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May 25, 2017

Monument Review  
MS-1530  
U.S. Department of the Interior  
1849 C Street NW  
Washington, DC 20240

RE: Review of Certain National Monuments, Federal Register Notice of May 11, 2017

Dear Sirs/Madams:

Energy Fuels Resources (USA) Inc. (EFR) owns the only conventional uranium processing facility still operating in the United States. Our White Mesa mill facility, now bordering the newly designated Bears Ears National Monument (BENM), is critically important to the future viability of the domestic uranium mining industry. Less than 6% of the uranium that fuels the 100 or so nuclear power plants in this country has been produced domestically in recent years. Reducing our reliance on foreign sources of uranium requires a facility that can process the abundant uranium resources that are located in the region near the White Mesa mill. In addition, the mill has the unique capability of processing radioactive "alternate feed" materials such as those generated through the U.S. Army Corps of Engineer's remediation of Formerly Utilized Sites Remedial Action Program (FUSRAP). EFR also believes that the mill and state of the art tailings management facility can be an integral component of the nearly \$2 billion now allocated by the US EPA for remediation of abandoned uranium mines on the nearby Navajo Reservation as well as at other sites off of the Reservation.

As presently designated, the eastern boundary of Bears Ears National Monument abuts the White Mesa mill property. We are concerned that the presence of a new national monument literally adjacent to the privately-owned land acquired specifically for constructing and operating a uranium and vanadium processing facility could affect existing and future mill operations. Also of immediate concern, a segment of the western boundary of BENM has been drawn less than two miles from our existing Daneros mine which has operated intermittently since the 1950s. As drawn, the boundary also includes seven miles of a County road that provides the only access route to the mine and is used to transport ore from the mine to the mill. There are also many other known uranium and vanadium deposits located within the newly created BENM that could provide valuable energy and mineral resources in the future (see Utah Geological Survey Map 215).

EFR is not opposed to providing additional protection of particularly unique or special cultural or scientific resources found within the 1.35 million acres of the BENM as designated. However, we note that the Antiquities Act specifically states that "*the smallest area compatible with the proper care and management of the objects (emphasis added) to be protected*" be designated. In this case, "objects" are predominantly cultural resource sites, not an entire landscape of 1.35 million acres. We believe that existing land use regulations and area residents have already protected such resources and special places in the BENM for many decades or they would not be present now. Further, the BLM and US Forest Service have an array of special management designations at their disposal that can be and are already used if further protection is necessary. Available tools include designation of Areas of Critical Environmental Concern (ACECs), Special Management Areas (SMAs) Wilderness Study Areas (WSAs), Instant Study Areas (ISAs), Special Recreation Management Areas (SRMAs) as well as more on the

ground monitoring of areas of particular concern. Currently, 29,000 acres within the monument are already managed by BLM as ACECs. In addition, BLM manages 11 WSAs and nine SRMAs now within the BENM. EFR questions why the BLM and Forest Service could not use more targeted protective designations such as these to accomplish the same goal as monument designation without restricting or preventing traditional multiple uses within the balance of the monument area.

We also note that the Antiquities Act requires the Secretary of Interior to consider the effects of a designation on both Federal and non-Federal lands either within or beyond monument boundaries. The designation of BENM has already had an effect on adjacent Federal lands as the completion of an Environmental Assessment (EA) for EFR's Daneros Mine, that has been in process for four years, has been held up while the BLM attempts to evaluate potential impacts to the newly designated BENM. If monument designation can affect a nearly completed NEPA analysis for a small existing mine two miles from the monument boundary obviously it can and will have a chilling effect on future land uses not only within but also near the monument, regardless of ownership status.

EFR is concerned that existing and future operations at the State and Federally-regulated White Mesa mill could similarly be subject to un-necessary, costly, and redundant environmental reviews simply because it is now adjacent to an arbitrarily drawn monument boundary. EFR believes this will cause further substantial financial hardship on our company and this in turn could jeopardize our position as the largest employer in San Juan County, the poorest in all of the State of Utah, and the high paying jobs our operations provide. In addition, regular monitoring of water quality in three springs located very near the eastern boundary of the BENM is required by the Utah Department of Environmental Quality to determine compliance with license conditions. Unrestricted access to those springs, which have shown no impacts from mill operations, is necessary to continue the agency-approved environmental monitoring program. EFR also operates an ambient air quality monitoring site located on top of the Black Mesa located about two miles west of the mill property boundary. Access to the monitoring site is now through the BENM and we are concerned about our future ability to demonstrate compliance with license and permit conditions if access to the site becomes restricted or is eliminated.

For all the reasons cited, EFR respectfully requests that DOI reduce the size of the BENM to only those specific resource areas or sites, if any, deemed to need additional protection beyond what is already available to Federal land management agencies. We also specifically request that any boundary revision provide an adequate buffer between the White Mesa mill, the Daneros mine and all valid existing mineral rights such that there will be no impact to our lawful existing or future operations.

EFR remains ready to provide further support to this letter and I can be contacted as below in this regard.

Regards,



Mark Chalmers, COO

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