

# ***SAVE OUR SOUTH PARK WATER 08***

Nov. 20, 2009

Good afternoon:

Its been awhile since our last update, not because we haven't been busy. Thanks to all who attended our Labor Day picnic and brought lots of good food to share. We had a good discussion of the issues and plans for future activities. Ramon sure flips a mean burger!

A very heart felt thanks to Ernestine and Ramon for all of their hard work shopping, cooking, setting up and cleaning up after the picnic. They did a tremendous job.

A special thanks to Eddie Kochman and Doris and Larry Ladue for their recent generous contributions. We currently have about \$1400 in the bank after paying for picnic food and supplies. We may need some pretty significant funds for expert testimony at both the HB 1161 hearings and possibly the oil and gas special use permit and 1041 hearings before the Park County Commissioners.

We also want to extend a special thanks to the Park County Commissioners for formally endorsing, along with SOSPW08, the Western Mining Action Project July 2009 position document on the HB 1161 regulations. This is a big deal for our efforts. We can now go to the hearing phase with documented local government support. County Attorney Lee Phillips and Development Services Director Tom Eisenman were instrumental in seeing this through. Commissioner Dick Hodges once again went well beyond "helpful" on this issue.

The HB 1161 regulations are through the "stakeholder" phase and will be scheduled for hearings before the Mined Land Reclamation and Safety Board sometime after the first of the year. We plan to formally petition the Board to hold a public hearing in Hartsel. The regulations are in pretty good shape so far, largely thanks to the efforts of Senior Attorney Jeffrey Parsons and the Western Mining Action Project.

Eddie Kochman has been helping Ramon and I improve our contacts and tell our story to prominent members of the Colorado environmental community. We have established good working relationships with Environment Colorado, The Colorado Wildlife Federation and Earth Justice. We are working with these groups on some joint projects which we will implement in the new year. We hope to have an important announcement in this regard in the near future.

Eddie and Richard Hamilton sent a letter to Sec. of Interior Salazar asking him to reconsider a Sec. 601 Mineral Estate withdrawal of the South Park uranium reserves. In follow up, Eddie arranged for he, Richard, Matt Garrington of Environment Colorado and myself to meet with Sen. Udall's senior staff and solicit the senator's support for such an action by the secretary. Waiting.....

SOSPW08 is in the process of organizing a meeting to discuss the importance of doing a full geological and hydrological characterization of the South Park aquifer with affected parties. The study would include an assessment of the impact of a contaminated aquifer on South Park and front range metro area water supplies. An employee of the Denver Water Board wrote to Park County in March of 2008 stating, "A full site characterization is warranted in this situation." Further, "Denver Water's treatment facilities could be significantly affected by elevated concentrations of uranium, radium" ... and other "constituents made unstable and mobile by introduction of chemicals into the ground/aquifer (editor's note: chemicals such as used during in situ leach uranium mining). In fact, several of *these constituents cannot be removed by the Denver Water's facilities and thus seemingly minor impacts on groundwater quality could have significant public health consequences to the water supply to more than a million people* (emphasis added)." We now know that roughly 81% of the water used by the 5 major water utilities in the front range originates or transits the South Platte River Basin impacting the supplies for more than 1.7 million people.

This clearly documents why SOSPW08 and our partners in interest must redouble our efforts to seek a long term solution to the threat of an in situ leach uranium mine in South Park. Ignoring the problem or failing to act now while we have an opportunity to do so without the "heat of the moment" will be a terrible misjudgement. Most of you know my opinion on the "status" of the uranium mine. The mining company went broke but the uranium, in commercially recoverable quantities, is still located in South Park. The spot price of uranium is currently \$44/lb. That is approximately 20% above the "stable market" price in 2006. The major speculative price spike, culminating in \$137/lb, occurred from late 2006 to early 2008. By comparison, when uranium was \$35/lb in 2006, gold was about \$370/oz., it is now \$1150/oz.

Many industry analysts predict a run up in prices for uranium in line with what other metals and commodities are currently experiencing. The "green power" revolution is causing a huge push for new nuclear plants around the world. September '09 nuclear plant data from the "World Nuclear Association" indicates this renewed emphasis as follows:

	U.S.	Worldwide
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Currently operating	104	436
Under construction	1	50
Ordered or planned	11	137
Proposed	19	295
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Totals	135	918

The current rate of uranium consumption worldwide is 65,406 metric tonnes/year. With the stock piles of the former Soviet Union now depleted, every major uranium mining company in the world is looking to develop additional known reserves. Several industry sources predict an increase in demand to over 100,000 metric tonnes/year as early as 2012.

**THE THREAT TO OUR WATER, HOMES AND PROPERTY VALUES ISN'T GONE, ONLY TEMPORARILY POSTPONED!!!!** The mining claims staked by New Horizon were "perfected". There is nothing to prevent another company from walking into the BLM and paying the "prove up" fees and establishing their claim.

There have also been some disturbing developments on the federal level. Sen. Kerry, with the support of our own Sen. Udall, has introduced legislation as part of the cap and trade global warming initiative to include \$ 16,000,000,000 in subsidies to the ailing nuclear power plant industry in the US (can you feel their pain?). How about considering the impact of the full nuclear fuel cycle on the environment and people's health? How many federal programs do we now have spending our tax dollas for cleaning up past nuclear mistakes and compensating nuclear worker/victims? Given the long and grotesque history of contamination by uranium mining, milling and power production in Colorado, it is hard to fathom Sen. Udall's support for this legislation. How many additional cases of childhood leukemia do you favor? Nuclear contamination is forever!

El Paso has now been granted 3 drilling permits for north of Hartsel near Bald Hill (T10S,R76W) on the James Mark Jones State Wildlife Area. As a condition of granting the permits, the Colorado Oil and Gas Commission placed restrictions on the permits proposed by both Park County and the Division of Wildlife. In summary, these restrictions require El Paso to do water well testing and monitoring within a 3 mile radius of the drill pads and to negotiate a Surface Use Agreement with DOW. We have been in contact with both Park County and DOW in this regard and are monitoring their activities and contributing to the dialog. Park County has also begun the process of adopting a "special use permit" for oil and gas wells as part of the Land Use Regulations. El Paso will be required to comply with these new standards. I do not have the details at this time but we have discussed required road improvements, traffic management and seasonal restrictions. I have a feeling El Paso will ramp up their legal beagles and there will be a lawsuit, or threat thereof, in Park County's future.

Apparently El Paso intends to "test", and in all likelihood hydraulically fracture, 4 specific geological formations in each of the 3 wells. By my estimation, this will require up to 12 acre feet of ground water from the aquifer for each well---and---by the way---require disposal of 36 acre feet of effluent polluted with who knows what type of chemical toxins (that's approximately 12,000,000 gallons). The effluent will have to be trucked out to disposal sites. Can you imagine the impact of hundreds of semitractor trailers on Elkhorn Road and county road 17, running 24/7? I have seen this type of thing where I grew up in Montana and I guarantee you won't like the results. Good bye Reinecker Ridge elk herd!!! Good bye bald eagles, middle fork brown trout, mountain plover, bobcat, bears, mule deer, pronghorn antelope and Park County hunting trips. NOT WITHOUT A FIGHT!!!!

With all this happening in our area, I want to ask you to help step up our efforts and commitment to finding a longterm solution and protect our property, water and health. We need your help to be effective. Send us an email with your thoughts and suggestions. The good fight goes on!

Best wishes for a safe and happy holiday season. I look forward to a year in the future without the need for newsletters.

Best regards,

Doran