

Colorado denies license for Paradox uranium mill

Judge says Piñon Ridge plan threatens environment; company not giving up

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Colorado has revoked a radioactive materials license for the proposed Piñon Ridge uranium mill near the Dolores River after a court ruling recommended that it be denied.

But the company planning the project said it will continue to pursue the mill.

The decision to pull the license came after a five-year legal challenge from environmental groups including the Sheep Mountain Alliance, Rocky Mountain Wild, and Center for Biologic Diversity. The groups have long opposed a plan hatched in 2009 by Energy Fuels Inc., of Toronto, Canada, to build a uranium mill on 880 acres in Paradox Valley west of Nucla in Montrose County.

They filed a legal challenge against a key radioactive materials license for the project that was granted in 2013 by the Colorado Department of Health and Environment.

Energy Fuels has since sold the assets of the mill project, including the radioactive license, a company spokesman said Friday. Documents show the license was being held by Piñon Ridge Resources Corp.

On April 17, District Court Judge Richard W. Dana recommended that the proposed mill's radioactive license be revoked after concluding that the project plan failed to demonstrate adequate environmental protections, including prevention of wind-dispersed radioactive materials, contamination of groundwater and protection of plants and wildlife. The ruling also questioned whether there was adequate water to operate the mill and tailings ponds.

Two days later, in an April 26 letter, the Colorado Department of Health informed Piñon Ridge CEO George Glasier that its radioactive materials license has been revoked.

"Although the Department believes the original decision on the license application was appropriate, the department has elected not to challenge Judge Dana's decision. As such, this decision provides the Department with the rationale to revoke the license," wrote Jennifer Opila, radiation program manager for the health department's hazardous materials division.

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Environmental groups applauded the decision.

"We were extremely concerned with the impacts that a new uranium mill would have on the delicate sagebrush ecosystem of the Paradox Valley and the impacts downstream to endangered Colorado River fish," said Matt Sandler, staff attorney with Rocky Mountain Wild. "Those impacts were simply unacceptable, and we're happy to know that corporations who want to revive the uranium industry in Colorado will be required to fully comply with the laws aimed at protecting the environment."

Lexi Tuddenham, executive director of Sheep Mountain Alliance, based in San Miguel County, said the decision helps to resolve the uncertainty about the project in the community and encourages an economic future that does not rely on the toxic uranium industry.

"The decision is a long time coming," she said. "The impacts to the ecosystem and public were unacceptable. The mill was really a pipe dream, more speculation that contributes to the historic boom and bust cycle of mining that has been difficult for this area's economy."

The region is turning to hemp farming and outdoor recreation because they are more sustainable and do not pollute the environment, she said.

This is the second time CDPHE granted, then revoked the radioactive license for Piñon Ridge. After it was granted in 2011, environmental groups challenged it, pointing out that the state had not held a public hearing as required. A judge agreed and invalidated the permit. After a five-day hearing in Nucla, the state reapproved the license in 2013, which was again revoked this week.

Travis Stills, an attorney with Energy and Conservation Law in Durango, represented the environmental groups in the case.

He said Dana's ruling was based on community testimony and scientific evidence that indicated the mill plan was questionable.

"The project plan had big holes in it and did not protect water, life and air," he said. "Experts testified that micro-climates and inversions would have caused the valley to be socked in with industrial emissions."

The towns of Telluride and Ophir also objected to the mill, fearing that prevailing winds would carry radioactive pollution onto the local snowpack and San Miguel watershed, Stills said.

'Plan to move forward' George Glasier, CEO of Piñon Ridge Resources Corp., told The Journal on Friday that Piñon

would benefit Colorado and the nation. He disagrees with the ruling that the mill plan did not meet environmental standards.

“Our opinion is that the judge is wrong, and we feel CDPHE jumped the gun by revoking the license,” Glasier said. “It’s a baffling decision. CDPHE are the experts, and they found we met the standards for approval.”

The company is considering whether to appeal the decision to pull the license or start the process over and reapply.

“We have \$13 million and 10 years invested, so we plan to move forward,” he said.

The company believes uranium prices will rebound enough to justify building the mill and attract investors. He said the 99 nuclear reactors in the U.S. each year consume 50 million pounds of processed uranium used for fuel, but the country only produces 2 million pounds per year. Much of the U.S. uranium supply for fuel comes from overseas, he said.

“Supply and demand will come into balance, and the prices will go up,” he said. “The world is building more and more reactors to replace fossil fuels and meet electricity demands.”

He said a new Piñon Ridge mill would be “state of the art”

and that technology and regulations make the process safe for the public and environment.

“Uranium mills are the most regulated industry behind nuclear power plants,” he said.

The proposed Piñon Ridge uranium mill was estimated to cost \$120 million to build and process 500 tons a day of uranium and vanadium ore from local mines. The produced yellowcake, a concentrated uranium product, would be shipped to be fabricated into fuel rods for nuclear reactors. If built, it will be the first new uranium mill in more than a quarter-century in the country. Glasier said it would employ 85 people and estimates another 400 jobs would be created to mine and truck the ore to the mill. The only conventional uranium mill that is operating in the country is the White Mesa Mill, south of Blanding, Utah. It is owned by Energy Fuels.

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