



NEW MEXICO ENERGY, MINERALS and NATURAL RESOURCES DEPARTMENT

Bill Richardson

Governor

Joanna Prukop

Cabinet Secretary

Reese Fullerton

Deputy Cabinet Secretary

Bill Brancard

Director

Mining and Minerals Division

FOR IMMEDIATE RELEASE

CONTACT:

Jodi McGinnis Porter, Public Information Officer, 505-476-3226

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State Issues Permit for Uranium Exploration

Santa Fe – The Mining and Minerals Division of the Energy, Minerals and Natural Resources Department issued a permit to conduct exploration drilling for uranium on state trust land in McKinley County. The applicant, Neutron Energy, Inc., of Phoenix, Arizona, plans to drill 5 holes, approximately 2000 feet deep, in an effort to explore uranium resources on a site about fifteen miles north of Milan, New Mexico. The site is located in Township 14 North, Range 9 West, near the Ambrosia Lake mining district.

The Mining and Minerals Division completed a review of Neutron Energy's application which included field inspections and consultations with other state agencies including the New Mexico Environment Department, Department of Game and Fish and Department of Cultural Affairs. The permit contains requirements to plug all drill holes and to complete the reclamation of the 3 acre area of disturbance once work is completed. The drill holes must be plugged in accordance with the New Mexico State Engineer's rules.

"All permits issued by our agency are strictly monitored throughout the operation to ensure that exploration is conducted in a manner that will protect human health and safety, as well as New Mexico's environment," stated Bill Brancard, Division Director for Mining and Minerals.

This is the third uranium exploration permit issued by the Mining and Minerals Division in the past 12 months. The other two permits were issued to Western Energy Development Corp and Laramide Resources for projects in the La Jara Mesa area north of Grants.

Persons wishing to review pending exploration permit applications may do so at MMD's office in Santa Fe or on the MMD website at

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<http://www.emnrd.state.nm.us/main/index.htm> and click on "pending permit applications" under Minerals.

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The Energy, Minerals and Natural Resources Department provides resource protection and renewable energy resource development services to the public and other state agencies.