



**UNITED STATES ENVIRONMENTAL PROTECTION AGENCY  
REGION 8**

1595 Wynkoop Street  
DENVER, CO 80202-1129  
Phone 800-227-8917  
<http://www.epa.gov/region08>

**OCT 26 2011**

**Certified Mail Return Receipt Requested**

Ref: 8P-AR

Mr. Frank Filas, P.E.  
Energy Fuels Resources Corporation, Environmental Manager  
44 Union Boulevard, Suite 600  
Lakewood, Colorado 80228

Re: Piñon Ridge Uranium Mill, Montrose County, CO  
Approval to Construct Piñon Ridge Uranium Mill Tailings Cell A  
and 40 acres of Phase 1 Evaporation Ponds

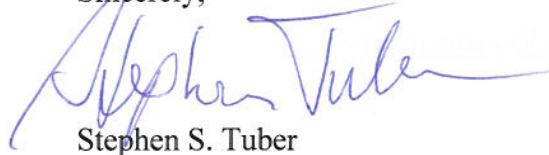
Dear Mr. Filas:

The U.S. Environmental Protection Agency (EPA) is granting approval to Energy Fuels Resources Corporation (Energy Fuels), in accordance with provisions of the Clean Air Act, as amended (42 U.S.C. et seq.), to construct Tailings Cell A and 40 acres of Phase 1 Evaporation Ponds at the Piñon Ridge Uranium Mill ("Mill") in Montrose County, Colorado.

This approval is based on the Application that Energy Fuels submitted to EPA pursuant to 40 CFR § 61.07, entitled "Piñon Ridge Mill Application for Approval of Construction of Tailings Facility" and "Piñon Ridge Mill Evaporation Pond Information" on August 30, 2010 and September 1, 2010. Based on the information you provided to us, EPA approves the construction of Tailings Cell A and up to, but not exceeding, 40 acres of evaporation ponds, pursuant to 40 CFR § 61.252(b)(1). Both the proposed Tailings Cell A and Phase 1 Evaporation Ponds will contain uranium byproduct material (as defined in 40 CFR § 61.251(g)) and are subject to 40 CFR Part 61 Subpart W. EPA has determined that Tailings Cell A and Phase 1 Evaporation Ponds are also in compliance with 40 CFR § 192.32(a). This Approval, which is enclosed, contains conditions to ensure that the Mill is in compliance with the National Emission Standards for Hazardous Air Pollutants, 40 CFR Part 61 Subparts A (General Provisions) and W (National Emission Standards for Radon Emissions from Operating Mill Tailings). Failure to comply with any condition or term set forth in this approval or in the regulations, or failure to meet the regulatory standard, will be considered grounds for enforcement action pursuant to Section 113 of the Clean Air Act.

This Approval shall become effective immediately upon Energy Fuels' receipt of the original signed hard copy Approval to Construct. If you have any questions, or for further discussion, please contact Dr. Angelique Diaz of my staff at (303) 312-6344 or [diaz.angelique@epa.gov](mailto:diaz.angelique@epa.gov).

1105 8 8 100  
Sincerely,



Stephen S. Tuber  
Assistant Regional Administrator  
Office of Partnerships and Regulatory Assistance

Enclosure: Piñon Ridge Uranium Mill Approval to Construct, with Conditions


cc: Martha Rudolph, Colorado Department of Public Health and Environment, Environmental Programs  
Director  
Gary Baughman, Colorado Department of Public Health and Environment, Hazardous Materials and  
Waste Management Division  
Steve Tarlton, Colorado Department of Public Health and Environment, Radiation Control Program  
William C. Allison V, Colorado Department of Public Health and Environment, Air Pollution  
Control Division

Energy Fuels Piñon Ridge Uranium Mill  
Approval to Construct  
Tailings Cell A and 40 Acres of Phase 1 Evaporation Ponds under  
40 CFR Part 61 Subpart W  
National Emission Standards for Radon Emissions from Operating Mill Tailings

In compliance with the provisions of the Clean Air Act, as amended (42 U.S.C. §7401 et seq.), Energy Fuels Resources Corporation (Energy Fuels), 44 Union Boulevard, Suite 600, Lakewood, Colorado 80228, is granted approval to construct a 30.5 acre cell, Tailings Cell A, and 40 acres of Phase 1 evaporation ponds, located at the proposed Piñon Ridge Energy Fuels Uranium Mill, 16910 Highway 90, Bedrock, Colorado 81411, in accordance with the plans submitted with the Application and with the Federal regulations governing the National Emissions Standards for Hazardous Air Pollutants (40 CFR Part 61 Subparts A and W) and any conditions attached to this document and made part of this approval. The Application indicates the size of the proposed Tailings Cell A is 30.5 acres (*Application for Approval of Construction Piñon Ridge Tailings Facilities, page 3*) and that of the Phase 1 evaporation ponds is 41.3 acres (*Evaporation Pond Design Report Piñon Ridge Project Montrose County, Colorado, page ES-1*). This approval is to construct Tailings Cell A and **no more** than 40 acres of Phase 1 evaporation ponds.

This approval does not prevent the Administrator from implementing or enforcing applicable provisions in 40 CFR Part 61 Subparts A and W. This Approval to Construct grants no relief to the owner or operator from the legal responsibility for compliance with any applicable provisions of 40 CFR Part 61 Subparts A and W, or any other applicable Federal, State or local requirement. This approval shall be effective immediately upon receipt of the original signed Approval to Construct by the applicant.

Date OCT 26 2011

  
Stephen S. Tuber  
Assistant Regional Administrator  
Office of Partnerships and Regulatory Assistance



## CONDITIONS

### I. General Approval

- a. The owner or operator is approved to construct two lined uranium byproduct impoundments, no more than 40 acres in area, each: Tailings Cell A at 30.5 and **no more** than 40 acres of Phase 1 evaporation ponds. (40 CFR § 61.08; 40 CFR § 61.252(b)(1)). Any future impoundments would require the submittal of a separate application for approval of construction in accordance with 40 CFR § 61.07.
- b. The owner or operator shall have no more than two impoundments of no more than 40 acres in area, each, in operation at any one time. (40 CFR § 252(b)(1)).
- c. The owner or operator shall comply with the provisions in 40 CFR § 192.32(a) and shall submit a statement certifying that they are in compliance with 40 CFR § 192.32(a) within 30 days of completion of construction of Tailings Cell A and the Phase 1 evaporation ponds. (40 CFR § 61.252(c)).
- d. The owner or operator must maintain a record of certifications required by this approval (I.c. and II.f.) documenting compliance with 40 CFR § 192.32(a) and 40 CFR § 61.252(b)(1). Such records shall be kept at the mill for at least five years and upon request be made available for inspection by the Administrator, or his/her authorized representative. (40 CFR § 61.255).

### II. Approval Limitations

- a. This Approval will remain in effect as long as the Piñon Ridge Uranium Mill impoundments approved herein are being used for the continued placement of new tailings/uranium byproduct or are in standby status for such placement. An impoundment is in operation from the day that tailings/uranium byproduct are first placed in the impoundment until the day that final closure begins. This Approval is based on the Application for Construction Approval submitted by Energy Fuels Resources Corporation. In the event that ownership of the Piñon Ridge Uranium Mill is transferred from Energy Fuels to a new company, this Approval to Construct will be transferred to the new owner only if operation continues as approved by EPA. Any change made at the Piñon Ridge Uranium Mill by the new owner that constitutes a modification or construction require the submittal of a Modification/Construction Approval request to the EPA Administrator and prior approval by EPA as required by 40 CFR § 61.07.
- b. The owner or operator may submit to the EPA Administrator a written application for determination of whether an action intended to be taken by the owner or operator constitutes a modification or construction of a source subject to 40 CFR Part 61 Subpart W, pursuant to 40 CFR § 61.06. The Administrator will notify the owner/operator of his/her determination of whether the intended action constitutes modification or construction – requiring a supplemental Application for Construction or Modification, within 30 days after receiving sufficient information to evaluate the application. (40 CFR § 61.06).
- c. If an intended action to be taken by the owner or operator is determined by the Administrator to constitute construction or modification which affects an existing source, the approval and conditions shall supersede and/or amend the existing Approval.
- d. This Approval is contingent upon the owner or operator submitting to the EPA Administrator a comprehensive ground and surface water monitoring plan for review and approval no later than 90 days after the owner or operator receives approval of the final site layout from the Colorado Department of Public Health and the Environment, as required by the Mill's Radioactive Materials License, Rule 20, Part E.

- e. In accordance with the commitments made by Energy Fuels in the *Revised Reasonably Available Control Technology Report* submitted to the Colorado Department of Public Health and Environment on April 29, 2010, the owner or operator shall minimize the introduction of organics into the impoundment through the use of a crud centrifuge and raffinate buffer tank as well as high efficiency pressure leaf filters.
- f. A certification by Energy Fuels of the surface area (acreage) of the Evaporations Ponds and Tailings Cell A, must be sent to the EPA Administrator no less than 30 days prior to startup.
- g. Updates in notification and phone contacts will not affect the conditions of this Approval.

### III. Notification of Commencement of Construction and Startup

- a. Energy Fuels shall furnish the Administrator with written notification as follows:
  - 1. A notification of the anticipated date of initial startup of the source not more than 60 days nor less than 30 days before that date (See 40 CFR § 61.09(a)(1))
  - 2. A notification of the actual date of initial startup of the source within 15 days after that date (See 40 CFR § 61.09(a)(2))
- b. If any State or local agency requires a notice which contains all the information required in the notifications in paragraph II (a), sending the Administrator a copy of that notification will satisfy paragraph II (a).

### IV. Severability

The provisions of this Approval to Construct are severable, and, if any provision of this Approval to Construct is held invalid, the remainder of this Approval to Construct shall not be affected thereby.

### V. Agency Notification

All correspondence as required by this Approval to Construct shall be sent to:

Director, Air and Toxics Technical Enforcement Program  
Office of Enforcement, Compliance and Environmental Justice  
Mail Code 8ENF-AT  
U.S. Environmental Protection Agency, Region 8  
1595 Wynkoop St.  
Denver, CO 80202-1129

A courtesy copy shall be sent to:

Director, Air Program  
Office of Partnerships and Regulatory Assistance  
Mail Code 8P-AR  
U.S. Environmental Protection Agency, Region 8  
1595 Wynkoop St.  
Denver, CO 80202-1129