GOLIAD COUNTY GROUNDWATER CONSERVATION DISTRICT
118 S. Market St., P.O. Box 562, Goliad, Texas 77963-0562
Telephone: (361) 645-1716 Facsimile: (361) 645-1772
www.goliadcogcd.org

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Board of Directors:
President – Art Dohmann
Vice-President – Joe Kozielski
Secretary/Treasurer – Barbara Smith
Directors – Wesley Ball, John Dreier, John B. Duke, Raulie Irwin

March 21, 2011

Mr. Miguel Flores, Director
Water Quality Protection Division
United States Environmental Protection Agency
Region 6
1445 Ross Avenue 6WQ
Dallas, TX 75202-2733

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RE: Uranium Energy Corp.
TCEQ Docket No. 2008-1888-UIC (Aquifer Exemption)

On March 9, 2011, the Texas Commission on Environmental Quality issued an order to grant the above referenced application. This Aquifer Exemption Order is shown in Exhibit B of the above noted transmittal. The Aquifer Exemption contains the provision that the Order is not final until approved by the Environmental Protection Ageney.

The Goliad County Groundwater Conservation District (GCGCD) was approved by Goliad County voters in November 2001. The seven member Board of Directors of GCGCD has worked diligently these ten years to develop the science and gather empirical water quality and quantity data in order to provide a sound basis for managing the groundwater in Goliad County. GCGCD has been monitoring the uranium exploration and proposed mining aetivity since exploration began in 2006. Goliad County drinking water supplies are provided 100 percent by the Gulf Coast Aquifer. The Gulf Coast Aquifer is divided into four components; the Chicot, the Evangeline, the Burkeville, and the Jasper. Groundwater production in the north part of Goliad County is primarily from the Evangeline component and in the south part of Goliad County it is primarily the Chicot component. In addition, the north part of Goliad County is in the recharge zone of the Evangeline component.

The proposed uranium in-situ mining project requiring this requested aquifer exemption is located in the northwest corner of Goliad County in the Evangeline component of the Gulf Coast Aquifer and close to the boundary with DeWitt and Victoria Counties. This requested aquifer exemption is for 423.8 acres from a depth of 45 feet to 404 feet. This requested aquifer exemption includes all four sands of the Evangeline component of the Gulf Coast Aquifer.

Because this location is in the recharge area, these four sands provide the drinking water to the area and to a large area down-dip through migration. Using an average thickness of 45 feet per sand and a porosity of 28 percent, this 423.8 acre requested exemption represents 21,360 acre-feet of water of drinking water. This is equivalent to over three years of groundwater use across all of Goliad County.

In order to grant an aquifer exemption, issuing of this exemption in an underground source of drinking water must meet certain criteria as defined in 40 CFR $ 146.4. GCGCD data shows that two major requirements are not achievable, which are:

(a) It does not currently serve as a source of drinking water; and
(b) It cannot now and will not in the future serve as a source of drinking water because:
(3) It is so contaminated that it would be economically or technologically impractical to render that water fit for human consumption; or...

At a meeting with EPA staff on February 28, 2011, GCGCD president Art Dohmann presented water quality data for 284 wells. Some of these wells are located within the permit area, some wells are located in the immediate vicinity around the permit area, and the other wells are located across the county. These certified test results show good quality drinking water, not contaminated water. At this same meeting, data was provided by Neil Blandford, Senior Hydrologist for Daniel B. Stephens, showing water migration in all four of the sands of the requested aquifer exemption. This water migration along with the water quality results very clearly demonstrates that this water was, is, and will be used as a supply of good quality drinking water.

At the meeting on February 28, 2011, UEC data was presented that clearly demonstrates that the deposit of uranium was disturbed in a localized spot around a just completed test well that was screened only in the portion of the aquifer containing a precipitated deposit of uranium.

GCGCD and their expert consultant's data have demonstrated that the two major requirements noted above for an aquifer exemption cannot be achieved. GCGCD respectfully requests that the Environmental Protection Agency deny the referenced aquifer exemption. The resolution opposing this aquifer exemption signed by the seven member Board of Directors is attached.

The mining permit UR03075 requiring this aquifer exemption has a number of deficiencies relating to being protective of groundwater quality and human health. The boundary of the requested aquifer exemption includes an identified northwest fault. As pointed out in the Administrative Law Judge decision, testing of the northwest fault is necessary to determine its transmissivity in order to determine if groundwater quality was protected. There was no testing done of the exploration boreholes drilled in the 1980's to determine their condition to protect from vertical migration to upper and lower aquifers. USGS has done a surface water/groundwater interface study for GCGCD and others, of the Upper Coleto Creek Basin. The requested aquifer exemption is in this Basin. The draft results currently under review find a direct correlation between groundwater and Coleto Creek stream flow. There was no characterization done to study the possibility of in-situ uranium mining leading to the contamination of the Coleto Creek and the recreational reservoir which it flows into.

GCGCD appreciates the opportunity to comment on this aquifer exemption request. GCGCD offers to the Environmental Protection Agency any additional information and data which we may have. GCGCD also asks that the Environmental Protection Agency find that the proposed State program revision be classified as substantial as outlined in Title 40 Section. 145.32 (b) (2). GCGCD feels that it is important that the Environmental Protection Agency have the benefit of public comment in the decision process.

Sincerely,

AADohmann

Arthur A. Dohmann, President, Goliad County Groundwater Conservation District

cc: Senator Glenn Hegar, Jr.
Representative Jose Aliseda

GOLIAD COUNTY GROUNDWATER CONSERVATION DISTRICT

RESOLUTION OF THE BOARD OF DIRECTORS OF THE GOLIAD COUNTY GROUNDWATER CONSERVATION DISTRICT OPPOSING THE GRANTING OF AN AQUIFER EXEMPTION BY THE ENVIRONMENTAL PROTECTION AGENCY IN CONJUNCTION WITH UEC CLASS III UNDERGROUND INJECTION CONTROL PERMIT APPLICATION UR03075

Whereas, the requested aquifer exemption is located in the Evangeline component of the Gulf Coast Aquifer in north Goliad County,
Whereas, the requested aquifer exemption is in the drinking water aquifer supplying drinking water to residents and livestock in Goliad County,
Whereas, groundwater is the only source of drinking water for the City of Goliad and Goliad County residents,
Whereas, the groundwater in the requested aquifer exemption area is of drinking water quality,
Whereas, the water flow in the requested aquifer exemption area is migrating,
Whereas, this migration provides drinking water to supply wells outside of the requested aquifer exemption area,
Whereas, there are seventy-three (73) water supply wells in the immediate vicinity around the requested aquifer exemption area,
Whereas, the Administrative Law Judge has stated that "Until the issue of the transmissivity of the Northwest Fault is resolved, the ALJ concludes that the application may not be sufficiently protective of groundwater quality",
Whereas, the Executive Director of the Texas Commission on Environmental Quality in his exceptions to the Administrative Law Judge Proposal for Decision disagrees that any additional testing of the northwest fault transmissivity is necessary,
Whereas, the Administrative Law Judge has reiterated in his response to the exceptions to his Proposal for Decision that the question of "whether the application is sufficiently protective of groundwater" has not been addressed,
Whereas, the health and public interest of many residents and their agricultural operation adjacent to the mining permit area are in jeopardy,
Whereas, it is projected that in-situ uranium mining in Goliad County will negatively impact rural development which will reduce ad valorem taxes to support the School and County tax revenues and will reduce employment opportunities,
Whereas, many Goliad County residents and property owners expressed written and oral concerns during the public comment period,

NOW, THEREFORE, BE IT RESOLVED THAT THE BOARD OF DIRECTORS OF THE GOLIAD COUNTY GROUNDWATER CONSERVATION OPPOSE THE GRANTING OF SAID AQUIFER EXEMPTION.

GOLIAD COUNTY GROUNDWATER CONSERVATION DISTRICT

Passed and Approved this the 15th day of November, 2010.

Arthur A. Dohmann, President

Joseph D. Kozielski, Vice-President

Barbara W. Smith – Secretary/Treasurer

Raulie Irwin, Director, Place 1

Wesley Ball, Director, Place 3

John H. Dreier, Director, Place 4

John B. Duke, Director, Place 5

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