

New Mexico's \$67 billion bonanza

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With demand for uranium surging, mining companies want to tap into state's reserves, but opponents fear pollution, cancer could follow

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The price of uranium hit \$113 a pound last week, a tenfold increase since the early 1990s.

New Mexico, which has produced more uranium than any other state, still has among the highest reserves in the country. About 600 million pounds of the chemical element lie underneath its pretty desert scenery.

On the open market, this bonanza is now worth about \$67 billion, although less than that might be recovered.

For more than two decades, the demand for uranium has outstripped supply.

"Probably the most basic reason (for the rising price) is that since 1985, we've been consuming worldwide about double what's been produced," Santa Fe lawyer John Indall said. "So you have a situation where inventories are being worked off."

Indall, who represents the Uranium Producers of America, also pointed out that China and India are building more nuclear power plants in an effort to satisfy their growing economies.

Worldwide, he said, policymakers recognize nuclear power as a way to produce energy without the impact on global warming attributed to increasingly expensive fossil fuels.

While issues remain regarding what happens to the resulting byproducts, Indall said mining companies are moving quickly to find the fuel for nuclear reactors.

No uranium mines are operating in the state, but New Mexico has approved three exploration permits and has seven more applications pending. A Texas company has a federal license to mine underground by pumping water through the uranium belt in Western New Mexico, but that project is in legal limbo.

Western New Mexico hosted a major uranium mining boom after World War II, and mining was a big part of life there until the industry went through a bust cycle in the 1980s. The last New Mexico mine — a conventional one — became inactive in 1990.

Environmentalists fear resumption of uranium mining will cause more pollution and cancer.

The Navajo Nation, which suffered severe health and environmental consequences from

the Cold War era of uranium mining, warns of a looming toxic disaster. In 2005, Navajo Nation President Joe Shirley Jr. signed a tribal law banning uranium mining and milling on the nation.

"As long as there are no answers to cancer, we shouldn't have uranium mining on the Navajo Nation," Shirley said. "I believe the powers that be committed genocide on Navajoland by allowing uranium mining."

But at least one mining company executive says in-situ leach mining is a proven, safe way to extract uranium without the dangers of open pits or tailings.

The process, according to the company, involves drilling wells in an aquifer that already contains uranium. Oxygen is added to the contaminated water to pick up the uranium, and the water is pumped through the ore belt. The solution is then pumped to the surface. At the top, the uranium is stripped out of the water and processed into yellowcake, the term for processed uranium.

Sentry wells are drilled outside the area to make sure the contaminated water does not leave the area.

"It's something that's been done for a long period of time in Texas," said Dave Clark, president of Hydro Resources Inc., which aims to mine near Crownpoint, N.M., near the Navajo Nation border. "We believe the science is on our side."

But a local opposition group, Eastern Navajo Diné Against Uranium Mining, doesn't buy it.

"I don't trust the company on restoring the water," local rancher Mitchell Capitan said. Water is precious there, he said, "and once this water is contaminated, that's it."

Capitan said he worked for a similar operation in the same area in the early 1980s and learned firsthand that the water can be polluted with this kind of mining.

Hydro Resources might need another permit to begin operations. The U.S. 10th Circuit Court of Appeals has ruled that the U.S. Environmental Protection Agency should be allowed to issue — or deny — a permit. The company is appealing the decision.

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