

Mining Towns Hope for Uranium Comeback

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URAVAN, Colo. (AP) — Sharon Johannsen rolls along Highway 141, the sun baking the sandstone hills of southwestern Colorado's Paradox Valley. She pulls over at a wire fence: This was the baseball field; that was Main Street. All of it buried, with signs warning visitors about radiation.

Uravan, where Johannsen grew up, was a company town of 800 people with a uranium mill along the San Miguel River. Johannsen's grandfather and father worked at the mill and a uranium mine nearby. The U.S. Vanadium Corp. built Uravan's housing, community pool and a recreation center, and Uravan helped supply the uranium used to develop the first U.S. atomic bombs that ended World War II.

Uravan and other towns in the Four Corners region went on to supply uranium for nuclear weapons and the nuclear power industry. But the boom collapsed with the end of the Cold War and troubles with nuclear energy starting with Three Mile Island in 1979.

Uravan's own troubles were worse: Some 12 million tons of radioactive tailings and other waste pushed radon levels well above safety standards. The town was declared a Superfund site, evacuated and razed in the 1980s.

"They buried the Coca-Cola glasses out of the drug store," said Johannsen's sister, Jane Thompson. "They buried everything."

Today, a Canadian company's plan to build the first conventional uranium mill licensed in the U.S. since 1979 has area residents hoping the region can once again become the uranium capital of the U.S. But there are obstacles, especially since uranium prices crashed after the 2011 meltdown at Japan's Fukushima nuclear plant.

The spot price of uranium was more than \$135 a pound when Energy Fuels Inc. announced plans for the Pinon Ridge Mill in 2007. Today it's around \$49 per pound, and CEO Steve Anthony said it won't make sense to build the \$150 million mill until uranium hits \$80 per pound.

Nicolas Carter, senior vice president of uranium at nuclear consulting company UxC, said global demand for uranium is expected to increase over the next few years with new reactors in China, the United Arab Emirates and South Korea. UxC projects there will be 516 operating reactors in the world by 2020, compared to 435 today.

Energy Fuels is eyeing the domestic market, too. The nation's 104 commercial nuclear power reactors consume around 55 million pounds of uranium per year, but only 4 million pounds is domestically produced, Energy Fuels says. Russia supplies half of U.S. demand by shipping down-blended uranium from decommissioned

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nuclear weapons under a "Megatons to Megawatts" treaty that expires in 2013.

Pinon Ridge would produce 850,000 pounds of uranium, in addition to steel-strengthening vanadium, per year. Energy Fuels owns the nation's only operating conventional uranium mill in Blanding, Utah, processing 1.5 million pounds a year. U.S. production is boosted by a handful of uranium in-situ-leach plants.

Serguey Novikov, a spokesman for Rosatom, Russia's nuclear energy agency, said the U.S. Commerce Department will allow Russia to send 12 million pounds — 20 percent of U.S. demand — after the treaty expires.

In Colorado, Energy Fuels promises 85 jobs at Pinon Ridge that would pay from \$40,000 to \$75,000 a year. It insists the mill will support 200 existing uranium and vanadium mining jobs in the region.

Opponents filed a lawsuit that has forced the state health department to hold a new public hearing Oct. 15 on the operating license it issued the company — though the project is expected to clear that hurdle.

The Telluride-based Sheep Mountain Alliance argued that air quality in the resort town 65 miles away could be threatened if anything goes wrong. "Dust and pollution don't know county lines," said Joan May, a San Miguel County commissioner.

Others worry about the mining-dependent region's historical boom and bust cycles. Highway 141 is dotted with small towns hit hard by the collapse of mining — Redvale, Vancorum, Naturita. Still others worry Pinon Ridge will reduce local property values because of fears about uranium.

Energy Fuels — and the state — insist tougher safety controls minimize any risk to mill workers and area residents. It plans to use plant and personal detectors to track airborne radioactivity, according to documents filed with the state health department.

"We just live in a different world that controls all this much better," said Steve White, Montrose County's planning and development director, who helped issue a permit allowing agricultural land to be used for the mill.

Over the decades, many area miners contracted lung disease from poor mine ventilation and from smoking. Despite that legacy, some residents insist that their fathers, brothers and grandfathers would have continued to mine and work the mills, even if they knew it would make them sick. The ethic of putting food on the table and a devotion to the industry trump worries over health, they said.

"If it wasn't safe, we would be the first people to not want it here," said John Reams, who owns a construction company in nearby Naturita and was a miner in the area from 1977 to 1981.

Richard Espinoza lived in Uravan from 1951 to 1964 while his father worked at the

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mill. The company ran everything from the gas station to the drug store to the Uranium Drive-in.

"It's like if you ever played SimCity," Espinoza said, referring to the simulated video games where players build entire communities online. "It's almost like when you moved in, there was a welcoming committee. ... It's just the way people were."

Elva Archer Ayers is a Redvale resident who has lived in the area since 1930. She said her family worked in the Uravan mill and nearby mines — some of them during the secret Manhattan Project.

"I lost five brothers, my husband, two brothers — lost with cancer," Ayers said. "I don't have a feeling that we shouldn't go ahead (with the mill.) Our kids has got to live."

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