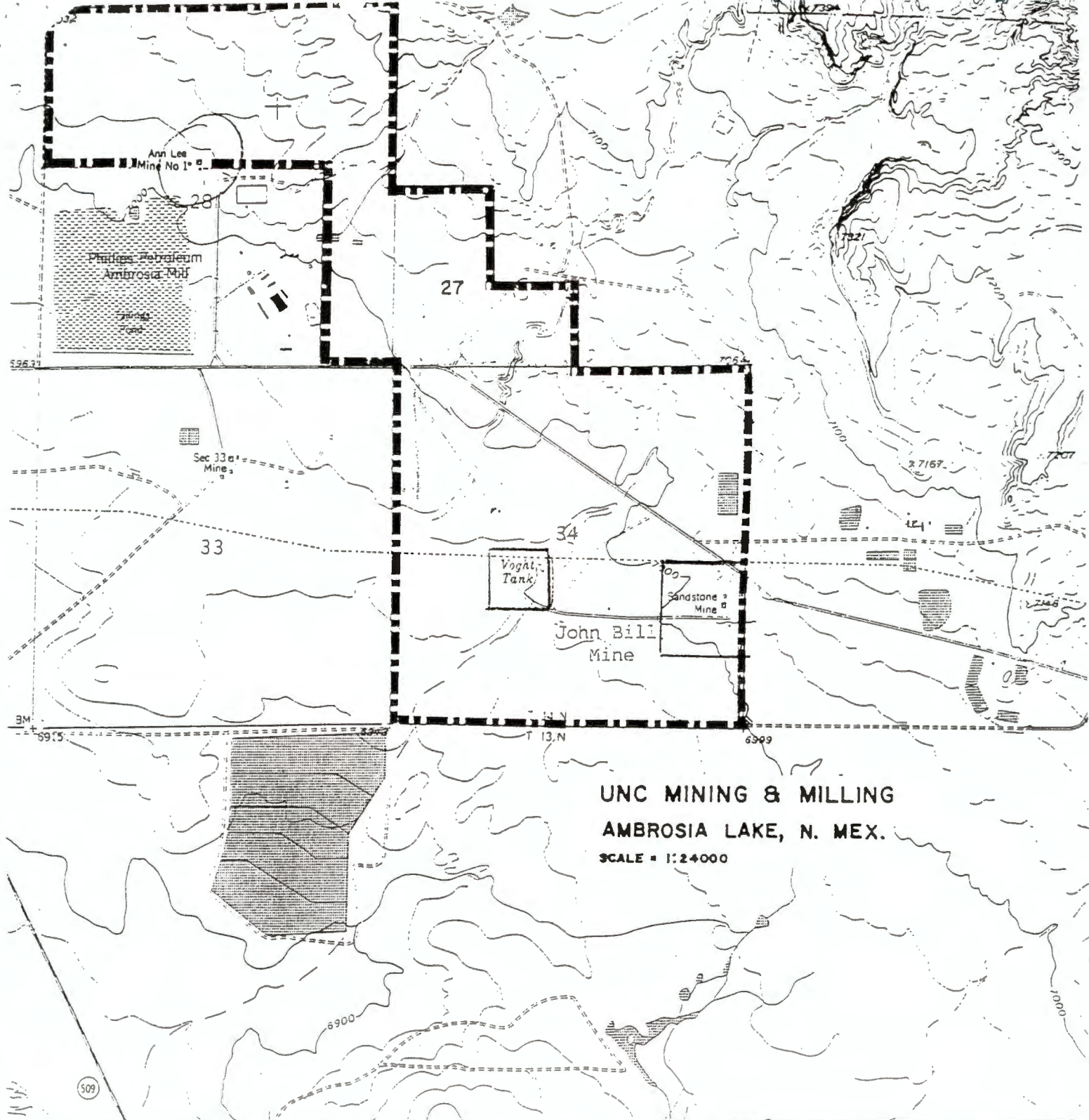
September 18, 1995

Introduction

The purpose of this study was to determine if reclamation measures at United Nuclear Corporation's Anne Lee Mine satisfy the requirements of the New Mexico Mining Act and the substantive requirements for reclamation pursuant to the New Mexico Mining Act Rules.

The Anne Lee Mine prior reclamation site is located approximately 22 miles northwest of the City of Grants, New Mexico. The total area, for which release is being requested by United Nuclear, consists of the outlined portions of Sections 27 and 28 of T14N, R9W as delineated in Figure 1 (Section 34 is also being requested for release but as the Sandstone and John Bill Mines). Of Sections 27 and 28, however, only a 75 foot by 60 foot (one tenth acre) area where the head frame of the Anne Lee Mine existed was inspected for prior reclamation. The rest of the subject area was cleaned of radioactive material and reclaimed by the U.S. Department of Energy (DOE) as part of the cleanup, stabilization and reclamation program. United Nuclear, however, has asked for release of the entire mine site from further requirements of the Act.

The Anne Lee Mine lies within a broad, regional valley eroded in the Mancos Shale. Figure 2 is a stratigraphic column depicting the sequence of the underlying formations. Commercial grade uranium was first discovered in the upper Westwater Canyon Sandstone Member by the Strategic Minerals Section of Phillips Petroleum Company in early 1956. Subsequently, nearly 300 exploration holes were drilled to an average depth of approximately 750 feet. The existence of an ore body of about one million tons was established and sinking of the Anne Lee Mine Shaft commenced in 1957. The shaft had two mining levels, a main level at a depth of 660 feet and a sub-level at 720 feet. Underground workings span the section in an east-west direction, and at their widest point, expose part of the Westwater Canyon Sandstone Member for nearly 1000 feet in a north-south direction. The Anne Lee ore deposit consisted of one large pod (the main ore body) and 20 to 30 smaller, parallel, or satellite pods. The main ore body extended from the west section line to a point within 500 feet of the west section line. At the time the main Anne Lee ore body was first opened by mine workings, the level of water saturation coincided with the top of the ore at a point a few hundred feet northwest of the shaft. West of that point, except for a few small bodies of perched water, the ore was dry (Kelly, 1963). There are no surface water features in the area. The area drains into an ephemeral tributary of the Arroyo del Puerto. Reclamation with respect to protection of ground water is addressed in a separate report.



329



QUADRANGLE LOCATION



Figure 1
AMBROSIA LAKE, N. MEX
N3522.5-W10745/7.5

TANDARDS
OR RESTON, VIRGINIA 22092

Revisions shown in purple compiled from aerial photographs

Inspection Procedures

Prior reclamation at the Anne Lee Mine was inspected July 13, 1995. Mr. Ed Morales, Operations Superintendent and Radiation Safety Officer represented United Nuclear Corporation and Mr. Joe DeAgüero, Reclamation Specialist, Mr. Robert Young, Environmental Engineer and Ms. Tacy Harling, Student represented the New Mexico Mining and Minerals Division. The inspection of the Anne Lee Mine consisted of inspection of the general condition of the reclaimed mine site, measurement of soil depth, discussion with the operator of mining and reclamation operations performed at site and photo documentation of vegetation.

Results and Discussion

The Anne Lee Mine is characterized by a quarter acre mound where the shaft was located.

The mine shaft was backfilled with nontoxic mine waste material and capped with a concrete slab approximately 20 foot square and 4 feet thick. The concrete cap was not covered with soil.

A barbed wire fence surrounded the site. All structures, trash or junk had been removed from the site. There were no piles or accumulations of toxic or waste material on the site. There were no apparent hazards that could affect public safety.

There were no erosion features. All out slopes were stable.

An average of three feet of topsoil had been removed from the area around the site. Redistributed topsoil depths onsite were approximately three feet.

The area had been seeded last fall but vegetation was very sparse. Essentially no perennial species, and only a few annuals such as Kochia and Russian Thistle, were growing on the site and, consequently, cover was not measured by transects. Photos documenting vegetation and general condition of the site are in Appendix A

Conclusions and Recommendations

The Mining and Minerals Division commends United Nuclear Corporation for their efforts to comply with the New Mexico Mining Act. However, vegetation on the Anne Lee prior reclamation inspection site is not adequate to stabilize the site from erosion. Further, the plant species that are growing are not self-sustaining. Additional reclamation measures are required at United Nuclear's Anne Lee Mine to satisfy the requirements of the New Mexico Mining Act including:

1. The concrete slab covering the shaft must be covered by a minimum of two feet of topsoil or suitable material.

2. The area must be reseeded with a mixture of native species appropriate for the area. MMD staff will be happy to advise United Nuclear regarding an appropriate seed mixture.

It is recommended, therefore, that the Anne Lee Mine prior reclamation site, operated by the United Nuclear Corporation, not be released from further requirements of the New Mexico Mining Act.

References

Kelly, Vincent C. 1963, Geology and Technology of the Grants Uranium Region, Memoir 15, New Mexico Bureau of Mines and Minerals Resources, Socorro, New Mexico.

Morales, E. M. (Ed) 1995, Operations Superintendent and Radiation Safety Officer, United Nuclear Corporation, Personnel Communication.

SYSTEM	STRATIGRAPHIC UNIT
CRETACEOUS	MANCOS SHALE
	JAKOTA SANDSTONE
JURASSIC	BRUSHY BASIN MEMBER
	MORRISON FORMATION
	"A" SANDSTONE
	"K" SHALE
	"B" SANDSTONE
	"K ₁ " SHALE
	"C" SANDSTONE
	"K ₂ " SHALE
	"D" SANDSTONE
	WESTWATER CANYON MEMBER
RECAPTURE MEMBER	

Figure 2. Stratigraphic column of underlying formations (from Kelly, 1963)

Appendix A

Photo Documentation



Photo 2. Site Mound from south, 20 yards from site



Photo 1. Site Mound from east, 20 yards from site



Figure 5&6. Side slope of site from east



Photos 3&4. Top of site with concrete cap from southeast

**PRIOR RECLAMATION INSPECTION REPORT
AND
RECOMMENDATION FOR RELEASE OR PERMIT
REQUIREMENT**

**United Nuclear Corporation
Sandstone and John-Bill Mines**

**Submitted in Partial Fulfillment of New Mexico Mining Act
Section 69-36-7 U, Prior Reclamation**

**New Mexico Energy, Minerals and Natural Resources Department
Mining and Minerals Division
Mining Act Reclamation Bureau**

September 18, 1995

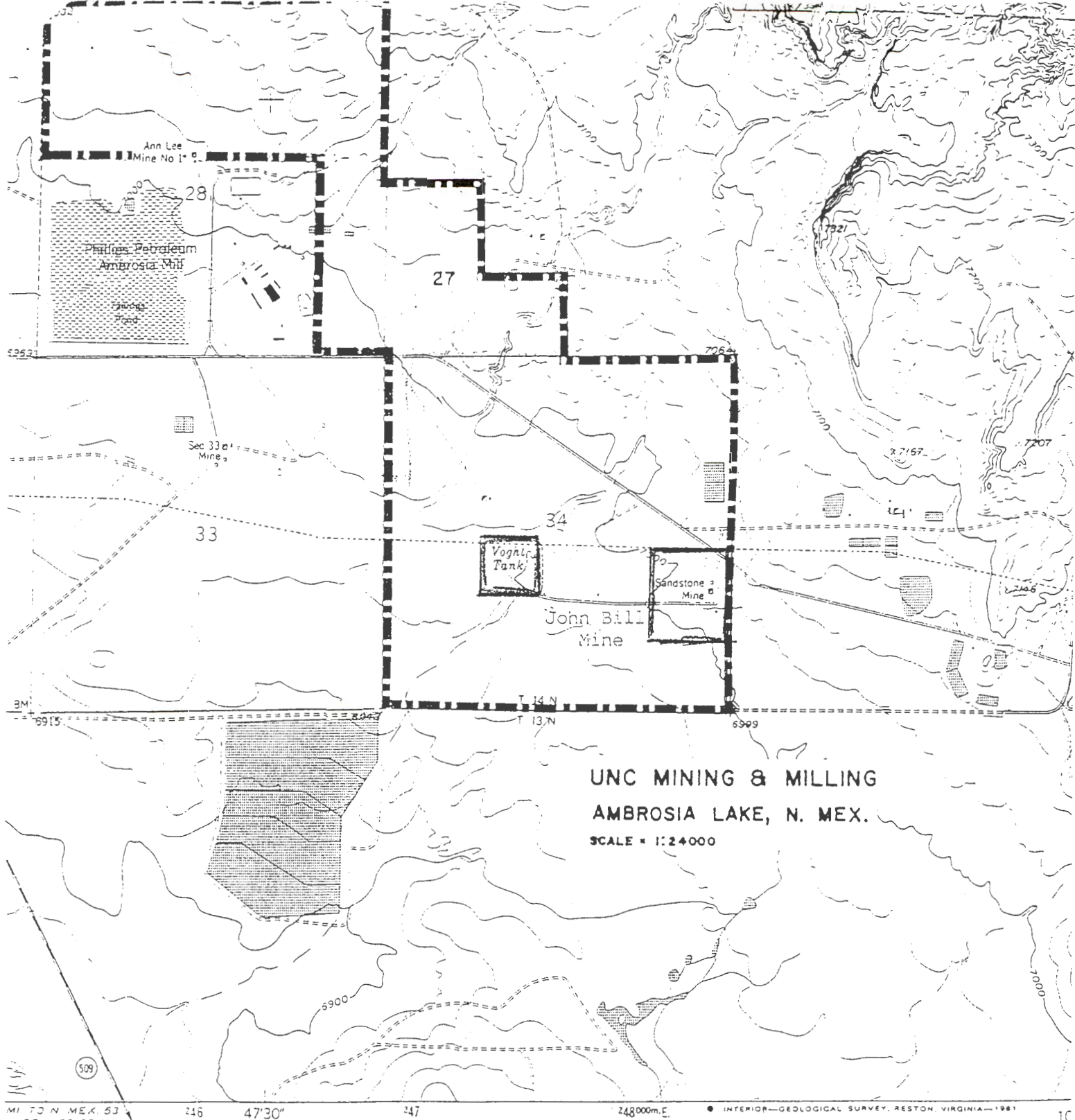
Introduction

The purpose of this study was to determine if reclamation measures at United Nuclear Corporation's Sandstone and John-Bill Mines satisfy requirements of the New Mexico Mining Act and the substantive requirements for reclamation pursuant to the New Mexico Mining Act Rules.

The Sandstone and John-Bill Mines prior reclamation site is located approximately 22 miles northwest of the city of Grants, New Mexico. The surface estate is owned by United Nuclear. Hecla Mining Company is the owner of the mineral estate. The surface rights are currently being leased to Ms. Nina Waldee. The site consists of all of Section 34, T14N, R9W as delineated in Figure 1 [the outlined portions of Sections 27 and 28 are being requested for prior reclamation as the Anna Lee Mine (Morales, 1995)]. Of Section 34, however, only two shaft sites (about 4 acres each) were actually disturbed during mining operations. The disturbed areas were not submitted by United Nuclear but are roughly delineated in red in Figure 1. Only areas disturbed during mining operations were inspected. A mine-shaft head frame existed on each site until 1981 when the mines shut down. The head frames have since been removed. Two buildings were left on one site as permanent structures at the request of the lessee, Nina Waldee. Three additional small buildings have since been added by the land owner. The disturbed areas were seeded last fall. The post mine land use is grazing (Morales, 1995).

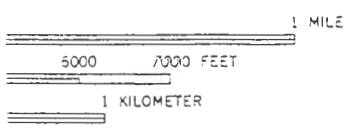
The area lies within a broad, regional valley eroded in the Mancos Shale. Figure 2 is a stratigraphic column depicting the sequence of the underlying formations. Surface drilling in this section began in February 1956 and a major ore deposit was discovered in the Westwater formation. Additional drilling during 1957 and 1958 showed that the deposit consisted of separate ore bodies in a belt extending from the east to the west section lines. Subsequent drilling showed the ore to be continuous with the ore bodies of the adjoining east and west sections. Mining of uranium ore began in 1958 (Kelley, 1963).

Water was pumped from each mine. The water was piped into ponds and eventually drained into an unnamed ephemeral tributary of the Arroyo del Puerto which drains the area. Reclamation with respect to protection of surface and ground water is addressed in a separate report.



UNC MINING & MILLING
 AMBROSIA LAKE, N. MEX.
 SCALE = 1:24000

MI TO N. MEX. 53 GRANTS 20 MI 246 47°30" 247 248 000m. E INTERIOR—GEOLOGICAL SURVEY, RESTON, VIRGINIA—1981 10



QUADRANGLE LOCATION



Figure 1
 AMBROSIA LAKE, N. MEX.
 N35225-VV10745/7.5

TANDARDS
 OR RESTON, VIRGINIA 22092

Revisions shown in purple compiled from aerial photographs

SYSTEM	STRATIGRAPHIC UNIT	
CRETACEOUS	MANCOS SHALE	
	DAKOTA SANDSTONE	
JURASSIC	MORRISON FORMATION	BRUSHY BASIN MEMBER
		"A" SANDSTONE
	WESTWATER CANYON MEMBER	"K" SHALE
		"B" SANDSTONE
		"K ₁ " SHALE
		"C" SANDSTONE
		"K ₂ " SHALE
		"D" SANDSTONE
	RECAPTURE MEMBER	

Figure 2. Stratigraphic column of underlying formations (from Kelly, 1963)

Inspection Procedures

Prior reclamation at the Sandstone and John-Bill Mines was inspected July 13, 1995. Mr. Ed Morales, Operations Superintendent and Radiation Safety represented United Nuclear Corporation and Mr. Joe DeAguero, Mr. Robert Young and Ms. Tacy Harling represented the New Mexico Mining and Minerals Division.

Inspections of the mine sites consisted of a review of information submitted by the mine operator, subsequent discussion with the operator pertaining to mining and reclamation at each site, inspection of the condition of the reclaimed mine sites, line-intercept sampling for estimates of vegetative cover, compilation of plant species lists, measurement of reclaimed soil depths, and photo-documentation.

Each of the mine sites were visually inspected for erosion features and hydrologic stability. During a walkover of each site, all slopes, and areas of water concentration (ponds, diversions and areas where disturbed areas enter undisturbed lands) were visually inspected for stability. Topsoil placement and distribution also was evaluated at each site. Sampling for topsoil depth consisted of randomly digging a series of holes to identify the depth of topsoil and the presence or absence of potentially toxic wasterock at rooting depth. Grading of all wasterock piles and borrow areas was visually inspected. Placement and closure of portals and vent shafts were verified in the field.

Results and Discussion

A barbed wire fence surrounded the disturbed areas. There were no piles or accumulations of toxic or waste material on either area. There were no erosion features.

The mine shafts had each been backfilled with nontoxic mine waste material and capped with concrete slabs approximately 20 foot square and 4 feet thick. The concrete caps were not covered with soil. Concrete slabs from several removed buildings were left uncovered (See Photographs in Appendix A).

The soil depth within the site was over two feet deep.

The area had been reseeded last fall, but vegetation was very sparse. Crested wheatgrass, asters and some weedy annuals were the only plant species identified. Vegetation cover appeared insufficient. Consequently, measurements of cover were not taken. There had been very little precipitation since last fall and surrounding vegetation showed signs of drought stress. Also, because of the relatively recent seeding, reseeded areas have probably not had enough time to germinate sufficiently. Photos documenting vegetation and general condition of the site are in Appendix A.

Pipe, steel scrap and miscellaneous mining and demolition related materials were left on the Sandstone Mine site according to a prior agreement with the lessee (Morales, 1995). Additional buildings and pipe had been brought onto the site by the lessee (Morales, 1995). The materials were not piled neatly but were strewn around (See Appendix A).

Conclusions and Recommendations

The Mining and Minerals Division commends United Nuclear Corporation for their efforts to comply with the New Mexico Mining Act. However, further reclamation measures are required at United Nuclear's Sandstone and John-Bill Mines to satisfy the requirements of the New Mexico Mining Act including:

1. Concrete slabs, including the shaft pads, must be covered by a minimum of two feet of top soil or suitable material and reseeded with a mixture of native species appropriate for the area. MMD staff will be happy to advise United Nuclear regarding an appropriate seed mixture.
2. Materials to be left on site must be removed or stacked neatly on site.
3. Buildings left on site might need to be removed. A letter from the lessee must be submitted to MMD requesting that the buildings not be dismantled and that she accepts all materials to be left on site.

It is recommended, therefore, that the Sandstone and John-Bill Mines prior reclamation site, operated by the United Nuclear Corporation, not be released from further requirements of the New Mexico Mining Act.

References

Kelly, Vincent C. 1963, Geology and Technology of the Grants Uranium Region, Memoir 15, New Mexico Bureau of Mines and Minerals Resources, Socorro, New Mexico.

Morales, E. M. (Ed) 1995, Operations Superintendent and Radiation Safety Officer, United Nuclear Corporation, Personal Communication.

Appendix A

Photo Documentation

**Prior Reclamation Study - Protection of Water Resources
Homestake Mining Co., United Nuclear Corp.
and Kerr-McGee Corp.**

**Submitted in Partial Fulfillment of New Mexico Mining Act
Section 69-36-7 U, Prior Reclamation
Protection of Water Resources**

**New Mexico Energy, Minerals, and Natural Resources Department
Mining and Minerals Division
Mining Act Reclamation Bureau**

Introduction

Purpose of Study

The purpose of this study is to determine if further measures are required to protect water resources from degradation following mining operations at Homestake Mining Company and United Nuclear Corporation Mines prior reclamation sites near Ambrosia Lake, New Mexico and Kerr-McGee Corporation sites near Church Rock, New Mexico. The sites are tabulated in Table I. These companies are applying for release from further obligations pursuant to Section 69-36-7 of the New Mexico Mining Act and Section 5.10 of the New Mexico Mining Act Rules.

According to Section 69-36-7 U of the New Mexico Mining Act and Section 5.10 of the New Mexico Mining Act Rules an operator may apply for release from further requirements of the Act if the director of the State of New Mexico Mining and Minerals Division determines that reclamation measures satisfy requirements of the Act and substantive requirements for reclamation pursuant to applicable regulatory standards. "Reclamation" is defined by the Act as "the employment during and after a mining operation of measures designed to mitigate disturbance of effected areas and permit areas and to the extent practicable, provide for the stabilization of a permit area following closure that will minimize future impacts to the environment from the mining operation and protect air and water resources."

Surface Water Resources

There are no perennial or intermittent streams in the area of Ambrosia Lake. All surface runoff drains to ephemeral water courses and eventually into the San Mateo Drainage (Homestake, 1994). While uranium mines were operating in the area the San Mateo Creek, a tributary of the Rio San Jose, gained flow as a response of mine discharge. This water seldom reached the Rio San Jose because of seepage into the alluvium. The San Mateo Creek is now directly recharged from ground water (Brod, 1979). Before uranium mining the Puerco River was also an ephemeral stream. During mining operations the Puerco River flowed at rates as high as 10 cu ft/sec. The Puerco River is now perennial principally because of municipal effluent discharge (Stone *et al.*, 1983). Water from mine dewatering operations contained elevated levels of radiochemicals and toxic metals. However, there are no lasting impacts on surface water resources because of mine water discharge (Kaufmann *et al.*, 1976). The shallow alluvium in the Ambrosia Lake Area is separated from underlying sandstone units by the impermeable Mancos Shale (Stone, 1983).

Protection of surface water resources with respect to erosion and sediment was accomplished by regrading the area to a stable configuration and reestablishment of permanent vegetation. Post mining topography and vegetation were inspected by Mining and Minerals Division personnel July 13-14, 1995 and will be addressed in a separate report. There were no waste piles of radioactive material left on the surface with the potential to contaminate surface water.

Table I
Prior Reclamation Study Site

Operator	Site	Wet Mine
Homestake Mining Company	Section 13 Mine	Dry
"	Section 15 Mine	Wet
"	Section 23 Mine	Wet
"	Section 25 Mine	Wet (Solution Mined)
"	Section 32 Mine	Wet
United Nuclear Corporation	Anna Lee Mine	Mostly Dry
"	John Bill Mine	Wet
"	Sandstone Mine (Section 34 Mine)	Wet
Kerr-McGee	Church Rock 1 Mine	Wet
"	Church Rock 1East Mine	Wet
"	Church Rock 2 Mine	Wet

Groundwater Resources

Regional Aquifer's

Figure 1 (Stone *et al.*, 1983) shows the geologic section in the Raton Basin. The City of Gallup derives most of its drinking water from the Gallup Sandstone. The San Andres Limestone and Glorieta Sandstone combine to form a significant aquifer along the southern margin of the San Juan Basin between Grants and Gallup. The Cities of Grants and Milan obtain water from this Aquifer. The Village of San Mateo relies primarily on the Point Lookout Sandstone for its drinking water supply. The Morrison Formation, in which uranium mining took place, is the source of the public water supply for the Village of Crownpoint (Stone *et al.*, 1983).

Regional Groundwater Flow

The geology of the San Juan Basin is characterized by alternating strata of high and low hydraulic conductivities and, therefore, the major component of ground water flow in the San Juan Basin is through the higher conductivity units. The amount of vertical movement between aquifers is difficult to determine using available data. However, differences between vertically adjacent aquifers suggest that leakage rates through intervening shale beds are very low in most areas (Stone *et al.*, 1983). The geologic section in Figure 1 shows the probable direction of flow through confining beds. Note that the flow direction of leakage from the Morrison Formation is downward.

Generally, ground water flow within aquifers is from topographically high outcrop areas toward lower outcrop areas. Much of the recharge to aquifers in the basin occurs on the flanks of the Zuni, Chuska and Cebolleta Mountains. Also contributing to the regional flow systems is recharge from high areas along the northern and northeastern basin margins, including the San Juan Mountains in Colorado. The San Juan valley in the northwest part of the basin and tributaries of the Rio Grande such as the Rio Salado, Rio Puerco and Rio San Jose in the southeast parts of the basin are the main discharge areas for the basin. Less important in terms of volume of outflow is the Puerco River near Gallup. Ephemeral stream channels filled with alluvium are the principal sources of groundwater recharge at higher elevations and the principal locations of discharge at lower elevations. The alluvial cover usually conceals evidence of discharge. Occasionally, white salt or alkali deposits associated with small-yield springs reveal groundwater discharge. Most discharge to alluvial channels is lost by evapotranspiration. However, some also moves as subsurface flow (Stone *et al.*, 1983).

The stratigraphic units of the prior reclamation sites in the vicinity of Ambrosia Lake are shown in Figure 2 (Kelly, 1963). This figure shows the Cretaceous system of the Mancos Shale and Dakota Sandstone overlying the Jurassic System of the Morrison Formation. Uranium ore was found in the "A" through "D" units of the Westwater Canyon member of the Morrison Formation (Homestake, 1994). Figure 2 shows that the Gallup Sandstone and Point Lookout Sandstone Aquifers do not exist in the area of the Homestake and United Nuclear sites (except the northeast corner of United Nuclear's Section 28) and that the Mancos Shale Aquitard isolates the Morrison formation from overlying formations down dip.

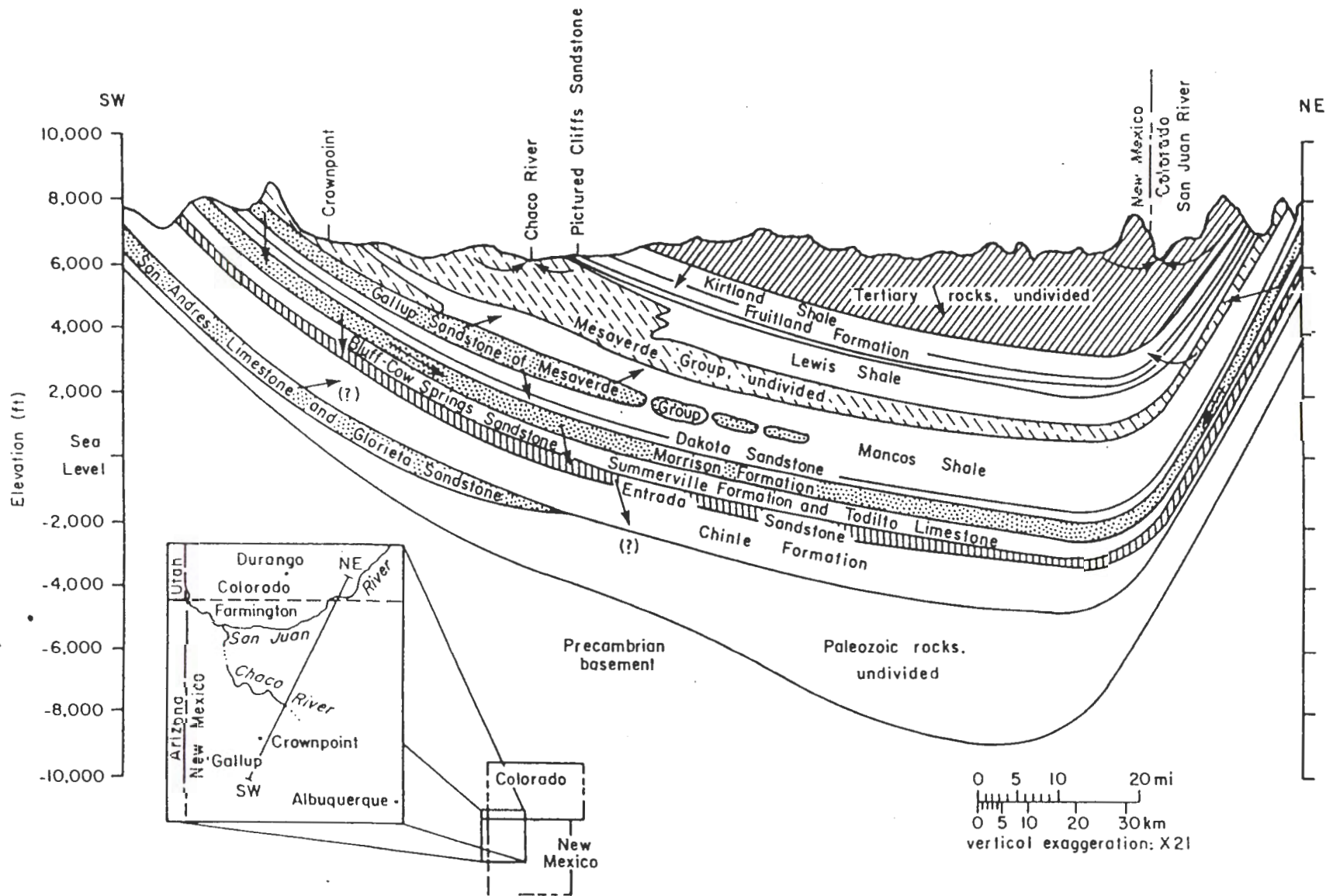


Figure 1 - Generalized Hydrologic Cross Section of San Juan Basin showing major aquifers (stippled), confining beds (blank), and directions of groundwater flow (arrows). From Stone et al., 1983

SYSTEM	STRATIGRAPHIC UNIT	
CRETACEOUS	MANCOS SHALE	
	DAKOTA SANDSTONE	
JURASSIC	MORRISON FORMATION	BRUSHY BASIN MEMBER
		"A" SANDSTONE
	WESTWATER CANYON MEMBER	"K" SHALE
		"B" SANDSTONE
		"K ₁ " SHALE
		"C" SANDSTONE
		"K ₂ " SHALE
		"D" SANDSTONE
		RECAPTURE MEMBER

Figure 2 - Divisions of Morrison Formation in the vicinity of Homestake Mining Company prior reclamation sites. From Kelly, 1963

Figure 3 (Stone *et al.*, 1983) shows the potentiometric surface for the Westwater Canyon member of the Morrison Formation. The Morrison Formation is the formation in which mining for uranium took place. This figure shows that the Westwater is recharged from the Nacimiento Mountains to the northeast and the Zuni Mountains to the southwest. Figure 4 (Stone *et al.*, 1983) depicts transmissivity within the Morrison Formation. From Figures 3 and 4 it is intuitive that groundwater within the Morrison Formation in the area of Ambrosia Lake flows primarily to the Rio Puerco discharge area in the southeast, away from Crownpoint. Groundwater within the Morrison Formation in the Church Rock Area flows north, away from Crownpoint, where it discharges into the San Juan River.

Figure 5 (Stone *et al.*, 1983) delineates elevations of the top of the overlying Dakota Sandstone. Figures 3 and Figure 5, show that the potentiometric surface in the Ambrosia Lake and Church Rock areas is well below the top of the Dakota Sandstone. Potentially contaminated water from the Morrison Formation, therefore, lacks potential to migrate to aquifers above. Also, according to Bill Ganus (1995) water levels within the Morrison Formation appeared to be stabilizing at an elevation of approximately 6600 feet (below the top of the Dakota Sandstone) after the cessation of mining operations in the Church Rock Area. In addition, if one considers the thickness and impermeability of the Mancos Shale that overlies both the Morrison Formation and the Dakota Sandstone it becomes obvious that water within the Morrison Formation is confined to the Morrison Formation.

Mining Impacts on Ground Water Quality

Regional impacts of uranium mining on groundwater were associated with mine discharge, tailings pond effluent, solution mining and collapse of underground workings. Water quality was altered near mining operations because oxidation at the mine face makes some radionuclides soluble. As water levels in the mines return to their original levels it is expected that oxidation of uranium will cease and that water quality will return to pre-mining levels. The mines in which mining occurred in zones of saturated ground are indicated in Table I. All prior reclamation site vertical shafts were backfilled and capped with concrete to prevent contamination of groundwater by surface drainage. The Gallup Sandstone was sealed from the shaft at the Kerr-McGee sites near Church Rock (Ganus, 1995).

Mine discharge from mine dewatering operations was sometimes injected underground as well as discharged in surface drainages. Water pumped from mines often contained elevated levels of radiochemicals and toxic metals (Kaufmann *et al.*, 1976). Although some water pumped from the mines was used for milling, much of the water was injected underground, used for other purposes, or discharged into arroyos. The quality of mine water discharged underground has been monitored by the U.S. Environmental Agency and the New Mexico Environment Department for impacts to groundwater resources since 1977. However, natural groundwater flowing into mine workings and which reenters the ground by gravity flow is exempt from WQCC discharge plan requirements.

Water discharged with mill tailings contained high levels of radioactive and other chemicals added or mobilized during the extraction process. The quality of discharged process water was monitored by the U.S. Environmental Protection Agency and the New Mexico Environment Department for adherence to National Pollutant Discharge Elimination System and the New Mexico Water Quality

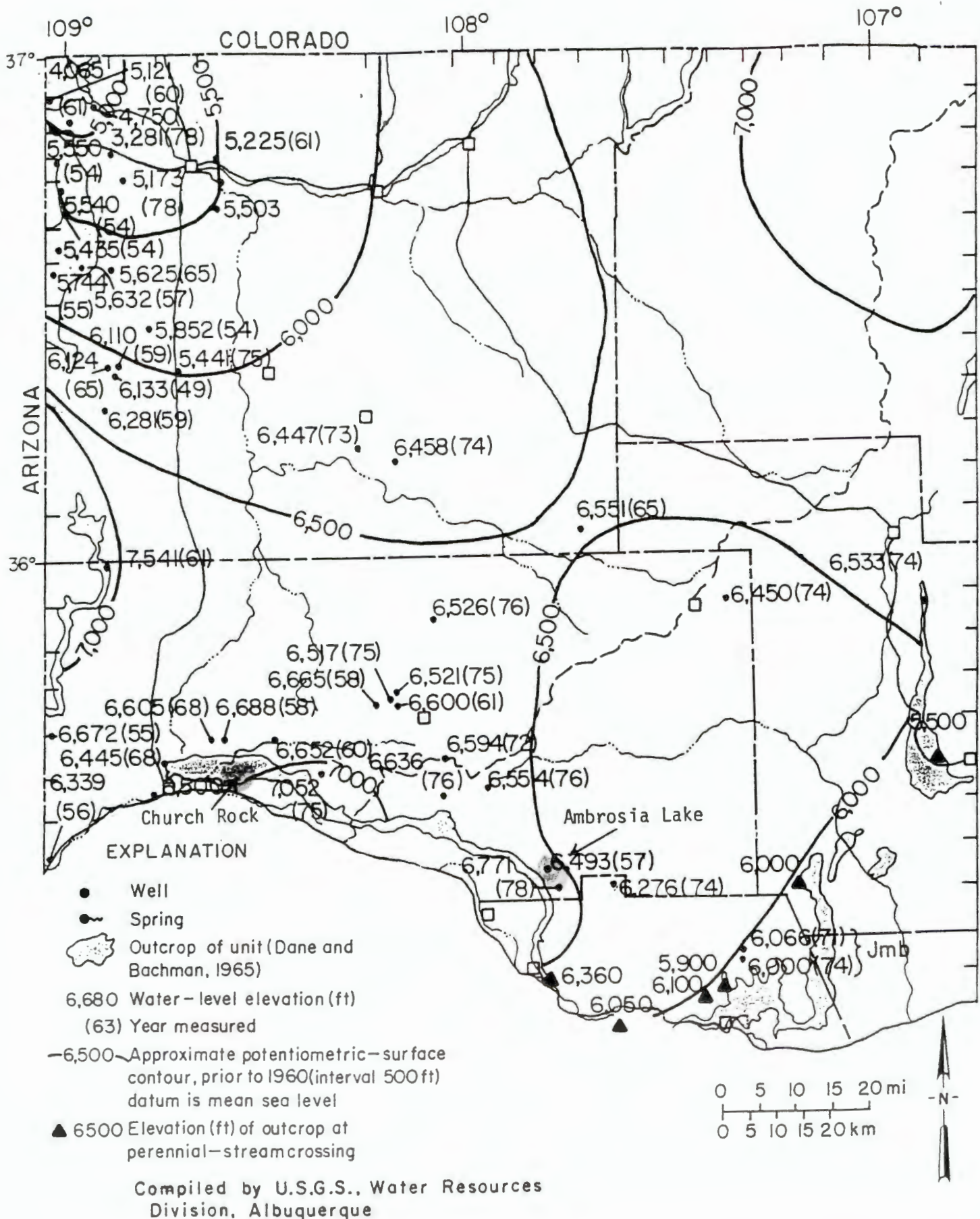


Figure 3 - Water level altitudes and potentiometric surface for Westwater Canyon Member of Morrison Formation. From Stone, et al., 1983

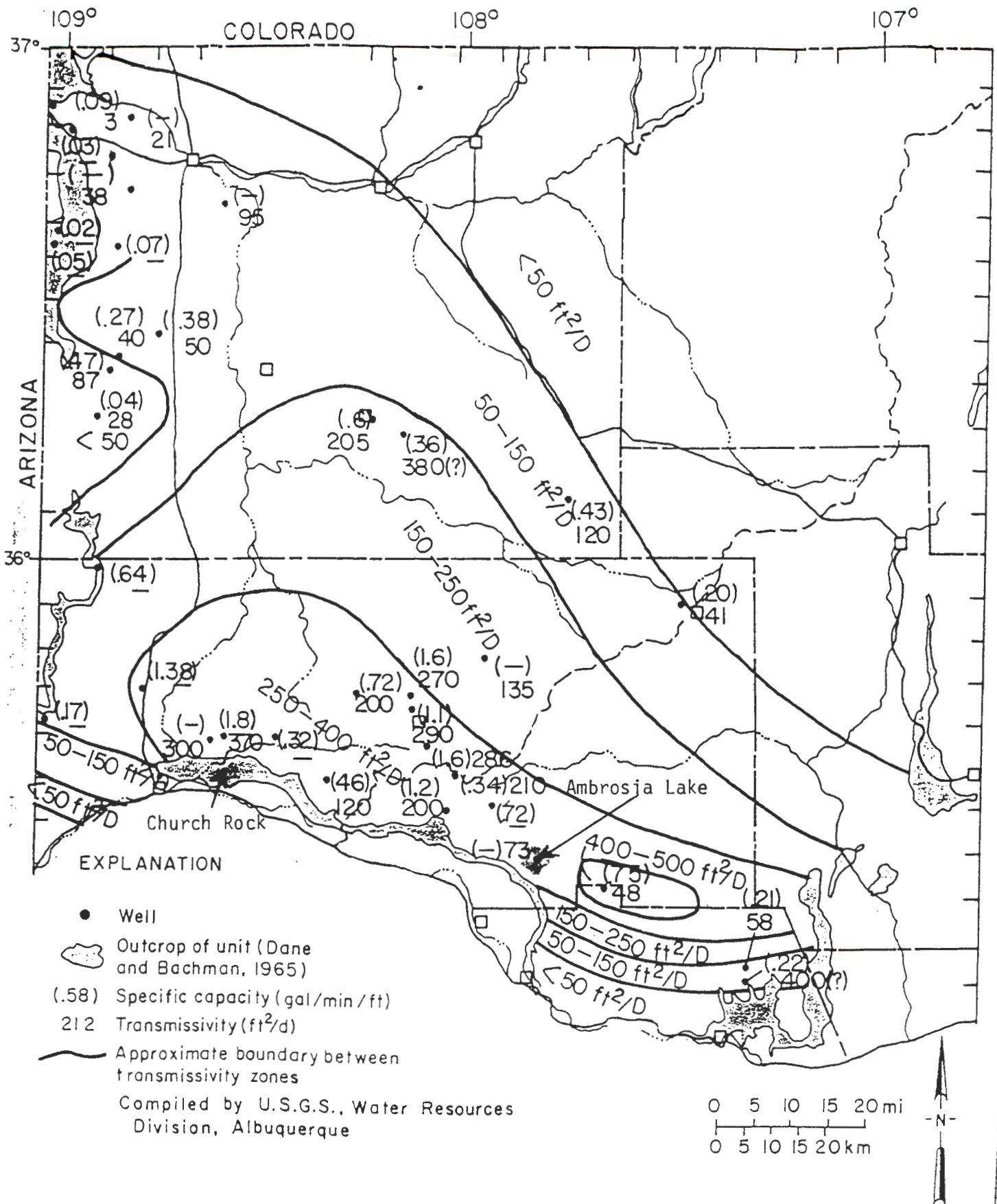


Figure 4 - Transmissivity and Specific Capacity of wells in Morrison Formation. Frone Stone, et al., 1983

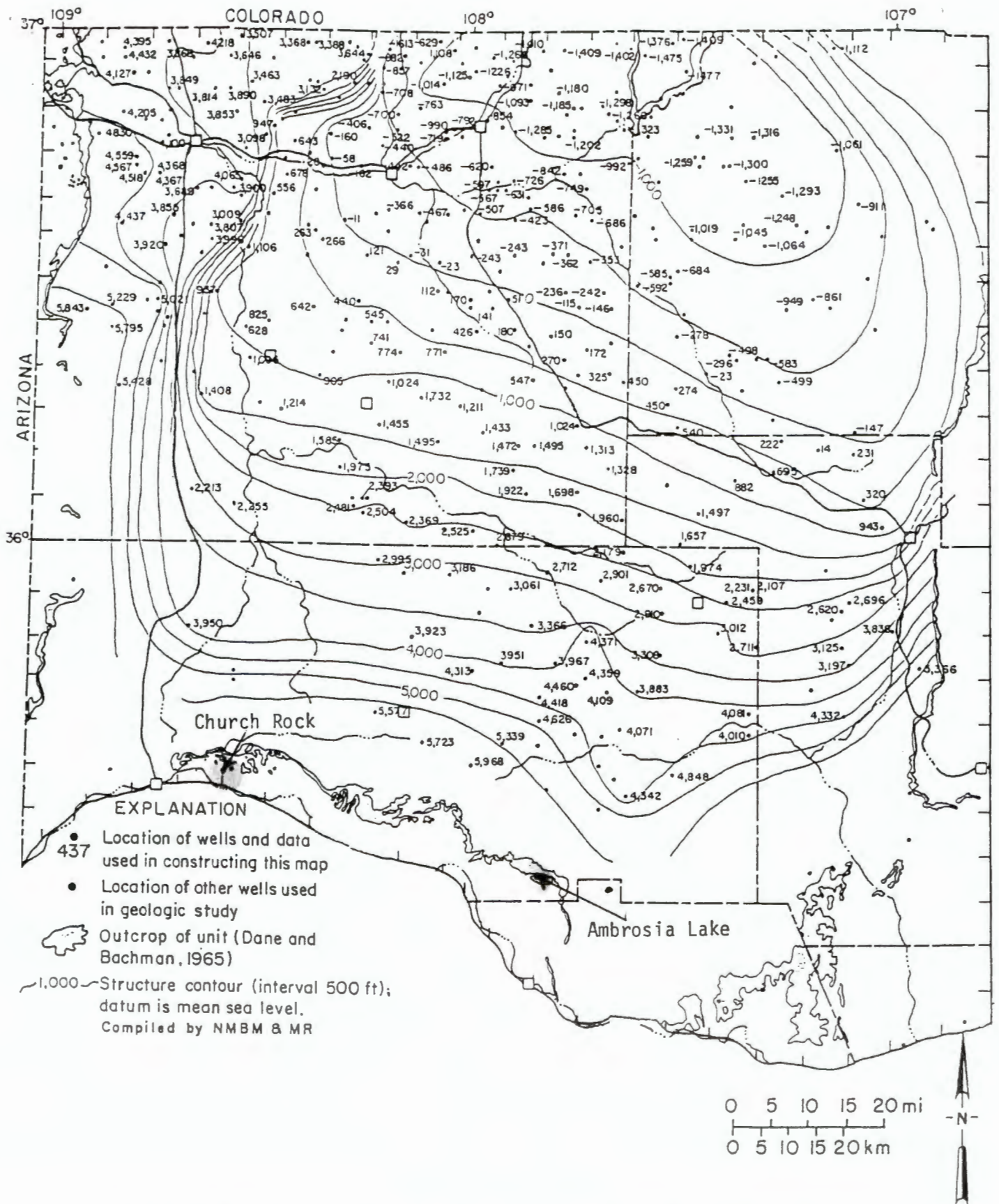


Figure 5 - Elevation of top of Dakota Sandstone structure. From Stone, From Stone, et al., 1983

Control Commission discharge regulations after 1977. Water used in the milling process and discharged with the mill tailings either evaporated or infiltrated to recharge shallow aquifers. Kaufman et al. (1976) said that about 30% of the tailings water in the Ambrosia Lake area infiltrated causing high levels of selenium in shallow groundwater near the tailings piles. Groundwater contamination associated with tailings dams is regulated by the Nuclear Regulatory Commission and is, therefore, beyond the scope of this study.

Collapse of underground workings has probably caused some deterioration of water quality in the Morrison Formation near Ambrosia Lake by providing a connection to the overlying Dakota Sandstone. In the Ambrosia Lake Area the Dakota Sandstone contains higher concentrations of dissolved solids than the Morrison (Cooper and John, 1968). There nothing mine operators can do to prevent further collapse of underground workings. However, sandstone has an especially high swell factor of 66 percent (Caterpillar, 1991). Consequently, it is unlikely that subsurface subsidence will extend to aquifers above the Dakota Sandstone.

At the Homestake Section 23 Mine uranium was extracted by in situ leaching. Although this method eliminated many water resource impacts associated with conventional mining, it caused some new ones, such as control of the leaching fluid and cleanup of the Morrison Aquifer after leaching ceased. Impacts on groundwater by solution mining are regulated via groundwater discharge plans by the New Mexico Environment Department.

Continental Oil Company personnel, after conducting a literature search on the mobility of radium in groundwater systems, concluded that dispersion, ion exchange, and radioactive decay prevents extensive migration of excessive radium concentrations that might persist in the immediate area of a mine (Jensen W.M., 1978). These geochemical processes, by which uranium minerals were deposited in the first place, probably limit migration of uranium as well as other toxic substances.

Mining Impacts to Ground Water Quantity

During mining operations a large quantity of freshwater was pumped to keep the mines dewatered. Much of the water needed for uranium mining and milling was provided by mine water discharge. In addition water for milling was produced from wells completed in the Glorieta Sandstone - San Andres Limestone near Grants and wells tapping the Morrison Formation north of Laguna. Dewatering caused large declines in water levels in the Morrison Formation (Lyford *et al.*, 1980). Pumpage of water for uranium exploration drilling also caused water-level declines in the Gallup Sandstone. It is expected, however, that water levels will return to premining levels with the cessation of mining operations.

Summary and Conclusions

Protection of surface water resources with respect to erosion and sediment was accomplished by regrading the area to a stable configuration and reestablishment of permanent vegetation. Post mining topography and vegetation were inspected by Mining and Minerals Division personnel July 13-14, 1995 and will be addressed in a separate report. There are no waste piles of radioactive material left on the surface with the potential to contaminate surface water.

Uranium mining took place within the Morrison Formation and the Morrison Formation is the source of the public water supply for the Village of Crownpoint. However, water within the Morrison potentially contaminated by mining operations would most likely be confined to the Morrison Formation. The flow of groundwater within the Morrison Formation in the area of Ambrosia Lake is to the southeast and in the area of Church Rock to the north, away from the community of Crownpoint.

The quality of water discharged into surface arroyos has been regulated by the U.S. Environmental Protection Agency and the New Mexico Environment Department for adherence to National Pollutant Discharge Elimination System and the New Mexico Water Quality Control Commission discharge regulations after 1977. The quality of water discharged underground has been regulated since 1977 by the New Mexico Environment Department according to respective groundwater discharge plans. Mine dewatering has caused large declines in water levels in the Morrison Formation and the Gallup Sandstone. It is expected, however, that water levels will return to premining levels with the cessation of mining operations.

It is expected that oxidation of uranium minerals will cease and water will return to premining quality as groundwater recovers to premining levels. Geochemical processes such as dispersion, ion exchange, and radioactive decay may prevent extensive migration of excessive radium concentrations that might persist and limit migration of other toxic substances.

No further reclamation measures, that fall within the regulatory authority of the New Mexico Mining Act, are required to protect water resources from degradation following uranium mining at Homestake Mining Company and United Nuclear Corporation Mines prior reclamation sites near Ambrosia Lake, New Mexico and Kerr-McGee Corporation sites near Church Rock, New Mexico.

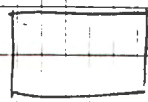
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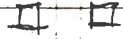
John Bill

All Similar to Sec 34 - Sandstone Mine

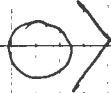
Vegetation establishment is Poor



Hurst
House



Hall
Footings



MOUND

Atol
Fulki
Cannon/Venous

UNITED NUCLEAR CORPORATION



1720 Louisiana N.E.
Suite 400

Albuquerque, New Mexico 87110
Telephone 505/262-1800
Fax 505/262-1809

JUN 25

June 21, 1995
UNC/ABQ-95-114M

Kathleen Garland
Director, Mining and Minerals Division
Energy, Minerals and Natural Resources Department
2040 South Pacheco
Santa Fe, New Mexico 87505

Re: Prior Reclamation Inspection Request
Fee Payment

Dear Ms. Garland:

Enclosed is a check in the amount of seven hundred fifty dollars (\$750.00) for payment of fees for requests for inspection of certain mine sites that are subject to the prior reclamation provisions of the Mining Act. United Nuclear submitted a request for such an inspection on August 26, 1994, copy attached, but was awaiting payment of the fee until a determination was made as to the amount that would be assessed, given that the mines are in such close proximity to each other. We have not received such a determination to date and recently noted that your presentation to the Mining Commission on June 16 did not include these mines in the information package.

We are submitting this payment to ensure that your inspection schedule includes visiting these sites. Should you require additional information please do not hesitate to contact me.

Sincerely,

A handwritten signature in black ink, appearing to read "Juan R. Velasquez".

Juan R. Velasquez

cc: Dal Moelenberg
Ed Morales

UNC MINING AND MILLING
 DIVISION OF UNITED NUCLEAR CORPORATION
 P.O. DRAWER QQ
 GALLUP, NM 87301

95-124
 1022
 95237Q-TCS-T

02083

DATE June 20, 1995

PAY TO THE ORDER OF State of N.M. Energy, Minerals & Natural Resources \$ 750.00

UNC MINING AND MILLING 750 DOLS 00 CTS

DOLLARS

VOID AFTER 90 DAYS

SUNWEST BANK OF GALLUP
 P.O. BOX 339 (505) 863-9533
 GALLUP, NEW MEXICO 87305

Marshall J. Fletcher



UNC MINING AND MILLING

PLEASE DETACH BEFORE DEPOSITING. BY ENDORSEMENT THE CHECK IS ACCEPTED IN FULL PAYMENT OF THE FOLLOWING:

PERIOD ENDING	HOURS			EARNINGS				DEDUCTIONS					NET PAY	
	REG.	O.T.	TOTAL	REGULAR	OVERTIME	OTHER	TOTAL	F.I.C.A.	WITHHOLD-ING TAX	STATE TAX	INS.			

INVOICE DATE	INVOICE NUMBER	DESCRIPTION	OUR NUMBER	AMOUNT OF INVOICE	DEDUCTIONS	AMOUNT PAID
6-20-95		7813		\$750.00		\$750.00

State of New Mexico
ENERGY, MINERALS and NATURAL RESOURCES DEPARTMENT
Santa Fe, New Mexico 87505



BRUCE KING
GOVERNOR



ANITA LOCKWOOD
CABINET SECRETARY

November 15, 1994

Mr. Juan Valasquez
United Nuclear Corporation
6501 America's Parkway N.E., Suite 1040
Albuquerque, NM 87110

**Re: Status of United Nuclear Sites Discussed in October 19, 1994
letter**

Dear Mr. Velasquez:

Thank you for your letter of October 19, 1994. I will try to address the issues raised in the same order as in your letter.

Inactive, Abandoned Sites

We do not believe your analysis is correct in stating that mines that were inactive prior to the enactment of the law, but within the time frame to be classified as an existing mine, are excluded from the Mining Act. If that analysis were correct then there would have been no need to include the section on prior reclamation.

Mac #1 and Section 31 Mines

As you indicated in your letter and a letter sent to us from Homestake Mining Company, dated October 24, 1994, the Mac 1 site is exempt from the Act. Apparently, it does not meet the definition of an "existing mining operation", because it did not produce a marketable product, for a period of two years within the given time frame. As you indicated in your letter, the Section 31 mine is covered by Santa Fe Pacific Gold with a request for prior reclamation. MMD will be evaluating this request to ensure that it covers the entire mining disturbance.

Anne Lee, John Bill and Sandstone Mines

Because United Nuclear, Inc. has addressed the Anne Lee, John Bill and the Sandstone mines under prior reclamation requests, these sites will be evaluated for prior reclamation. Since you have submitted a prior reclamation request, we will evaluate it on that basis and not, at this time, address your question concerning an exemption from the Act, based on the fact that a federal agency (DOE) is currently involved in reclamation of the site.

VILLAGRA BUILDING - 408 Galisteo

Forestry and Resources Conservation Division
P.O. Box 1948 87504-1948
827-5830

Park and Recreation Division
P.O. Box 1147 87504-1147
827-7465

2040 South Pacheco

Office of the Secretary
827-5950

Administrative Services
827-5925

Energy Conservation & Management
827-5900

Mining and Minerals
827-5970

LAND OFFICE BUILDING - 310 Old Santa Fe Trail

Oil Conservation Division
P.O. Box 2088 87504-2088
827-5800

Old Church Rock Mine

HRI submitted a prior reclamation request for this site. MMD will be evaluating their request to ensure that it covers the entire mining disturbance.

Northeast Church Rock, Section 27, and St. Anthony

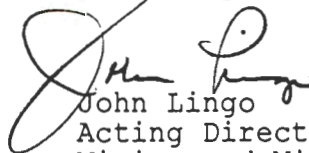
Before making any determination on the Northeast Church Rock site, we would like to know if Section 35 and Section 3, of the site, have been reclaimed along with Section 34. You mentioned that the surface is owned by the United States in trust for the Navajo Nation and that the mineral estate is owned by Santa Fe Pacific Gold Corporation. Since, the mineral estate is not controlled by the Navajos, it may be necessary for UNC to address this site via permitting and reclamation.

As I mentioned above we do not believe your analysis is correct in designating mine sites abandoned, that became inactive and are no longer intended to be used, during the time frame designated by the definition of an "existing mining operation." Therefore, the Section 27 Mine and the Anthony Mine must now be permitted. Prior reclamation would not be an option, at this time.

Because it is our interpretation that the Northeast Church Rock Mine, Section 27, and the Anthony Mines, fall under the requirements specified in the New Mexico Mining Act, you will be required to permit all three. The permit deadline is December 31, 1994.

Please contact me directly or Holland Shepherd of my staff, if you have further questions.

Sincerely,



John Lingo
Acting Director
Mining and Minerals Division

The first part of the text discusses the importance of maintaining accurate records of all transactions. It emphasizes that every entry should be supported by a valid receipt or invoice. This ensures that the financial statements are reliable and can be audited without issue.

The second part of the text focuses on the importance of regular reconciliation. It states that accounts should be reconciled at least once a month to identify any discrepancies early on. This process involves comparing the internal records with the bank statements to ensure they match.

The final part of the text discusses the importance of staying up-to-date with tax regulations. It notes that tax laws can change frequently, and businesses must ensure they are compliant with the current requirements. This may involve consulting with a tax professional or staying informed through industry publications.

UNITED NUCLEAR CORPORATION



6501 America's Parkway N.E.
Suite 1040

Albuquerque, New Mexico 87110
Telephone 505/883-6901
FAX 883-0146

JOHN BILL

October 19, 1994

Mr. John Lingo
Acting Director
Mining and Minerals Division
New Mexico Energy, Minerals and Natural Resources Department
2040 South Pacheco Street
Santa Fe, New Mexico 87505

RE: Reply to August 25, & Various August 31, 1994 Letters

Dear Mr. Lingo:

This letter is in reply to your August 25, 1994 letter regarding United Nuclear Corporation's (United Nuclear) position concerning the extent of it's obligations, if any, under the New Mexico Mining Act with respect to several mines. This also responds to the several letters dated August 31, 1994 regarding your notification that certain mining operations may require a site assessment.

We appreciated the opportunity to meet with your staff, Messrs. Shepherd, Jager, and Martinez, on September 16, 1994 to discuss these issues and clarify the circumstances, locations, and history of several of the mines. The following summarizes United Nuclear's position with respect to the mining Act.

United Nuclear made a decision in 1984, several years before the Act was passed, to discontinue it's mining operations, and has been and remains in the process of liquidating the remaining assets of it's former mining operations. As such, United Nuclear believes that all of the mine properties it operated are "abandoned" mines as contemplated by the Mining Act. United Nuclear currently holds no ownership or leasehold interest in these mines, and does not currently operate any of the mines.

United Nuclear believes that it has no obligation to comply with the permitting and other regulatory requirements of the New Mexico Act for these mines. The New Mexico Mining Act was never intended to cover the reclamation of abandoned mines, except to the extent that Section 19 of the Act creates the "inactive or abandoned non-coal mine reclamation fund" which was established "to conduct reclamation activities on abandoned or inactive non-coal mining areas." § 69-36-19 NMSA. Although it is apparent that an "existing mining operation" is defined in a manner that could include an inactive mining operation, there is no provision in the Act which establishes that a person who has no current ownership interest and is not currently an operator of an inactive mine is required by law to undertake the obligations of the Act. The Act refers to "the owner or operator" in the present tense, and makes no reference to any liability for former owners or operators. Absent any clear statutory provision stating that the Mining Act applies retroactively to cover an owner or operator of an abandoned mine, New Mexico case law is clear that the law will not be construed to apply retroactively. *Psomas v Psomas*, 661 P.2d 884, 887 (N.M. 1987). Federal laws containing similar language imposing regulatory liability

October 19, 1994

Page 2

upon owners and operators have been construed to apply only to current, and not former, owners and operators. See *Coburn v. Sun Chemical Corporation*, 28 E.R.C. 1668 (E.D. Pa. 1988) (regulatory requirements of the federal hazardous waste management regulations apply only to current owners and operators, and past operators are not liable for current regulatory violations).

The definition of "existing mining operations" serves an important purpose other than arguably subjecting inactive mines to reclamation requirements under the Mining Act. It establishes a cutoff regarding how recently an inactive mine must have been operated and in production to qualify as an "existing mining operation," rather than a "new mining operation", if mining begins again. An inactive mine that does not meet the definition of "existing mining operation" does not qualify for the "grandfathered" authorization to operate before a permit is issued, and unless it was in operation when the Act was passed, would have to obtain a permit as a "new mining operation" before mining could be renewed. Therefore, this definition alone does not establish that persons who are not current "owners or operators" of inactive mining operations are subject to the regulatory requirements of the Mining Act and the rules.

In addition to the arguments presented above, parts or all of United Nuclear's former uranium mines may be exempt from the Mining Act and the rules pursuant to the definitions of "mineral" and "mining" in the Act. While this letter focuses on certain arguments and provisions of the Act, United Nuclear does not intend to waive any other legal arguments it may have with respect to the New Mexico Mining Act's application to United Nuclear with respect to these mines. For example, we understand that MMD is still considering its position with respect to the application of the Act upon Indian lands.

Our position notwithstanding, the following is a discussion of each of the mines for which MMD had requested information.

Mac #1 and Section 31 Mines

At the September 16 meeting, we discussed with your staff the August 31, 1994 notices received for the Mac#1 Mine and the Section 31 Mine (Section 31, T13N R9W). The Mac#1 Mine, to the best of United Nuclear's knowledge, is not an existing mining operation because it did not have at least two years of production after 1970. Furthermore, we understand that Homestake Mining Company, the successor to the UNHP Partnership, and to which Homestake is the successor in interest, has provided correspondence to MMD addressing this mine.

Regarding the Section 31 Mine, our information indicates that it was not operated by United Nuclear after 1970. Even so, at the meeting, MMD staff clarified that this mine is covered under an application submitted by Santa Fe Pacific Gold Corporation for inspection of the mine to evaluate prior reclamation.

October 19, 1994

Page 3

Anne Lee, John Bill and Sandstone Mines

As acknowledged during the meeting, United Nuclear has submitted applications dated August 26, 1994 for inspection of "prior reclamation" for three mines in the Ambrosia Lake District, the Anne Lee Mine (Section 28, T14N, R9W), John Bill Mine (Section 34, T14N, R9W), and Sandstone Mine (Section 34, T14N, R9W). These applications were submitted inasmuch as United Nuclear is the owner of the surface of these properties and the Mining Act is vague as to responsibility for such properties.

As discussed in the August 26 application and during the meeting, the Anne Lee Mine is located in the area determined to be a "Vicinity Property" by the U.S. Department of Energy (DOE). DOE is in the process of cleaning up and reclaiming this property, pursuant to Title I of the Uranium Mill Tailings Radiation Control Act ("UMTRCA") as part of the cleanup, stabilization, and reclamation program being undertaken by the DOE for the Ambrosia Lake uranium mill and tailings facility. While our application requests a prior reclamation inspection for the Anne Lee Mine, United Nuclear asserts that this property should be determined to be subject to the exemption in the Act for facilities subject to regulation by the Nuclear Regulatory Commission. This exemption would clearly apply to facilities subject to NRC regulation under UMTRCA, the only difference being the agency that is administering the cleanup.

Old Church Rock Mine

As acknowledged during the meeting, United Nuclear understands that the current operator, Hydro Resources, Inc. (HRI), has submitted a site assessment and prior reclamation application for the Old Church Rock Mine. This mine property is currently held by HRI, pursuant to a lease with Santa Fe Pacific Gold Corp. United Nuclear's only remaining interest in this property is a contractual royalty interest in any future production by HRI. United Nuclear understands that HRI is responsible to fulfill any and all obligations under the New Mexico Mining Act with respect to the Old Church Rock Mine.

Northeast Church Rock, Section 27, and St. Anthony Mines

United Nuclear leased the mineral estate for the Northeast Church Rock Mine (Section 35, T17N, R16W and Section 3, T16W, R16W) from what is now Santa Fe Pacific Gold Corporation, the current owner of the mineral estate. The surface of Sections 35 and 3 is owned by the United States in trust for the Navajo Tribe. United Nuclear owns a portion of the surface of Section 34, T17N, R16W, by virtue of patented claims. Section 34 contains a small portion of the total NECR mine workings. All of the surface disturbance on Section 34 has been reclaimed.

United Nuclear's lease, expired as of December 31, 1993. As discussed at the September 16 meeting, United Nuclear and Santa Fe Pacific Gold Corporation have not yet resolved all issues regarding United Nuclear's remaining obligations, if any, under the lease.

October 19, 1994

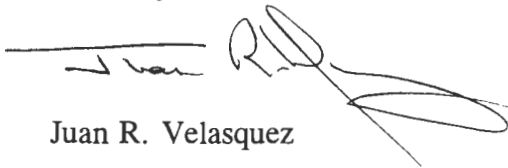
Page 4

United Nuclear leased the mineral estate for the Section 27 Mine (Section 27, T14N, R9W) from what is now Hecla Mining Company, which, to the best of our knowledge, is the current owner of the mineral estate. To the best of our knowledge, the Marquez family owns the surface. United Nuclear's mineral lease for this property was released in March 1988, and United Nuclear has had no interest in this mine since then.

United Nuclear leased the mineral estate for the St. Anthony Mine (portions of Sections 19, 20, 29 and 30, T11N, R4W and Sections 23, 24, 25 and 26, T11N, R5W) from the Cebolletta Land Grant, which was and is the owner of both the surface and mineral estates. United Nuclear released this lease in November 1988, and United Nuclear has had no interest in this mine since then.

Once again, thank you for the opportunity to meet with your staff and to clarify United Nuclear's position on these matters. If you have any additional questions or comments regarding this letter or United Nuclear's position, please feel free to contact us.

Sincerely,

A handwritten signature in black ink, appearing to read 'Juan R. Velasquez', is written over a horizontal line. The signature is stylized and cursive.

Juan R. Velasquez

September 28, 1994

To: Mining Act Reclamation Bureau File on United Nuclear Corporation

From: Holland Shepherd, Bureau Chief, Mining Act Reclamation Bureau *HWS*

Re: **Meeting with UNC Concerning Status of Mining Properties in New Mexico**

Date of Meeting: Sept. 16, 1994
Time of Meeting: 10:00 - 12:30
Participants: Juan Valesquez and Dalva Moellenberg of United Nuclear Corporation; Holland Shepherd, Alan Jager and Fernando Martinez, MMD

This memo addresses a meeting the Bureau had with representatives of the United Nuclear Corporation. The meeting was held to discuss the status of several sites currently operated or once operated by UNC.

Sites Resolved During Meeting

1. The Mac #1 Mine was a Homestake/UNC venture which lasted about two years. Homestake bought all interest in the property in the late 70's. This site apparently does not meet the definition of mining so will not be permitted. Homestake is to send the letter indicating exclusion.
2. The Section 31 T13N, R9W Mine, according to UNC is not subject to the Act. However, Santa Fe Pacific has claimed under prior reclamation. This will exclude UNC from further obligations for the site, if the site is released under prior reclamation.
3. The Old Church Rock Mine is in Section 17. This site includes the Church Rock 1 and 1E all now under the responsibility of Kerr McGee. The site is on Indian Lands, not Indian Trust Lands. Kerr McGee has claimed these sites under prior reclamation, the Church Rock 1, 1E and 2.

The NE Church Rock Mine is the same as the Section 35 Mine, and is the responsibility of UNC.

Another Old Church Rock was once owned by UNC, but now belongs to HRI, Sec. 17, T16N, R16W, which is claiming it as a prior reclamation site.

4. The John Bill and the Sandstone Mine sites have been reclaimed and the operator is claiming these for prior reclamation
5. The Ann Lee Mine is currently being reclaimed by the DOE, under the authority of Title 1 and UMTCRA. There may be a problem here because the Act exempts sites under the control of NRC. The state may have to permit a DOE site.

Sites Remaining Unresolved

Three sites remain unresolved: 1. the Section 27 Mine; the St. Anthony Mine; and the NE Church Rock Mine.

1. The Section 27 Mine was operated until 1982, then abandoned in 1988. UNC has indicated that the property is now the responsibility of the Marquez family.
2. The St. Anthony Mine was abandoned back to the land owner in 1988.
3. The NE Church Rock Mine or Section 35 Mine, was abandoned 1993. UNC is saying that Santa Fe Pacific Gold is now responsible for the site.

The overall argument that UNC is using, to disclaim responsibility, is that all three of these sites were abandoned before the Act went into effect. They argue that the Act was never meant to be retroactive, by forcing mine operators to reclaim abandoned sites, which fall under the existing mining operation definition. UNC argues that the definition of an "existing mine operation," should really be interpreted to mean only those operations, which intend to continue mining or in a standby state after the Act. For operations, which were abandoned prior to the Act, to make an operator reclaim these sites would be an undue burden, and was never the intent of the legislature.

We indicated that, if they wanted to push the issue, it would probably have to go before the Mining Commission.

UNITE NUCLEAR CORPORATION

1700 Louisiana N.E.
Suite 230

Albuquerque, New Mexico 87110
Telephone 505/262-1800
FAX 262-1809



August 26, 1994
UNC-ABQ-94-069M

Mr. John Lingo, Acting Director
Mining and Minerals Division
New Mexico Energy, Minerals, and Natural Resources Department
2040 South Pacheco Street
Santa Fe, New Mexico 87505

Re: Request For Inspection of Certain Reclaimed Existing Mining Operations

Dear Mr. Lingo:

United Nuclear Corporation hereby submits, pursuant to Section 5.E. of the New Mexico Mining Act and 5.10 of the recently promulgated Mining Act Rules, a request for inspection of the following reclaimed existing mining operations;

1. Anne Lee Mine MK007RR
2. John Bill Mine PK008PR
3. Sandstone Mine MK009PR

All of these mines are located in the Ambrosia Lake District of the Grants Uranium Belt in McKinley County, New Mexico. The Anne Lee Mine is located in Section 28, T14N, R9W. The John Bill and Sandstone Mines are located in Section 34, T14N, R9W. Enclosed is a map depicting their location.

United Nuclear considers that all of these mines have been completely reclaimed in such a manner as to allow the Director to determine that the substantive requirements of the Mining Act have been met and that United Nuclear has no further obligations under the Act.

By way of a brief summary, all of the buildings and other improvements have been removed. All of the mine shafts and vent holes have been permanently sealed with a 4-foot thick reinforced concrete cap. All of the residual ore and waste material has been removed or buried. All of the disturbed areas have been covered with at least one foot of soil, seeded to promote revegetation, and mulched. The seed mixture used is as follows;

	1.0 lb. Pure Live Seed (PLS) per acre
Blue-grama - Hatchita	1.0 " " " " " " "
Crested Wheat grass	5.0 " " " " " " "
Western Wheat grass	2.5 " " " " " " "
Indian Rice grass	1.0 " " " " " " "
Yellow Sweet Clover	2.0 " " " " " " "
Alkali Sacaton	0.5 " " " " " " "
Sand Dropseed	1.5 " " " " " " "

August 26, 1994
UNC/ABQ-94-069M
Page 2

The resulting total application of the seed mixture was 13.5 lbs PLS per acre. Now that mining activities have ceased the property will be returned to its post mining land use, i.e., grazing.

We would also like to note that the Anne Lee Mine location has been determined by the U.S. Department of Energy (DOE) to be a "Vicinity Property" which is in the process of being cleaned up and reclaimed pursuant to the Uranium Mill Tailings Radiation Control Act (UMTRCA) as part of the cleanup, stabilization, and reclamation program being undertaken for the Ambrosia Lake uranium mill and tailings facility. This activity is being conducted under Title I of UMTRCA.

The DOE has a great deal of information as to the manner in which reclamation of the Anne Lee Mine is being conducted that is available through the Albuquerque DOE UMTRCA office.

While the Mining Act does not specifically exempt DOE cleanup activities, United Nuclear believes that the site should be determined by the Director as meeting the requirements of the Act inasmuch as the Act specifically exempts U.S. Nuclear Regulatory Commission (NRC) regulated activities and NRC regulatory authority is embodied in UMTRCA, the same federal law that mandates the DOE cleanup activities being conducted at the Anne Lee Mine.

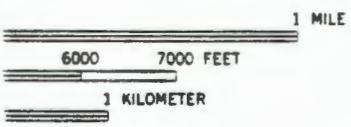
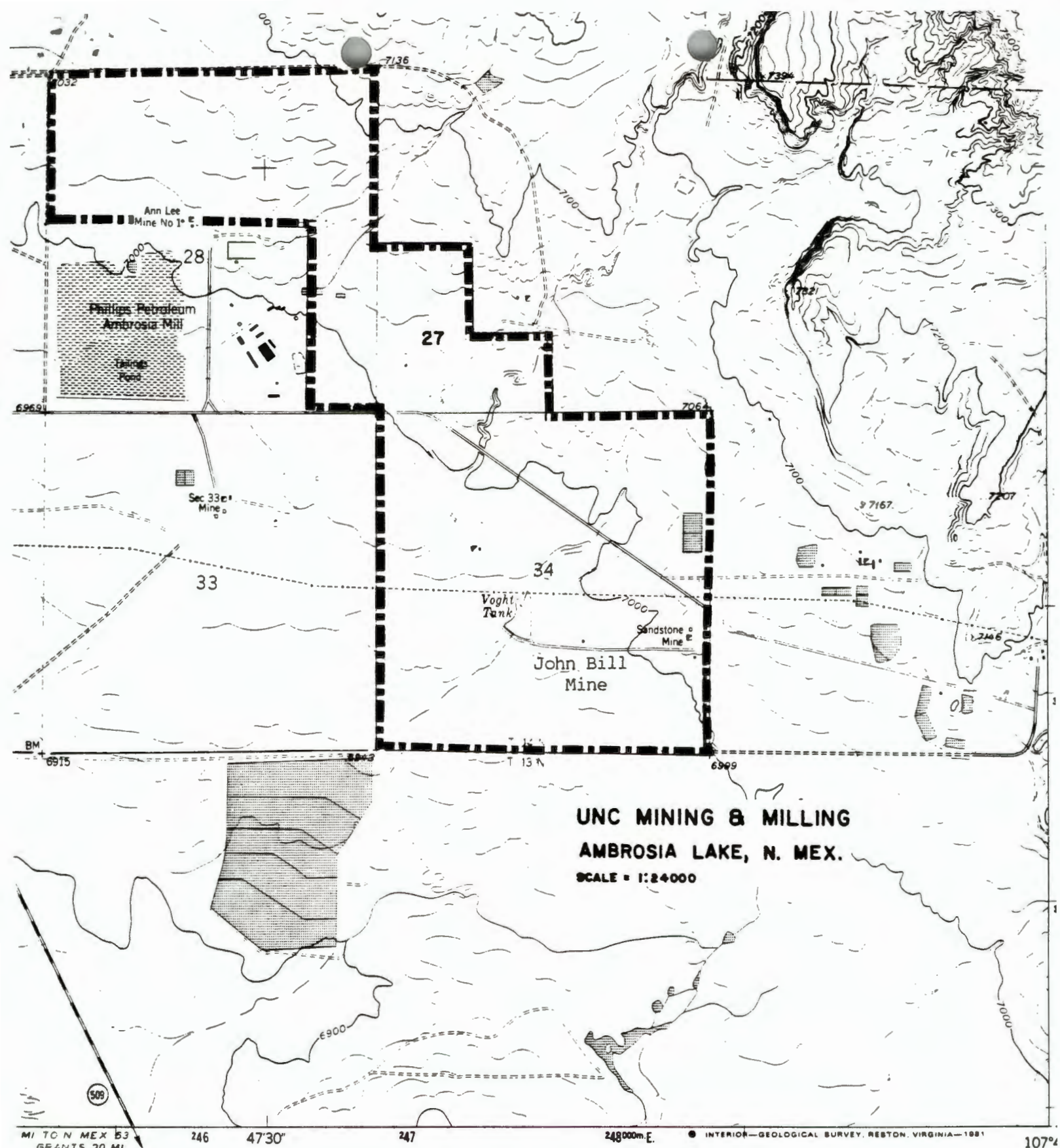
United Nuclear requests that MMD conduct its inspection of these sites at its earliest convenience. Should you have any questions or require additional information please do not hesitate to contact me. Mr. Edward Morales, is also available by telephone at (505) 722-6651 should you be unable to reach me.

We look forward to receiving determinations for each of these sites that reclamation is in accordance to the requirements set forth in the Mining Act.

Sincerely,

A handwritten signature in black ink, appearing to read "Juan R. Velasquez", with a long horizontal line extending to the left and a large, stylized flourish extending to the right.

Juan R. Velasquez



QUADRANGLE LOCATION

ROAD CLASSIFICATION

- Medium-duty
- Light-duty
- Unimproved dirt
- State Route

AMBROSIA LAKE, N. MEX.

State of New Mexico
ENERGY, MINERALS and NATURAL RESOURCES DEPARTMENT
Santa Fe, New Mexico 87505



BRUCE KING
GOVERNOR

ANITA LOCKWOOD
CABINET SECRETARY

August 25, 1994

Mr. Juan R. Velasquez
United Nuclear Corporation
1700 Louisiana N.E.
Suite 230
Albuquerque, NM 87110

Re: Response to Recision of New Mexico Mining Act Owner/Operator Information

Dear Mr. Velasquez:

This letter is in response to the United Nuclear Corporation (UNC) correspondence, dated June 21 and 29, 1994. The letters concerned the owner/operator status of several uranium properties, in which UNC had been involved. The owner/operator status and responsibilities, under the New Mexico Mining Act (the Act), relate directly to the requirements of Sections 69-36-5.D and 69-36-3.E.

The letters referenced above indicate that UNC believes it does not have a responsibility for reclamation under the Act for the sites listed below:

1. St. Anthony Mining Operation
2. Section 27 Mine
3. Northeast Church Rock Mine
4. Old Church Rock Mine
5. Sandstone Mine
- ✓ 6. Anne Lee Mine
7. John Bill Mine

WILLAGRA BUILDING - 408 Galisteo
Forestry and Resources Conservation Division
P.O. Box 1948 87504-1948
827-5830

Park and Recreation Division
P.O. Box 1147 87504-1147
827-7465

2040 South Pacheco

Office of the Secretary
827-5950

Administrative Services
827-5925

Energy Conservation & Management
827-5900

Mining and Minerals
827-5970

LAND OFFICE BUILDING - 310 Old Santa Fe Trail

Oil Conservation Division
P.O. Box 2088 87504-2088
827-5800

Below please find MMD's response to UNC for each site referenced above:

1. St. Anthony Mining Operation

You have indicated that UNC terminated its lease for this site on November 1, 1988. However, Sections 69-36-3.E or 69-36-5.D do not indicate that once an operator's lease has been terminated that the operator is no longer responsible for the requirements stated in the Act. The language in the Act clearly indicates that an operator mining and producing within the specified time frame falls under the requirements of the Act.

UNC's letter, dated July 16, 1993, indicates that UNC did operate the St. Anthony Mine for a period of 2 years between January 1, 1970 and the effective date of the Act. If UNC operated the mine during the time frame stated under the definition of an Existing Mine, in Section 69-36-3.E, and produced for the given period, then the responsibility for reclamation or permitting remains whether or not the lease was terminated prior to the implementation of the Mining Act Rules.

It is MMD's opinion that the only way for an operator to be removed from the responsibilities of the requirements stated in the Act, is for MMD to approve in writing the transfer of responsibility for permitting and reclamation to another responsible party. If the Cebolleta Grant is willing to take over the full responsibility for the permitting and reclamation of this site, it may obtain the required permit.

2. Section 27 Mine

Please see explanation above, concerning the St. Anthony Mine. Again if Marquez family or Hecla Mining Co. is willing to take over the responsibility of permitting and reclaiming this site then either or both, jointly, may permit the site.

3. Northeast Church Rock Mine

Please see explanation above, concerning the St. Anthony Mine. For those portions of the site on Navajo trust lands (Sections 3 and 35, T17N, R16W), MMD will need more information concerning the surface and mineral ownership. Also, we will need to know if any reclamation has already been performed in these areas and under whose authority.

4. Old Church Rock Mine

Hydro Resources Inc. may have assumed responsibility for this site. HRI has filed a request for prior reclamation regarding a Church Rock site. The legal description

they provided for the site is Section 17, T16N, R16W. If this is the same site as UNC's Old Church Rock Mine, and the reclamation is satisfactory then no permit will be needed by any party.

5. Sandstone Mine

Please see explanation above, concerning the St. Anthony Mine.

6. Anne Lee Mine

Please see explanation above, concerning the St. Anthony Mine.

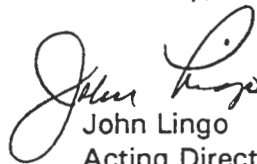
7. John Bill Mine

Please see explanation above, concerning the St. Anthony Mine.

Currently, MMD has no information from UNC concerning these sites other than the letters received on July 16, 1993, June 21 and 29, 1994. To come under compliance with the New Mexico Mining Act, it will be necessary to file a site assessment for these sites, provide written documentation from other parties which states an assumption of the responsibilities under the Act, or provide a request for prior reclamation. The deadline for filing a site assessment (June 30, 1994) has passed, but a site assessment is still needed. The deadline for filing a request for prior reclamation is August 31, 1994.

Please contact us as soon as possible with your response to this letter.

Sincerely,



John Lingo
Acting Director
Mining and Minerals Division

JL/hs

UNC.ltr

UNITED NUCLEAR CORPORATION



1700 Louisiana N.E.
Suite 230

Albuquerque, New Mexico 87110
Telephone 505/262-1800
FAX 262-1809

*Received
7/11/94
John Lingo*

June 29, 1994
UNC/ABQ-94-056M

Mr. John Lingo, Acting Director
Mining and Minerals Division
Energy, Minerals, and Natural Resources Department
2040 South Pacheco Street
Santa Fe, New Mexico 87505

Re: Updated New Mexico Mining Act Owner/Operator Information

Dear Mr. Lingo:

The purpose of this letter is to update the Mining and Minerals Division regarding the owner/operator notifications previously submitted by United Nuclear Corporation for the following mining operations pursuant to Section 69-36-5.D NMSA. United Nuclear is providing the following updated information and clarification to its original notifications.

- a. Northeast Church Rock Mine
- b. Old Church Rock Mine
- c. Sandstone Mine
- d. Anne Lee Mine
- e. John Bill Mine

In addition, United Nuclear is providing under separate cover a recision of an earlier notification for the St. Anthony and Section 27 Mines.

- a. North East Church Rock Mine

The Mineral lease, under which United Nuclear operated this mine until its shutdown in April 1982, expired and was terminated as of December 31, 1993. Consequently, since December 31, 1993, United Nuclear has had no interest in the Northeast Church Rock Mine with the exception of the portion of Section 34, T17N, R16W, which contains patented claims owned by United Nuclear. Although the Northeast Church Rock Mine may fit the definition of an "existing mine operation" as defined in the Act, the obligations under the act apply to "owners and operators". During the period before the December 31, 1993 expiration of the Lease, the only obligation that had accrued under the Act was the filing of the notification required under Section 69-36-5.D All other obligations under the Act occur after expiration of the Lease and the termination of United Nuclear's ownership and/or operational interest in the Mine and thereafter is the obligation of the current owners.

United Nuclear is informed that Santa Fe Pacific Gold Corporation is the owner of the mineral estate in Section 3 and 35, T17N, R16W. The surface estate for this property is held in trust by the federal government on behalf of the Navajo Indian Tribe. United Nuclear is the owner

*DISTR: CAROL LEACH
HOLLAND SHEPHERD (ORIGINAL)
JOHN LINGO*

of a portion of Section 34, T17N, R16W by virtue of ownership of certain patented mining claims. The U.S. Bureau of Land Management is the owner of the remainder of the surface.

b. Old Church Rock Mine

United Nuclear's interest in the mineral lease for property, under which United Nuclear operated the mine until its shutdown in April, 1982, also expired as of December 31, 1993. Hydro Resources, Inc. is now the operator of the Old Church Rock Mine pursuant to an agreement directly between Hydro Resources, Inc. (HRI) and Santa Fe Pacific Gold Corporation. United Nuclear is informed that HRI has submitted a notification to MMD containing the required information relating to HRI, and United Nuclear anticipates that future actions with respect to this property under the New Mexico Mining Act will undertaken to HRI. Santa Fe Pacific Gold has also succeeded to ownership of the mineral estate.

c. Sandstone Mine

To the best of United Nuclear's knowledge, the surface estate and mineral estate ownership information for this mine remains the same as previously reported. However, effective as of March 31, 1988, United Nuclear released the mineral lease under which it conducted its activities. United Nuclear's only remaining interest in this mine is its ownership of the surface. It is our understanding that Hecla Mining Company is the owner of the mineral estate as they are the successor in interest of Ranchers Exploration, the company from which United Nuclear originally leased the mineral rights.

d. Anne Lee Mine

To the best of United Nuclear's knowledge, the surface estate and mineral estate ownership information for this mine remains the same as previously reported. However, effective as of March 31, 1988, United Nuclear released the mineral lease under which it conducted its activities. United Nuclear's only remaining interest in this mine is its ownership of the surface. It is our understanding that Hecla Mining Company is the owner of the mineral estate as they are the successor in interest of Ranchers Exploration, the company from which United Nuclear originally leased the minerals.

e. John Bill Mine

To the best of United Nuclear's knowledge, the surface estate and mineral estate ownership information for this mine remains the same as previously reported. However, effective as of March 31, 1988, United Nuclear released the mineral lease under which it conducted its activities. United Nuclear's only remaining interest in this mine is its ownership of the surface. It is our understanding that Hecla Mining Company is the owner of the mineral estate as they are the successor in interest of Ranchers Exploration, the company from which

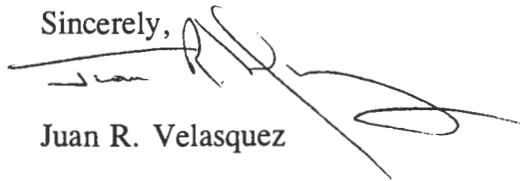
June 29, 1994
UNC/ABQ-94-056M
Page 3

United Nuclear originally leased the mineral rights.

Finally, we have reviewed a table presented by the New Mexico Environment Department at the recently concluded hearing which purported to be an analysis of the hardrock mine data base maintained by MMD. We offer the following information and corrections in order to avoid confusion in the future. The list identifies the "Marquez Mine" as a United Nuclear Operation. Please be advised that United Nuclear Corporation has had no interest in the mine since before 1970. Similarly, the "Section 17 T13N R9W" and "Section 31 T13N R9W" mines are listed as United Nuclear operations but United Nuclear has had no interest in any of these mines since before 1970.

As stated in our July 16, 1993 letter, United Nuclear continues to believe that the New Mexico Mining Act may be inapplicable to all of the above-listed operations. By submitting this notice, United Nuclear does not assume any liability or agree to a applicability of the Act to any of these operations or sites, and reserves all of its rights in the premises.

Sincerely,

A handwritten signature in black ink, appearing to read 'Juan R. Velasquez', is written over a horizontal line. The signature is stylized and extends to the right.

Juan R. Velasquez

UNITED NUCLEAR CORPORATION



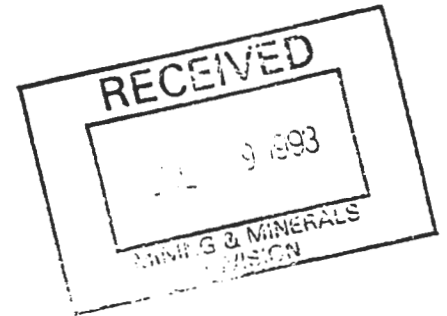
1700 Louisiana N.E.
Suite 230

Albuquerque, New Mexico 87110
Telephone 505/262-1800
FAX 262-1809

July 16, 1993
UNC-93-179M

JUL 1993
RECEIVED

Ms. Anita Lockwood, Secretary
New Mexico Energy, Mineral and Natural Resources Department
Mining and Mineral Division
2040 South Pacheco Street
Santa Fe, New Mexico 87505



Re: 1993 New Mexico Mining Act
Owner/Operator Information Requirements

Dear Ms. Lockwood:

United Nuclear Corporation hereby submits the attached information for the following mining operations pursuant to Section 5D of the 1993 New Mexico Mining Act;

- a. Northeast Church Rock Mine
- b. Old Church Rock Mine
- c. Sandstone Mine
- d. Anne Lee Mine
- e. Section 27 Mine
- f. John Bill Mine
- g. St. Anthony Mine

United Nuclear operated each of these mines for a period of at least two years between January 1, 1970 and the effective date of the Act. However, all of the properties except the Northeast and Old Church Rock mine properties have since been returned to their respective owners. Additionally, the Northeast and Old Church Rock properties were operated under the terms of mineral leases. As such, while United Nuclear Corporation currently holds an interest in the mineral estates in the properties it does not own the mineral estates at which these sites are located.

As indicated on the attached notice forms, ownership is as follows;

- a. Northeast Church Rock Mine

Mineral owner - Santa Fe Pacific Minerals Corporation
Surface owner - Navajo Tribe/federal government

July 16, 1993
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b. Old Church Rock Mine

Mineral owner - Santa Fe Pacific Minerals Corporation
Surface owner - Navajo Tribe/federal government

c. Sandstone Mine

Mineral owner - Hecla Mining Company
Surface owner - United Nuclear Corporation

d. Anne Lee Mine

Mineral owner - Hecla Mining Company
Surface owner - United Nuclear Corporation

e. Section 27 Mine

Mineral owner - Hecla Mining Company
Surface owner - Rio Algom Mining Company

f. John Bill Mine

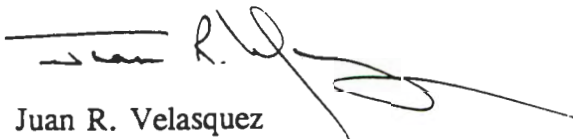
Mineral owner - Hecla Mining Company
Surface owner - United Nuclear Corporation

g. St. Anthony Mine

Mineral owner - Cebolleta Land Grant
Surface owner - Cebolleta Land Grant

Please be further advised that United Nuclear Corporation believes that the New Mexico Mining Act may be inapplicable to some or all of the above listed operations the company has conducted in the State of New Mexico. By submitting this notice, the Company does not assume any liability or agree to the applicability of the Act to any of its present or former operations or sites, and reserves all of its rights in the premises.

Sincerely,


Juan R. Velasquez