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GOVERNOR

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**RON CURRY**  
SECRETARY

**DERRITH WATCHMAN-MOORE**  
DEPUTY SECRETARY

March 23, 2005

Mr. Milton Head, Vice-President  
Murray Acres Irrigation Association  
P. O. Box 2038  
Milan, New Mexico 87020

**RE: Homestake Mining Company Mill Site**  
**Milan, New Mexico - Docket 40-8903**

Dear Mr. Head:

The New Mexico Environment Department (NMED) has received your letter dated March 1, 2005. In this letter you request that the state of New Mexico pressure Homestake Mining Company (HMC) to install a community water system accessing the San Andres aquifer as a solution to the concerns of the Murray Acres community about ground water contamination from the adjacent HMC uranium mill site.

Due to extensive uranium mining and milling activities, groundwater quality in the area of the Homestake Mill has been adversely affected on a regional basis. Pursuant to state law, HMC is required to clean up groundwater pollution from the Homestake Mill to New Mexico Water Quality Control Commission (WQCC) standards or background conditions. HMC is currently operating a site cleanup system which includes dewatering of the tailings pile to eliminate or significantly reduce future seepage of contaminated water from the pile, and installation of a cover over the tailings to greatly reduce or eliminate infiltration of rainwater into the tailings pile that could leach contaminants from the waste material into the underlying alluvial aquifer. Activities at the site are operating under the oversight of the NMED, U.S. Environmental Protection Agency (EPA) and the U.S Nuclear Regulatory Commission.

In 1983 HMC and the EPA signed a Consent Decree that required HMC to extend the Village of Milan municipal water system to four subdivisions south and southwest of the

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mill site and pay the associated water bills for a period of 10 years. In 1989 HMC paid to hook up all residences in the Broadview Acres, Murray Acres, Felice Acres and Pleasant Valley Estates subdivisions to the Milan Water system to supply drinking water in the area. NMED understands that the ten-year agreement for HMC to pay the water bills for the subdivision residents has expired. To assist the residents that have been required to hook up to the water system, NMED is encouraging HMC to continue to help residents offset the costs of community supplied water.

We appreciate your comments and are sympathetic to your concerns in this matter. We will continue to discuss cleanup solutions with HMC and the federal agencies. Please contact Bill Olson, Ground Water Quality Bureau Chief at (505) 827-2919 or Jerry Schoeppner at (505) 827-0652 if you should have any questions or need to obtain documents related to the Homestake site.

Sincerely,

  
Ron Curry  
Secretary

cc: Juan Massey, Office of the Governor  
Representative W. Ken Martinez  
Bill Olson, Chief, GWQB  
Dana Bahar, SOS Program Manager  
Mary Ann Menetrey, MECS Program Manager  
Jerry Schoeppner, MECS  
William Fetner, ONRT  
Sai Appaji, U. S. EPA, Region 6  
William von Till, U.S. NRC  
Al Cox, Homestake Mining Co. (HMC)