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NEW MEXICO
ENVIRONMENT DEPARTMENT

Ground Water Quality Bureau

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RYAN FLYNN
Cabinet Secretary-Designate

BUTCH TONGATE
Deputy Secretary

CERTIFIED MAIL – RETURN RECEIPT REQUESTED

December 12, 2013

Mr. William Ray, Manager
Ambrosia Lake Site Manager
Rio Algom Mining LLC
POB 218
Grants, NM 87020

RE: Rio Algom Mining LLC Discharge Permit DP-71 Amendment

Dear Mr. Ray:

The New Mexico Environment Department ("NMED") issues the enclosed Discharge Permit Amendment to the above-referenced Discharge Permit to Rio Algom Mining LLC ("RAML" and "Permittee") pursuant to the New Mexico Water Quality Act ("WQA"), NMSA 1978 §§74-6-1 through 74-6-17, and the New Mexico Water Quality Control Commission ("WQCC") Regulations, 20.6.2 NMAC. This Discharge Permit Amendment does not result from significant changes in the quantity or quality of effluent or in the location of the discharge.

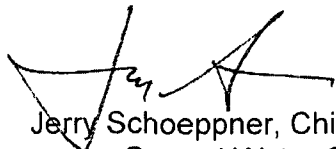
The Discharge Permit Amendment changes specific terms and/or conditions contained in the Discharge Permit, DP-71, which was issued to RAML on December 1, 2003. The terms and conditions contained herein and those in the Discharge Permit that remain unchanged shall be complied with by RAML and are enforceable by NMED pursuant to Section 20.6.2.3104 NMAC and NMSA 1978 §74-6-5 and §74-6-10. Issuance of this Discharge Permit Amendment does not relieve the Permittee of the responsibility to comply with the WQA, WQCC Regulations, and any other applicable federal, state, and/or local laws and regulations, such as zoning requirements and nuisance ordinances.

Pursuant to Paragraph (4) of Subsection H of 20.6.2.3109 NMAC, the term of this Discharge Permit Amendment shall be the same as the term of the Discharge Permit.

Mr. William Ray, RAML
RE: Rio Algom Mining Discharge Permit DP-71 Amendment
December 12, 2013

If you have any questions, please contact David L. Mayerson at (505) 476-3777 or david.mayerson@state.nm.us.

Sincerely,

A handwritten signature in black ink, appearing to read 'Jerry Schoeppner', is written over the printed name.

Jerry Schoeppner, Chief
Ground Water Quality Bureau
New Mexico Environment Department

Enclosure: Discharge Permit Amendment DP-71

Copies:

David L. Mayerson, MECS
Tom McLaughlin, NRC
Kurt Vollbrecht, MECS

GROUND WATER DISCHARGE PERMIT AMENDMENT
DP-71—Rio Algom Mining LLC Section 4 Evaporation Ponds
December 12, 2013

I. INTRODUCTION

The New Mexico Environment Department ("NMED") issues this Discharge Permit Amendment pursuant to the New Mexico Water Quality Act ("WQA"), NMSA 1978 §§74-6-1 through 74-6-17, and the New Mexico Water Quality Control Commission ("WQCC") Regulations, 20.6.2 NMAC. This Discharge Permit Amendment addresses monitoring requirements only and is not a result of significant changes in the quantity or quality of effluent or in the location of discharge. This Discharge Permit Amendment changes specific terms and/or conditions contained in Discharge Permit DP-71, which was issued to Rio Algom Mining LLC ("RAML" or "Permittee") on December 1, 2003. In issuing this Discharge Permit Amendment, NMED has determined that requirements of 20.6.2.3109.C NMAC have been met.

DP-71, which was last renewed on December 1, 2003, permitted RAML to discharge up to 2,390,000 gallons per day of effluent from the Permittee's uranium mill facility, which is administered under Discharge Permit DP-169, to 11 synthetically-lined ponds ("Section 4 Evaporation Ponds"), and included requirements for ground water abatement activities relating to potential ground water impacts resulting from seepage from these ponds. At the time that DP-71 was renewed, discharge to the ponds had ceased, and reclamation began soon thereafter. RAML installed monitoring wells in compliance with Condition 6 of DP-71; monitoring of these wells in compliance with Conditions 10 and 13 of DP-71 has documented the progressive desiccation of the alluvial aquifer underlying these ponds, such that ground water now occurs in sufficient quantity for sample recovery in only one monitoring well (e.g., MW-32).

This amendment to DP-71 includes the following:

- Incorporates existing monitoring wells MW-32 and MW-33, which were installed pursuant to Condition 6, into the alluvial aquifer monitoring program specified in Condition 10;
- Reduces the monitoring requirements for the alluvial aquifer monitoring program specified in Condition 10 from a quarterly to an annual schedule, due to the fact that only one monitoring well (e.g., MW-32) has had measurable saturation for several years;
- Reduces the reporting requirement for such monitoring from a quarterly to an annual schedule.

The Section 4 Evaporation ponds are located approximately 15 miles north of the City of Milan in Section 4, Township 15 North, Range 9 West in McKinley County. Data acquired from monitoring of MW-32 indicate persistent exceedances of numerical ground water standards promulgated in 20.2.3103 NMAC for nitrate, sulfate, total dissolved solids, selenium, and uranium. Background concentrations of these constituents in ground water are unknown.

The Permittee's Discharge Permit Amendment consists of information provided to NMED during a meeting on October 23, 2013.

II. CONDITIONS

The conditions below replace the conditions of the same number in DP-71. These conditions, and all other conditions in the Discharge Permit, must be complied with by the Permittee and are enforceable by NMED.

Sampling and Field Measurements:

CONDITION NUMBER	AMENDED CONDITION
10	<p>Ground Water Monitoring Wells—The Permittee shall monitor ground water quality as follows:</p> <p>A. Monitoring Wells 1 through 33 shall be sampled as follows:</p> <ol style="list-style-type: none">1) The Permittee shall record the depth to the water table to the nearest hundredth of a foot (0.01 ft), annually.2) If sufficient water is available in the well, the Permittee shall collect samples from each well annually and analyze for the water parameters listed in Conditions 13.B and 13.C.3) The Permittee shall record the total depth of the well to the nearest hundredth of a foot (0.01 ft) annually.4) Analytical results and depth to ground water shall be reported as required in Condition 15. [20.6.2.3107.A NMAC]

Reporting:

CONDITION NUMBER	AMENDED CONDITION
15	<p>The Permittee shall submit to NMED an annual report by the last day of January of each year, which shall include, but not be limited to, the following:</p> <p>A. A summary of all activities and data relating to closure of the Section 4 evaporation ponds and abatement of ground water during the preceding year. These activities and data shall include, but are not limited to, contaminated sediment removal, cap construction, well drilling and abandonment, water quality trends, precipitation, water level trends, and potentiometric maps.</p> <p>B. Ground water data, presented in a single table in a paper and electronic format (<i>i.e.</i>, Microsoft Excel® spreadsheet), with only those constituents analyzed and water levels measured during a single event shown in columns. Tabulated electrical conductivity will include the measured field values and corrected values to 25 degrees Celsius. Monitoring sites will be shown in rows. Each</p>

	<p>new sampling event shall be added as an additional row to the existing spreadsheet with the date noted in the far left column. Values exceeding the numerical standards promulgated in 20.6.2.3103 NMAC will be bolded. Any constituent not analyzed for a particular monitoring well will be shown as "NA"; any well not sampled will be shown as "NS" with an associated reason; and any well not measured water levels will be shown as "NM" with an associated reason.</p> <p>C. Copies of the signed laboratory analyses sheets shall be provided annually.</p> <p>D. Annual reports with water quality trends, laboratory QA/QC and water level trends. At a minimum, graphs with the previous 5 years of indicator parameter data will be presented for total dissolved solids, sulfate, and hydrographs.</p> <p>E. Annual potentiometric map for the shallow alluvial aquifer in the vicinity of the Section 4 evaporation ponds. The map shall include all alluvial aquifer monitoring well data collected under all Discharge Permits that have been issued to RAML for facilities in the vicinity of the Section 4 evaporation ponds. [20.6.2.3107.A NMAC]</p>
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ISSUED: December 12, 2013



JERRY SCHOEPPNER
Chief, Ground Water Quality Bureau
New Mexico Environment Department