GARY R. HERBERT
Governor

GREGORY S. BELL
Lieutenant Governor

State of Utah

DEPARTMENT OF NATURAL RESOURCES

MICHAEL R. STYLER
Executive Director

Division of Oil, Gas and Mining

JOHN R. BAZA
Division Director

February 12, 2013

Douglas Sabetti
dougsabetti@cox.net

Susan McNally
suemcnally@cox.net

Subject: Concerns about Potential Uranium Mining Operations, Energy Fuels Resources, Inc., Calliham and Sage Mines, M/037/0023 and S/037/0058, San Juan County, Utah

Dear Mr. Sabetti and Ms. McNally:

I am writing in response to your letter dated October 26, 2012, addressed to Tom Munson. Mr. Munson has now retired, and the primary contact person for San Juan County, at least until someone is hired to replace Mr. Munson, is Wayne Western. His phone number is 801-538-5263, and his e mail address is waynewestern@utah.gov. Although Mr. Western is the lead inspector for this area, I am probably more familiar with the area and would be glad to help you as much as possible.

At this time, the Division of Oil, Gas and Mining (Division) has no proposal to open the Calliham mine. The Sage mine is permitted and could, theoretically, be opened and mined at any time, but Energy Fuels has idled all its Utah operations because of the low price of uranium. I am told that Energy Fuels may submit a Notice of Intention to Commence Small Mining Operations (SMO) for the Calliham mine which would allow them to disturb up to ten acres of land. The purpose of submitting the SMO would be to open a portal and investigate its condition. Beyond this I do not know what will happen to the price of uranium or whether it will become economical for Energy Fuels to commence any type of mining operation.

Because the Division has no mining proposal for the Calliham mine, it is impossible to assess possible impacts, how those impacts might be mitigated, and how successful mitigation methods might be. When it was previously operating, the Calliham mine was considered a large mine, and a Notice of Intention to Commence Large Mining Operations—basically a mining and reclamation plan—requires an assessment of potential or projected impacts to air quality, public health and safety, and to surface and subsurface hydrology. Before approving a plan for a large mine, the Division would advertise its tentative approval decision and seek substantive comments.

The Sage mine is permitted as a small mine, so no specific impact assessment or mitigation plans are required. Nevertheless, the mine is required to comply with certain requirements, which include protecting public health and safety, properly disposing of deleterious materials, and others which are in the R647 regulations and which can be found on the Division's web site. I encourage you to inform the Division if you observe practices that are endangering public health or safety or the environment.

The Division of Air Quality has primary jurisdiction over issues relating to radon emissions and dust control.

I hope this letter clarifies some of the requirements and processes for permitting a mine in Utah. I would be glad to answer additional questions. You can reach me at the address shown on this letter, by telephone at 801-538-5261, or by electronic mail at paulbaker@utah.gov.

Sincerely,

Paul Baker
Minerals Mining Manager
Minerals Regulatory Program

PBB: eb
cc: Dick White, Energy Fuels
Ted McDougall, BLM tmcdouga@blm.gov
P:\GROUPS\MINERALS\WP\M037-SanJuan\S0370058-Sage\final\ltr-sabetti-02042013.doc