April 24, 2014

Topic: Proposed Underground Injection Control (UIC) Actions at Powertech (USA) Inc.'s Dewey Burdock Uranium In-Situ Recovery (ISR) Site

Key Points:

- We want to update you on the status of EPA's proposed UIC actions for this important and high visibility project to ensure continued close coordination with the DENR.
- The EPA's role is to permit injection wells at this site (northwest of Edgemont) and to make an aquifer exemption decision.
- The decision to issue UIC Class III/V permits for uranium ISR would be EPA's first nationwide.
- The EPA has not set a date for issuance of the draft UIC permit decisions. However, a 60 day public comment period and two public hearings are planned in Edgemont and Hot Springs. (***Shaun: prior to this midyear, the UIC program will be briefing you on our projection for issuance in the late summer/early fall***).

Background:

- The EPA Region 8 UIC program is preparing to issue:
  1) a Class III permit for injection wells related to uranium recovery; and
  2) a Class V permit authorizing deep injection wells to dispose of treated ISR process waste fluids.
- Because South Dakota prohibits Class I injection wells, the deep disposal wells will be Class V for which injected fluids must be treated to meet radioactive waste standards as specified under NRC regulations. The injectate cannot contain any hazardous constituents.
- In addition to the UIC permit decisions, the Region 8 UIC program is evaluating Powertech's Class III aquifer exemption request that would enable injection into the Inyan Kara Group aquifers which host the uranium ore deposits.
- For EPA to issue an aquifer exemption for the Class III well field areas, it must be shown that the applicable aquifer does not currently serve as a source of drinking water, and that it cannot now and will not in the future serve as a source of drinking water because it contains commercially producible uranium ore.
- The EPA is engaged in tribal consultation activities as required under Section 106 of the National Historic Preservations Act and under the EPA Tribal Consultation Policy.
- The EPA is also in consultation with the US Fish and Wildlife Service as required under the Endangered Species Act.
- The NRC issued an operating license to Powertech for this project in early April 2014 after review of an application submitted in August 2009.
- The EPA understands that the NRC license and the DENR large scale mine permit will regulate the whole site including operation, aquifer restoration, and site closure.
- The EPA understands that DENR's governing boards have suspended final decision making on its large scale mine, groundwater discharge and water rights permits until EPA makes its final decisions on issuance of its UIC permits and associated aquifer exemption.

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South Dakota DENR FY 14 Midyear

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Contact: Douglas Minter, 303-312-6079

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