STATE OF NEW MEXICO  
BEFORE THE WATER QUALITY CONTROL COMMISSION

IN THE MATTER OF THE PETITION  
FOR REVIEW ON DISCHARGE PERMIT 558

WQCC 15-08 (A)

EASTERN NAVAJO DINE AGAINST  
URANIUM MINING,

Petitioner.

NOTICE OF DISCHARGE PERMIT- 558 TERMINATION

COMES NOW the New Mexico Environment Department, by and through its counsel Kathryn S. Becker, notices the Water Quality Control Commission of the Termination of DP- 558 issued by Secretary Flynn. The action by the Secretary is provided by law. NMSA 1978, § 74-6-5(M)(3) (2009). The permittee was notified of the action taken and the reasons therefore, correspondence attached. Notice of the Secretary’s termination shall also be given by mail to persons who participated in the permitting action and petition for review of DP-558, certificate of service attached. NMSA 1978, § 74-6-5(N) (2009). The Secretary’s termination renders ENDAUM’s petition to review moot and subject to dismissal by the Water Quality Control Commission.

Respectfully submitted,

NEW MEXICO ENVIRONMENT DEPARTMENT

By: [Signature]
Kathryn S. Becker  
Assistant General Counsel  
1190 South St. Francis Drive  
Santa Fe, New Mexico  87505  
Phone:  505-827-2054
CERTIFICATE OF SERVICE

I hereby certify that a true and accurate copy of the foregoing “Notice of Discharge Permit - 558 Termination” was served on the following parties via first-class, postage prepaid, US Mail on December ___, 2015:

Eric Jantz
New Mexico Environmental Law Center
1405 Luisa Street, Ste. 5
Santa Fe, New Mexico 87505

Uranium Resources, Inc.
6950 South Potomac Street
Suite 300
Centennial, Colorado 80112

David A. Taylor
Navajo Nation Department of Justice PO Box 2010
Window Rock, Navajo Nation (AZ) 86515

Susan Gordon, Coordinator
Multicultural Alliance for a Safe Environment PO Box 4524
Albuquerque, New Mexico 87196

Wade Jackson, General Counsel
New Mexico Economic Development Department
Joseph Montoya Building
1100 South Saint Francis Drive
Santa Fe, New Mexico 87505

Kathryn S. Becker
State of New Mexico  
ENVIRONMENT DEPARTMENT  
Office of the Secretary

Via Certified Mail

December 15, 2015

Christopher M. Jones  
President & Chief Executive Officer  
Hydro Resources, Inc.  
6950 S. Potomac Street  
Suite 300  
Centennial, Colorado 80112

Re: Termination of Groundwater Quality Bureau DP-558

Mr. Jones:

On October 7, 2015, the New Mexico Environment Department’s Groundwater Quality Bureau (“Bureau”) renewed groundwater discharge permit number 558 (“DP-558”). As you are aware, this permit renewal took nearly two decades to complete due to a variety of different issues, including a number of federal and state lawsuits. However, no amount of litigation justifies the Bureau taking this long to make a decision. This delay reflects poorly on the Bureau and ultimately the Environment Department. Unfortunately, the Bureau’s renewal of DP-558 did not comply with the groundwater permitting regulations promulgated by the Water Quality Control Commission (WQCC). Therefore, I am hereby exercising my authority under NMSA 1978, §74-6-5(M)(3) to terminate DP-558 and instructing Hydro Resources Inc., (HRI) to apply for a new discharge permit.

Pursuant to the Water Quality Act, a permit may be terminated by the constituent agency that issued the permit prior to its date of expiration if the permit will violate any provisions of the Water Quality Act or any applicable regulations, standards of performance or water quality standards. N.M. Stat. Ann. § 74-6-5 (M)(3). Here, I have determined DP-558 does not comply with 20.6.2.7(Q) NMAC and, therefore, should not have been renewed. Pursuant to 20.6.2.7(Q) NMAC, a “discharge permit renewal” means “the re-issuance of a discharge permit for the same, previously permitted discharge.” DP-558, as originally issued in 1989, authorized discharges to groundwater associated with in-situ uranium mining. However, no in-situ mining has ever occurred under DP-558 and the WQCC lowered the groundwater quality standard for uranium from 5 mg/l to 0.03mg/l in 2004. The most recent permit renewal application HRI submitted to
the Bureau for DP-558 sought to maintain the authorization for same, previously permitted
discharge authorized in the 1989 permit. However, the permit issued by the Bureau on October 7,
2015, expressly prohibits any operational discharges, making the permit the Bureau actually
approved to be completely different from the permit HRI requested in its renewal application. In
this case, I believe the appropriate course of action would have been for the Department to
terminate DP-558 at some point after the groundwater quality standard for uranium was lowered
and require HRI to submit a new permit application to address the change in standard.
Unfortunately, this did not occur and the Bureau attempted to modify the permit through the
renewal process (which is appropriate), but in doing so issued a renewal that was completely
different from the previously permitted discharge (which does not comply with WQCC
regulations). Because the Bureau’s decision did not comply with 20.6.2.7(Q) NMAC, I am
hereby exercising my authority under NMSA 1978, § 74-6-5(M)(3) to terminate DP-558.

While I have determined the Bureau should not have “renewed” HRI’s discharge permit in
October, I believe the activities authorized in the permit are necessary and important for HRI to
complete. While HRI does not need a discharge permit to gather this data under WQCC
regulations, the Department will promptly consider a new discharge permit application structured
similar to what was issued in October as soon as HRI is ready to submit a completed permit
application. In the alternative, HRI may choose to complete the necessary activities in order to
obtain a discharge permit for operational discharges from its in-situ mining operation in
accordance with the water quality standards and submit a discharge permit application when it is
ready to do so.

If you have questions or concerns, please contact the Water Protection Division Director, Trais
Kliphuis at (505) 827-1758.

Yours truly,

Ryan Flynn

CC: Trais Kliphuis, Water Protection Division Director
    Kurt Vollbrecht, GWQB
    Kathryn S. Becker, OGC