

**STATEMENT OF THE URANIUM  
PRODUCERS OF NEW MEXICO**

**ON H.R. 785,  
A BILL TO AMEND THE SURFACE MINING  
CONTROL AND RECLAMATION ACT OF 1977**

**BEFORE THE SUBCOMMITTEE ON  
ENERGY AND MINERAL RESOURCES  
ON H.R. 785**

**FEBRUARY 17, 2011**

**THE SUBCOMMITTEE ON ENERGY AND MINERAL RESOURCES  
OVERSIGHT HEARING ON H.R. 785**

**Friday, February 27, 2012**

Statement of the “Uranium Producers of New Mexico” on H.R. 785

Congressman Pearce introduced H.R. 785 to request that Congress amend the Surface Mining Control and Reclamation Act of 1977 (“SMCRA”) to clarify that the allocated funding for SMCRA and be used by non-certified states for non-coal reclamation projects. This amendment is critical for New Mexico and other western states to begin remediating abandoned mines and also to help create new jobs. Its passage will also begin to address the abandoned mine legacy issue which has been used by some opponents of new uranium mining in the state as a reason to oppose new mines while the abandoned mines still exist. H.R. 785 is a bipartisan bill whose counterpart legislation, S. 897, passed by the Senate in December 2011.

New Mexico has a long and notable history of both coal and hard rock mining. When the Atomic Energy Commission (“AEC”) created the Uranium Procurement Program in the 1950s, many individuals and companies in New Mexico answered the call for uranium to fuel the federal government’s defense needs for nuclear weapons. A uranium mining industry was created almost overnight, and New Mexico became the largest uranium-producing state in the nation, with over 380 million pounds produced for the nuclear weapons program and subsequently for nuclear power reactors. Today, the uranium industry in New Mexico is reemerging to once again help meet our country’s increasing electricity requirements. Sound energy policy demands that domestic uranium production be dramatically increased so that our nation’s reactor fleet will be less reliant on foreign sources of uranium.

The Uranium Procurement Program was very successful and resulted in the operation of numerous mines throughout New Mexico, mainly in Cibola and McKinley Counties. Unlike

today, when New Mexico will have approved site closure plans and sureties, there were few standards and no mine closure requirements. As the Procurement Program met its production goals in the mid-1960s, most of the small operators gave way to the larger companies and the small company and individuals' mine sites were abandoned with little or no thought to reclamation. These uranium sites, along with a number of other hard rock abandoned mines, make up a legacy of abandoned hard rock mines in New Mexico. Since these mines were created to fulfill an urgent national defense priority, the federal government has the primary responsibility to assist in reclaiming the abandoned mines in New Mexico and other western states.

The Uranium Producers of New Mexico ("UPNM") supports H.R. 785 because its group of five uranium exploration and development companies are working to permit uranium mining and milling operations in New Mexico. Current members of "UPNM" include: Laramide Resources Ltd., Neutron Energy, Inc., Rio Grande Resources Corporation, Strathmore Resources (U.S.) Ltd., and Uranium Resources, Inc. While none of these companies have ever mined in New Mexico, they recognize that the abandoned mines from mining activity that took place between the 1950s and 1960s are a concern of some citizens in the state. These companies have, along with the legislature and administration in New Mexico worked to advance the remediation of New Mexico's legacy mines.

UPNM members have worked closely with the Mining and Minerals Division ("MMD") of the New Mexico Energy, Minerals and Natural Resources Department on various state projects related to SMCRA. The MMD has identified a total of 166 abandoned uranium mines over which the agency has jurisdiction in New Mexico. In cooperation with MMD, the UPNM

funded the surveying of the first 21 of these sites located on state, federal and private lands. The MMD has since contracted the surveying of an additional 128 sites.

The purpose of surveying the abandoned mines is to allow the MMD to prioritize these sites for reclamation. Currently, 149 of the 166 sites have now been surveyed. If the SMCRA funding is made available for non-coal projects, the MMD can begin addressing the remediation at the sites (based on highest priority). This would not only mean the creation of jobs but also the beginning of a resolution to a 50-year legacy left behind in New Mexico—a legacy that is the result of the federal government’s call for uranium production for its nuclear defense needs dating back to the 1950s.

The primary source of funding for Abandoned Mine Land (“AML”) projects in New Mexico has come from SMCRA. Under this program, New Mexico has successfully addressed approximately 4,000 mine features and reclaimed over 700 acres of mine-disturbed lands. New Mexico has successfully balanced the use of its SMCRA funds to accomplish reclamation on both coal and non-coal reclamation sites. The state needs to continue this important work, and the additional federal funding that would be made available by the enactment of H.R. 785 would jump-start the ability of the state to do so.

In December 2006, Congress amended SMCRA to allow the distribution of reclamation funds to states in an amount equal to that previously authorized to the states under SMCRA. Despite the uncontroverted fact that Congress did not amend the ability of states to use these funds for non-coal, hard rock mines, the Department of the Interior (“DOI”) made such a determination. The passage of H.R. 785 is now necessary to once again amend SMCRA to clarify that the appropriated funding can be used for non-coal reclamation sites.

Although the many stakeholders in New Mexico do not always agree on hard rock mining issues, there is overwhelming agreement that New Mexico needs the SMCRA funding to help address the legacy of abandoned mines in our state. The New Mexico State Senate and House of Representatives passed memorials last year urging the New Mexico congressional delegation to collaborate to do what is necessary to amend SMCRA. The City of Grants, the McKinley County Commission and the Gallup/McKinley County Chamber of Commerce have passed resolutions in support of amending SMCRA. The New Mexico Mining Association and the Association of Commerce and Industry have also written letters to the New Mexico delegation supporting the amendment. These memorials, resolutions and letters are attached for your review and for the record.

The UPNM appreciates the opportunity to present this statement in support of H.R. 785 and would also appreciate a recommendation from this Subcommittee to move the legislation forward.

Thank you.

Respectfully submitted,

Jon J. Indall  
Adela M. Duran  
Counsel to the Uranium Producers  
of New Mexico



March 15, 2010

The Honorable Jeff Bingaman  
U.S. Senate  
703 Hart Senate Office Bldg.  
Washington, D.C. 20510

Dear Senator Bingaman:

Subject: Amending the Surface Mining Control and Reclamation Act of 1977

An opportunity exists for New Mexico to resolve many of the legacy issues from the uranium-mining era that spanned the 1950s to the 1970s. Through an amendment to the Surface Mining Control and Reclamation Act of 1977 (SMCRA), New Mexico would be able to use monies for non-coal reclamation projects and dedicate those funds to clean-up of abandoned uranium mines. This clean-up would also help create shovel-ready jobs in New Mexico.

The Association of Commerce and Industry of New Mexico (ACI) supports the proposed federal legislation and encourages you and all the members of our delegation in Washington to seek passage of the SMCRA amendment.

ACI also supports the return of the uranium industry in New Mexico. Amending SMCRA could bring renewed production, which would provide the state with a reliable source of revenue and help relieve New Mexicans from future tax burdens.

The members of ACI hope you agree to lend your support and influence to this effort.

Sincerely yours,

Dr. Beverlee J. McClure  
President & CEO

Association of Commerce and Industry of New Mexico

## Gallup/McKinley County Chamber of Commerce

**A RESOLUTION FROM THE GALLUP/MCKINLEY COUNTY CHAMBER OF COMMERCE TO SUPPORT AMENDING THE SURFACE MINING CONTROL AND RECLAMATION ACT OF 1977; AUTHORIZING NEW MEXICO TO USE FUNDS FOR NON-COAL RECLAMATION PROJECTS.**

**WHEREAS**, the mission of the Gallup/McKinley County Chamber of Commerce is to create, maintain and enhance a business environment which encourages and supports positive business growth;

**WHEREAS**, New Mexico is known to have some of the richest uranium resources in the nation in the "The Grants Mineral Belt;"

**WHEREAS**, during the thirty-year period beginning in 1948, the Grants Mineral Belt produced more uranium than any other district in the country;

**WHEREAS**, New Mexico mined uranium between the 1940's and the 1970's for the benefit of the Atomic Energy Commission and the federal government's nuclear weapons program, and the federal government did not require that these early mines be reclaimed;

**WHEREAS**, the federal government should take responsibility for funding the surveying and any warranted reclamation of these mines;

**WHEREAS**, the passage of the SMCRA amendment will allow New Mexico to use federal grant funding for non-coal reclamation projects and dedicate those funds toward surveying and subsequent reclamation of abandoned uranium mines; and

**WHEREAS**, the Gallup/McKinley County Chamber of Commerce encourages the New Mexico Congressional Delegation to provide leadership necessary to seek passage of the SMCRA amendment.

**NOW, THEREFORE, BE IT RESOLVED** that the Gallup/McKinley County Chamber of Commerce wholeheartedly supports amending the Surface Mining Control and Reclamation Act of 1977 to authorize New Mexico to use the grant funding for non-coal reclamation projects..

**PASSED, APPROVED AND ADOPTED** This 24<sup>TH</sup> day of MARCH, 2010

Attest:

{Gallup/McKinley County Chamber of Commerce}



OFFICIAL SEAL  
ALICE M. PEREZ  
NOTARY PUBLIC  
STATE OF NEW MEXICO

My Commission Expires: 4-14-2012

## News

# Trustees support mining law changes

**By Rosanne Boyett**  
Beacon Staff Writer  
rosanne@cibolabeacon.com

MILAN - Nuclear is the cheapest, safest fuel source for generating electricity, stated Rick Van Horn, who urged support of proposed federal mining legislation.

At the June 25 Village of "Milan trustees' meeting Gerges Scott, Director DW Turner and Van Horn used a power-point presentation to illustrate uranium-mining history and included statistics predicting increased future market demand. Van

Horn is senior vice president of operations for Uranium Resources, Inc., a Texas-based company.

He claimed New Mexico has one of the best ore sources in the U.S. with 341 million pounds in reserve status along with the potential for producing an additional 750 million pounds.

His map highlighted possible mining sites from Churchrock in McKinley County to the east side of Mount Taylor, Cibola County, "a world class

deposit," according to the company vice president's description of the Grants Mineral Belt. Following the presentation a unanimous ballot was cast for Resolution No. 2010-10 to support amending the Surface Mining Control and Reclamation Act.

### Department reports

Fire Chief Keith Austin said firework vendors are state-inspected and he will visit the three stands before the holiday

weekend. The department responded to five calls this month. Three department members have completed the Firefighter One course. Mayor Tom Ortega expressed concern about residents' improper handling of fireworks, which could cause wildfires. He noted currently there are 11 fires burning in the state.

Police Chief Jerry Stephens stated the state law enforcement academy's audit would be rescheduled. The audit pertains mainly to training

records and every law enforcement agency with academy-trained staff will be audited, commented the chief. Three officers have completed bike-patrol certification. The department will have a vehicle entered in the Fourth of July parade.

Village Manager Marcella Sandoval updated the board on street projects, the swimming pool facility and the transit department, which is working to establish Saturday bus service. She noted the village is waiting

for the necessary permits before starting median work on old Route 66.

### Employee of the Month

Street Department employee Tony Jaure was recognized for June. Sandoval commented, "He is knowledgeable and willing to go the extra step when we need him."

The trustees' workshop is planned for July 7. For more information call 285-6694.



# City Of Grants

Resolution 10-1342

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF GRANTS, NEW MEXICO TO SUPPORT AMENDING THE SURFACE MINING CONTROL AND RECLAMATION ACT OF 1977 AUTHORIZING NEW MEXICO TO USE FUNDS FOR NON-COAL RECLAMATION PROJECTS

WHEREAS, the Grants City Council is the duly elected and governing body of the City of Grants, New Mexico;

WHEREAS, the Grants City Council supports the return of modern uranium industry to the Grants Mineral Belt;

WHEREAS, New Mexico is known to have some of the richest uranium resources in the nation in the "The Grants Mineral Belt"

WHEREAS, during the thirty-year period beginning in 1948, the Grants Mineral Belt produced more uranium than any other district in the country;

WHEREAS, New Mexico mined uranium between the 1940's and the 1970's for the benefit of the Atomic Energy Commission and the federal government's nuclear weapons program, and the federal government did not require that these early mines be reclaimed;

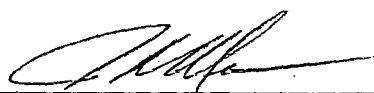
WHEREAS, the federal government should take responsibility for funding the surveying and any warranted reclamation of abandoned uranium mines;


WHEREAS, the passage of the SMCRA amendment will allow New Mexico to use federal grant funding for non-coal reclamation projects and dedicate those funds toward surveying and subsequent reclamation of abandoned uranium mines; and

WHEREAS, the Grants City Council encourages the New Mexico Congressional Delegation to provide the leadership necessary to seek passage of the SMCRA amendment.

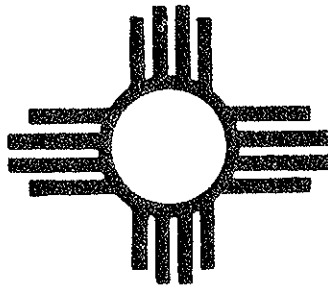
NOW, THEREFORE, BE IT RESOLVED that the Grants City Council wholeheartedly supports amending the Surface Mining Control and Reclamation Act of 1977 to authorize New Mexico to use the grant funding for non-coal reclamation projects.

PASSED, APPROVED AND ADOPTED this 23<sup>rd</sup> day of March, 2010

  
\_\_\_\_\_  
Joe Murrietta, Mayor

ATTEST:   
\_\_\_\_\_  
Denise Baca, City Clerk

Denise Baca, City Clerk



# The Legislature of the State of New Mexico

49th Legislature, 2nd Session

LAWS 2010

CHAPTER \_\_\_\_\_

HOUSE MEMORIAL 34

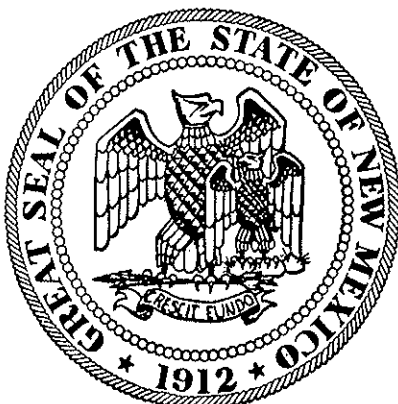
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Introduced by

REPRESENTATIVE SANDRA D. JEFF

REPRESENTATIVE JAMES ROGER MADALENA  
REPRESENTATIVE JEANNETTE O. WALLACE  
REPRESENTATIVE ELISEO LEE ALCON



1 A MEMORIAL

2 REQUESTING CONGRESS TO PASS LEGISLATION TO PROVIDE FUNDING TO  
3 RECLAIM ABANDONED URANIUM MINES IN NEW MEXICO.  
4

5 WHEREAS, New Mexico is known to have some of the richest  
6 uranium resources in the nation in the area known as "the  
7 Grants mineral belt"; and

8 WHEREAS, dating back to the 1940s, states such as New  
9 Mexico mined uranium for the benefit of the atomic energy  
10 commission and the federal government's nuclear weapons  
11 program; and

12 WHEREAS, the atomic energy commission did not require  
13 that early mines be reclaimed; and

14 WHEREAS, research shows that many uranium mines were  
15 abandoned and never reclaimed; and

16 WHEREAS, the federal government has direct  
17 responsibility to provide funding, both for the initial  
18 surveying of these mines and for potential subsequent  
19 reclamation where warranted; and

20 WHEREAS, the Surface Mining Control and Reclamation Act  
21 of 1977 is a federal law that mandates a reclamation fee on  
22 each ton of coal produced in the country, and Title IV of that  
23 act provides for abandoned mine reclamation; and

24 WHEREAS, in 2006, the United States congress passed  
25 amendments to Title IV of the Surface Mining Control and

1 Reclamation Act of 1977 providing that the funds collected  
2 from the reclamation fees will now go directly to the states  
3 rather than be appropriated by congress; and

4 WHEREAS, the solicitor of the department of the interior  
5 has interpreted those 2006 amendments to limit uncertified  
6 states, such as New Mexico, from using the funds available  
7 through the Surface Mining Control and Reclamation Act of 1977  
8 for non-coal mine reclamation; and

9 WHEREAS, following the 2006 amendments, the office of  
10 surface mining reclamation and enforcement promulgated  
11 regulations that restrict uncertified states from using funds  
12 available through the Surface Mining and Control Reclamation  
13 Act of 1977 for non-coal mine reclamation; and

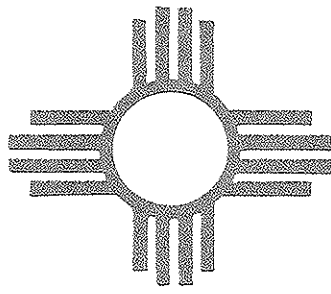
14 WHEREAS, Secretary Ken Salazar of the department of the  
15 interior has suggested that a legislative solution is  
16 necessary in order to allow funding distribution under Section  
17 411(h)(1) of the Surface Mining Control and Reclamation Act of  
18 1977 to be used for non-coal mine reclamation;

19 NOW, THEREFORE, BE IT RESOLVED BY THE HOUSE OF  
20 REPRESENTATIVES OF THE STATE OF NEW MEXICO that congress be  
21 requested to expedite the passage of legislation to enact the  
22 necessary amendments to the Surface Mining Control and  
23 Reclamation Act of 1977 to clarify that uncertified states  
24 have authority to use payments for non-coal mine reclamation  
25 projects; and

1           BE IT FURTHER RESOLVED that copies of this memorial be  
2 transmitted to the speaker of the United States house of  
3 representatives, the president pro tempore of the United  
4 States senate and the New Mexico congressional delegation.

S/ BEN LUJAN  
BEN LUJAN, SPEAKER  
HOUSE OF REPRESENTATIVES

S/ STEPHEN R. ARIAS  
STEPHEN R. ARIAS, CHIEF CLERK  
HOUSE OF REPRESENTATIVES



# **The Legislature of the State of New Mexico**

**FORTY-NINTH LEGISLATURE  
SECOND SESSION, 2010**

**SENATE MEMORIAL 30**

**INTRODUCED BY**

**SENATORS DAVID ULIBARRI, CLINTON D. HARDEN, JR.,  
BERNADETTE M. SANCHEZ AND JOHN M. SAPIEN**

**A MEMORIAL  
REQUESTING CONGRESS TO PASS LEGISLATION TO PROVIDE  
FUNDING TO RECLAIM ABANDONED URANIUM MINES IN  
NEW MEXICO**

*WHEREAS, New Mexico is known to have some of the richest uranium resources in the nation in the area known as "The Grants Mineral Belt"; and*

*WHEREAS, dating back to the 1940s, states such as New Mexico mined uranium for the benefit of the Atomic Energy Commission and the federal government's Nuclear Weapons Program; and*

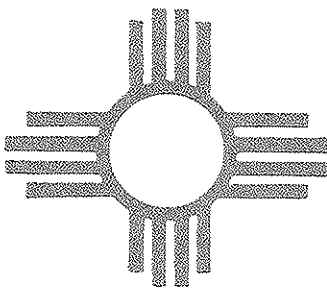
*WHEREAS, the Atomic Energy Commission did not require that early mines be reclaimed; and*

*WHEREAS, research shows that many uranium mines were abandoned and never reclaimed; and*

*WHEREAS, the federal government has direct responsibility to provide funding, both for the initial surveying of these mines and for potential subsequent reclamation where warranted; and*

*WHEREAS, the Surface Mining Control and Reclamation Act of 1977 is a federal law that mandates a reclamation fee on each ton of coal produced in the country, and Title IV of that Act provides for abandoned mine reclamation; and*

*WHEREAS, in 2006, the United States Congress passed amendments to Title IV of the Surface Mining Control and Reclamation Act of 1977 providing that the funds collected from the reclamation fees will now go directly to the states rather than be appropriated by Congress; and*



*WHEREAS, the Solicitor of the Department of the Interior has interpreted those 2006 amendments to limit uncertified states, such as New Mexico, from using the funds available through the Surface Mining Control and Reclamation Act of 1977 for non-coal mine reclamation; and*

*WHEREAS, following the 2006 amendments, the Office of Surface Mining Reclamation and Enforcement promulgated regulations that restrict uncertified states from using funds available through the Surface Mining and Control Reclamation Act of 1977 for non-coal mine reclamation; and*

*WHEREAS, Secretary Ken Salazar of the Department of the Interior has suggested that a legislative solution is necessary in order to allow funding distribution under Section 411(h)(1) of the Surface Mining Control and Reclamation Act of 1977 to be used for non-coal mine reclamation;*

*NOW, THEREFORE, BE IT RESOLVED BY THE SENATE OF THE STATE OF NEW MEXICO that Congress be requested to expedite the passage of legislation to enact the necessary amendments to the Surface Mining Control and Reclamation Act of 1977 to clarify that uncertified states have authority to use payments for non-coal mine reclamation projects; and*

*BE IT FURTHER RESOLVED that copies of this memorial be transmitted to the Speaker of the United States House of Representatives, the President Pro Tempore of the United States Senate and the New Mexico Congressional Delegation.*

**Signed and Sealed at The Capitol,  
in the City of Santa Fe.**

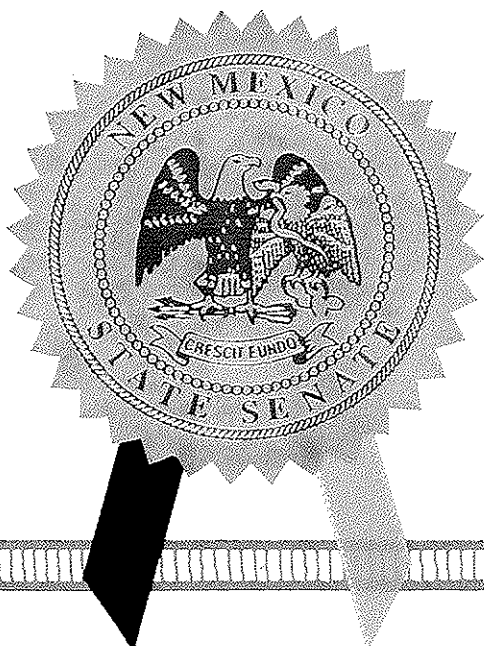
*Diane D. Denish*

Diane D. Denish, President  
New Mexico State Senate

*David Ulibarri*

Senator David Ulibarri  
New Mexico State Senate

*Lenore M. Naranjo*  
Lenore M. Naranjo, Chief Clerk  
New Mexico State Senate







## New Mexico Mining Association

July 7, 2011

The Honorable Steve Pearce  
United States House of Representatives  
2432 Rayburn Office Building  
Washington, D.C. 20515

Subject: Amending the Surface Mining Control and Reclamation Act of 1977

Dear Congressman Pearce:

An opportunity exists for New Mexico citizens to resolve many of the legacy issues from the uranium-mining era that spanned four decades. Through an amendment to the Surface Mining Control and Reclamation Act of 1977 (SMCRA), New Mexico will be able to use monies for non-coal reclamation projects and dedicate those funds to the cleanup of uranium mines.

The New Mexico Mining Association supports the proposed federal legislation and encourages you and all the members of our delegation in Washington to continue to seek passage of the amendment.

I would add that the companies wishing to conduct operations in New Mexico did not create the legacy concerns. However, these mining companies have shown a commitment to addressing the cleanup and are working with all affected stakeholders to find solutions to resolve this issue.

The members of the New Mexico Mining Association appreciate your continued support and influence toward this effort.

Sincerely,

Mike Bowen

Executive Director

New Mexico Mining Association