

**BOARD OF COUNTY COMMISSIONERS**

April 19, 2010

Steve Tarlton
Colorado Department of Public
Health and Environment
4300 Cherry Creek Drive South
Denver, CO 80246-1530

Re: Energy Fuels, application

Dear Mr. Tarlton:

Montrose County appreciates the opportunity to provide comments to the Colorado Department of Public Health and Environment in reference to the Energy Fuels Application for the Pinion Ridge Mill.

Montrose County used the funds available as provided by state regulation to hire the firm Pincock, Allen & Holt to review the Energy Fuels Application.

The views and opinions of Montrose County are independent of the Pincock, Allen & Holt report; however, we have included the report to provide supplemental information.

Following are the specific comments provided by Montrose County:

- In some cases the specific methodologies used to characterize and evaluate a particular component of the study (e.g., transportation) is not fully described in the Environmental Report (ER); making it more difficult to evaluate the credibility of the assessment work. The document would be enhanced by further description of the methodologies employed.
- For the most part it is understood that the ER and most permit applications assume a 500 ton per day processing mill facility; however, the document notes that the submitted air permit application is based on 1,000 tons per day, which Energy Fuels states they plan "to ultimately ramp up to." This discrepancy suggests that the actual impacts of the Project, when it ramps up to 1,000 tons per day, on such things as water resources, traffic, noise, socioeconomics, etc. will not be fully considered unless an additional assessment is performed prior to expansion. The report needs to clarify

this issue in regard to the air permit and how the permit addresses processing of 500 tons per day. Note: Montrose County is aware of this discrepancy and will require Energy Fuels to provide additional assessments to be performed to increase production of the facility beyond the approved 500 tons per day.

- The project assumes a 40 year life, but the supporting assumptions for this estimate are not explained in the ER. Further information needs to be provided in the report.
- It is recommended that EF increase initial operations production well monitoring above what is currently planned, and develop a response/contingency plan with triggers and associated response actions.
- The county supports EF using pond netting with the mesh size recommended by the US Fish and Wildlife Survey.
- Energy Fuels should consider collecting air quality PM(10) Baseline and ongoing monitoring data at offsite locations, including the down gradient residence. Also the ER notes that an air quality impact model will be conducted; however, it would have seemed appropriate to have that information in the impact assessment.
- Cultural resource awareness training for chance finds should be conducted for the construction and operations crews.
- Inhalation of radionuclides from the Mill Facility to employees and people in the vicinity of the mill could be one of the main exposure pathways. This could require management control over the life of the project.
- Section 4-10 does not contain any mitigation for the closure of the project. Considering the long life potential of the project and its potential to become imbedded in the local community and economy over that period; it will be important for Energy Fuels to provide some indication regarding the mitigation of closure impacts and how these will be incorporated in the ongoing planning during operations.
- Ultimately, the incorporation of mitigation measures in the final design and implementation of measures during construction and operations are critical to minimizing environmental and socioeconomic impacts. As such, Energy Fuels should develop and implement a credible environmental management system.
- The County supports consideration of the proposed Alternatives outlined in Section 2.0 of the Pincock, Allen & Holt report.

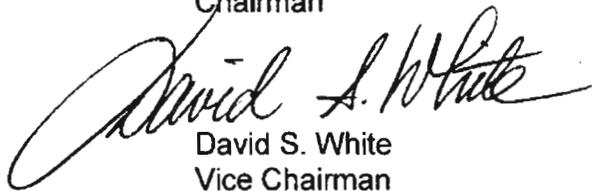
Montrose County has also contracted with the consulting firm Economic & Planning Systems, Inc., to complete a Socioeconomic Impact Study. A copy of this report has been included as a part of our comments in reference to the EF application.

Please consider these comments and reports in your review of the Energy Fuels Application for the Pinion Ridge Mill project.

Sincerely,



Ronald D. Henderson
Chairman



David S. White
Vice Chairman



Gary J. Ellis
Commissioner

/swsn

Enclosures