

ENCOURAGING RESPONSIBLE DEVELOPMENT TODAY ~ FOR TOMORROW

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Donald McKenzie
Administrator, Land Quality Division
Wyoming Department of Environmental Quality
122 W. 25th St.
Cheyenne, WY 82002

RE: In the matter of the Notice of Violation Issued to Power Resources, Inc.

Dear Mr. McKenzie,

We wanted to write to express our appreciation to the Land Quality Division for enforcing violations at the Smith-Highland ISL operations of Power Resources, Inc. (PRI) as explained in the Notice of Violation (NOV) issued March 7, 2008 and accompanying documents. We agree that "There are a number of major long-standing environmental concerns at this operation that demand immediate attention."¹

Our organization has members that live, work, and recreate throughout the Powder River Basin. Our members rely on clean water sources for their homes and ranches. A number of our members have expressed ongoing concerns about uranium activities in the Powder River Basin and their potential to negatively impact local and regional water supplies.

We feel that this NOV has serious implications for the uranium boom in Wyoming, particularly because PRI has a reputation in the industry as one of the biggest and most responsible companies. Other companies, such as Powertech Uranium Corporation, which is conducting exploratory activities in Crook County, have hired top-level employees from PRI's operations.² Unfortunately, from what we have learned about ISL sites across the West, spills, excursions, leaks, and other violations are not unique to PRI.³ Additionally, groundwater restoration often takes much longer than expected and frequently ends with companies convincing state regulators to lower their standards.⁴

¹ Mark Moxley, Report of Investigation, November 21, 2007; 1.

² According to Powertech's website and its press statements, the company's new Vice President of Engineering, John Mays, was Superintendent of Well Field Construction at both the Smith Ranch and Highland sites, and he was Restoration Engineer at the Smith Ranch facility. His father, Wallace Mays, is Powertech's newly-appointed Chief Operating Officer and was involved in the development of the Highlands mine. The senior Mays was Technical Director of the Highland Mine, according to Lakefield Ventures, where he served as Chairman of the Board in 2006.

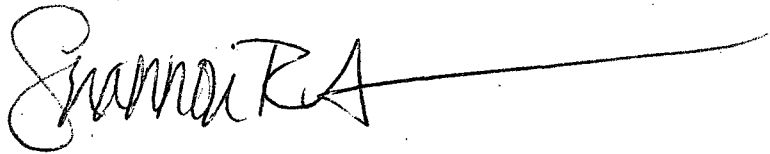
³ See, e.g. public documents available on NRC's website detailing violations at the Crow Buttes ISL site.

⁴ For instance, the CORPUS CHRISTI CALLER-TIMES reported that they "examined 32 permits from closed South Texas mines that had used a water-pumping method to mine. In each case, companies were permitted to leave behind minerals such as uranium, molybdenum and selenium at higher levels than were listed in the original permit." *As Uranium Mines Closed, State Altered Cleanup Goals*, Nov. 5, 2006, available at <http://www.caller.com/news/2006/nov/05/as-uranium-mines-closed-state-altered-cleanup/>.

With numerous ISL proposals on the horizon in Wyoming, violations and other threats to public health and welfare may become routine. Even if the state and the public receives appropriate assurances from the companies up front through permit conditions and bonding, the Department may not have the capacity to investigate and enforce violations the way you have done in this matter. We have heard these concerns echoed by Department staff and even the Report of Investigation for this NOV confirms that "This increase in workload will be a major challenge for the LQD staff."⁵ We urge you to continue to work with the industry to address these concerns and other issues that hinder the responsible development of Wyoming's uranium resources.

Our organization and our members recognize the importance of uranium in Wyoming. Development of uranium resources has the potential to be a substantial contributor to our state's economy for years to come. Nevertheless, with development comes the need for proper regulation and oversight. We appreciate your consideration of our comments and welcome the opportunity to engage in constructive dialogue with you and the industry on this issue.

Sincerely,

A handwritten signature in black ink, appearing to read "Shannon Anderson", with a long horizontal line extending to the right.

Shannon Anderson
Organizer, Powder River Basin Resource Council

cc: Mark Moxley, LQD District 1 Supervisor
Doug Mandeville, NRC
John McCarthy, Power Resources

⁵ Report of Investigation, *supra* note 1.