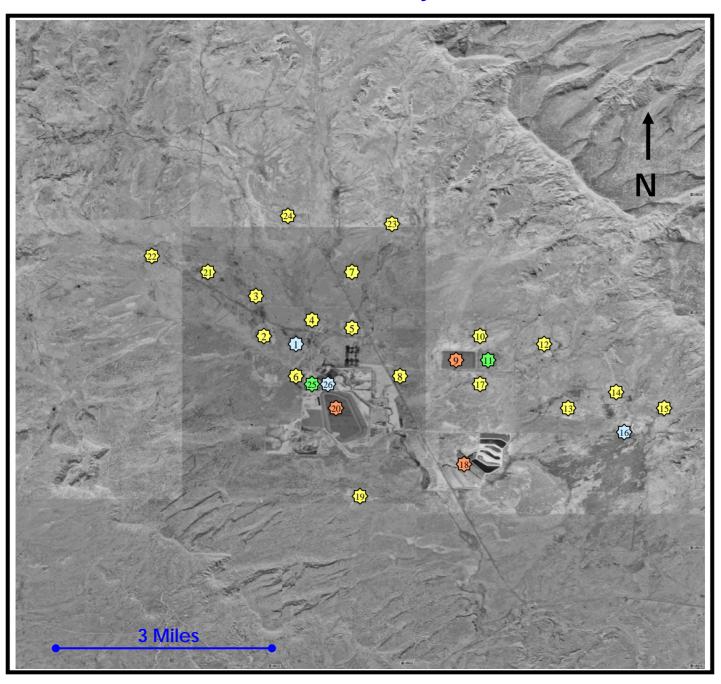
The Quest For Alternate Concentration Limits at Rio Algom Mining LLCs Ambrosia Lake Facility

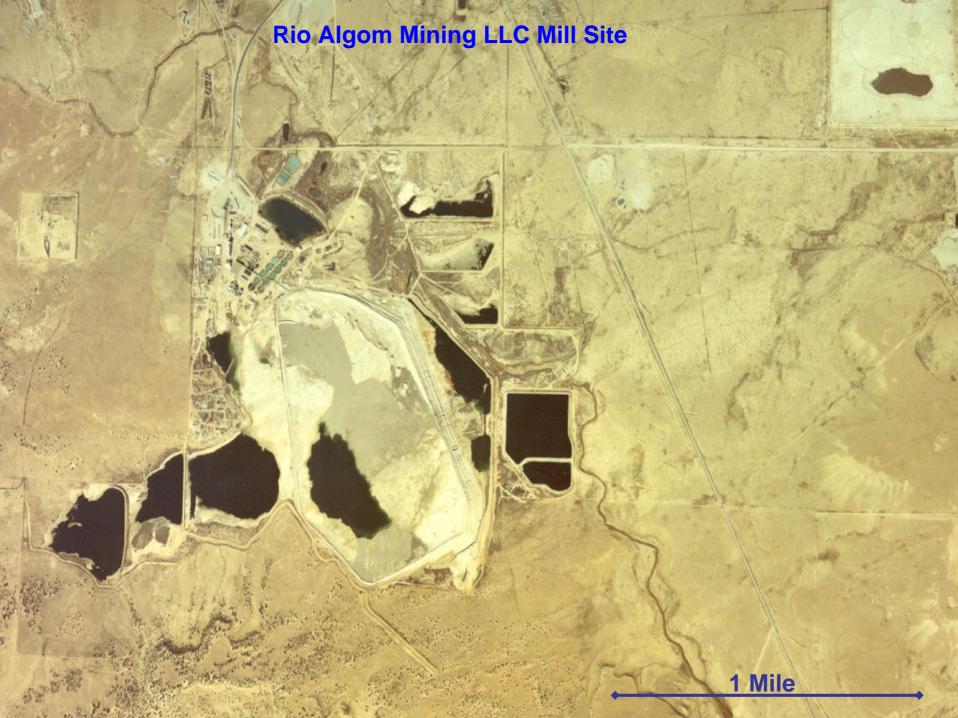


- Vital Statistics
 - 7000 tpd Acid Leach Mill
 - 1958 1985
 - 130 Million Pounds Yellowcake
 - 33 Million Tons of Tailings (350 Acres)
 - 18 Evaporation Ponds (400 Acres)



Ambrosia Lake Valley Features







Seepage Path From Mill Site



The Players

- Rio Algom Mining LLC
- Nuclear Regulatory Commission
- New Mexico Environment Department
- Department of Energy

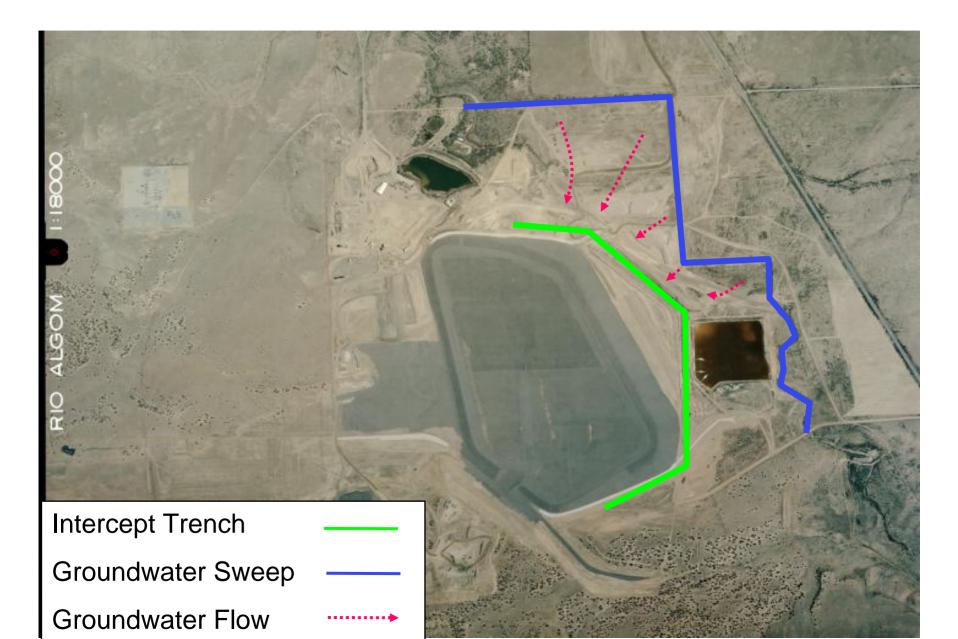
Mill Facility Oversight

- NMED Regulated Milling Operations Until 1986
 - Groundwater Permits Issued 1980 1986
 - Mill Placed on Standby in 1985
 - NMED Unwilling to Regulate Sites Following Industry Collapse
- NRC Assumed Jurisdiction in 1986
 - RAM Required to Submit Reclamation Plans
 - RAM Required to Submit Groundwater Protection Plans
 - NMED Groundwater Permits Remained in Effect

Bedrock Corrective Action



Alluvium Corrective Action



Site Groundwater Standards

- NRC CAP
 - 19 Parameters
 - 4 Units
 - Dakota
 - Tres Hermanos A
 - Tres Hermanos B
 - Alluvium
- NMED DP-169 Specified Standards in 1995

Site Groundwater Standards

Parameter	Dakota	Alluvium
Uranium (mg/L)	0.02	0.06
Thorium-230 (pCi/L)	2.3	3.1
Radium-226/228 (pCi/L)	5.0	5.0
Molybdenum (mg/L)	0.05	0.06
Nickel (mg/L)	0.03	0.06
Selenium (mg/L)	0.04	0.05
Chloride (mg/L)	-	-
Sulfate (mg/L)	-	-
T.D.S. (mg/L)	-	-
Nitrate (mg/L)	-	-

Remediation Goals

NRC

- Point of Compliance Concept Used
- Achieve Standard (Background, MCL, or ACL)

NMED

- Protect Groundwater for Drinking Water Purposes
- Point of Compliance Concept not Recognized
- Alternate Abatement Standards Available
 - Public Hearing Required

ACL Application #1

- Initial Application Submitted 1991
 - Limited to Alluvium

- NRC Issues RAI in 1996
 - Delayed Pending Issuance of STP on ACLs
- NRC Denies Application in 1997
 - No Response Received From Rio Algom

ACL Application #2

- RAM Elects to Separate ACL into 2 Elements
 - Bedrock and Alluvium
- RAM Submits ACL For Bedrock Units in 2000
- RAM Submits ACL For Alluvium in 2001

NRC Consolidates Documents and Initiates Review

ACL Application #2 (continued)

- NRC Contracts With CNWRA To Assist Review
- NRC Issues RAI #1 January 2003
- NRC/CNWRA Site Visit February 2003
- RAM Response to RAI #1 April 2003
- RAM/NRC Meeting May 2003
- RAM/NRC Meeting (RAI #2) August 2003
- RAM Response to RAI #2 October 2003



ACL Application #2 (continued)

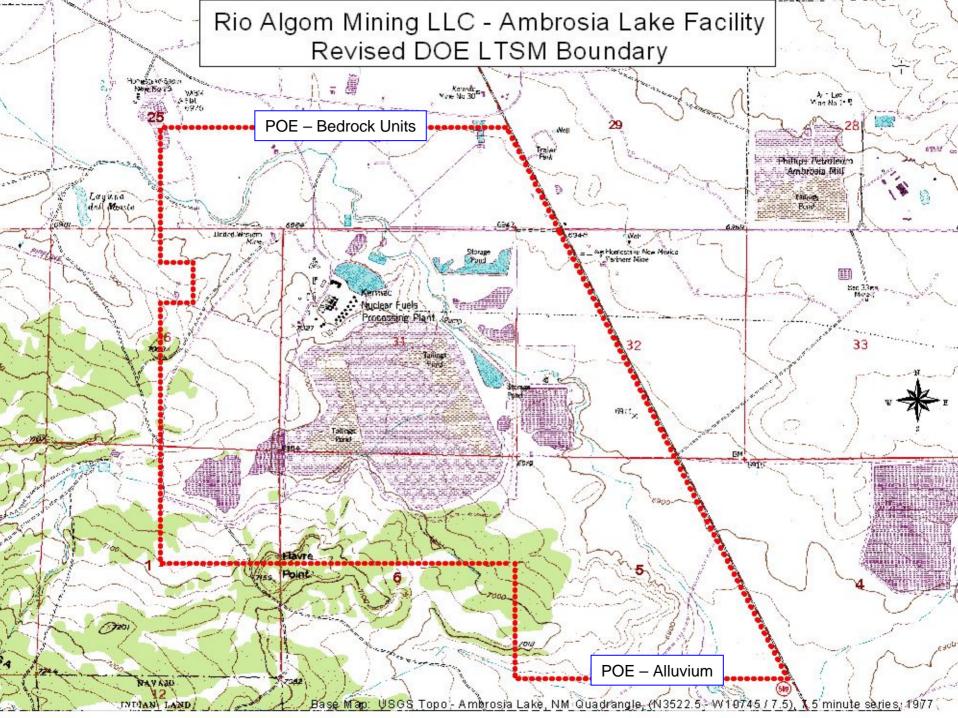
- CNWRA Raises Questions (RAI #3) March 2004
- RAM/NRC Meeting June 2004
- RAM Response to RAI #3 July 2004
- NMED Comments on ACL November 2004
- NRC Issues Draft EA January 2005

ACL Application #2 (continued)

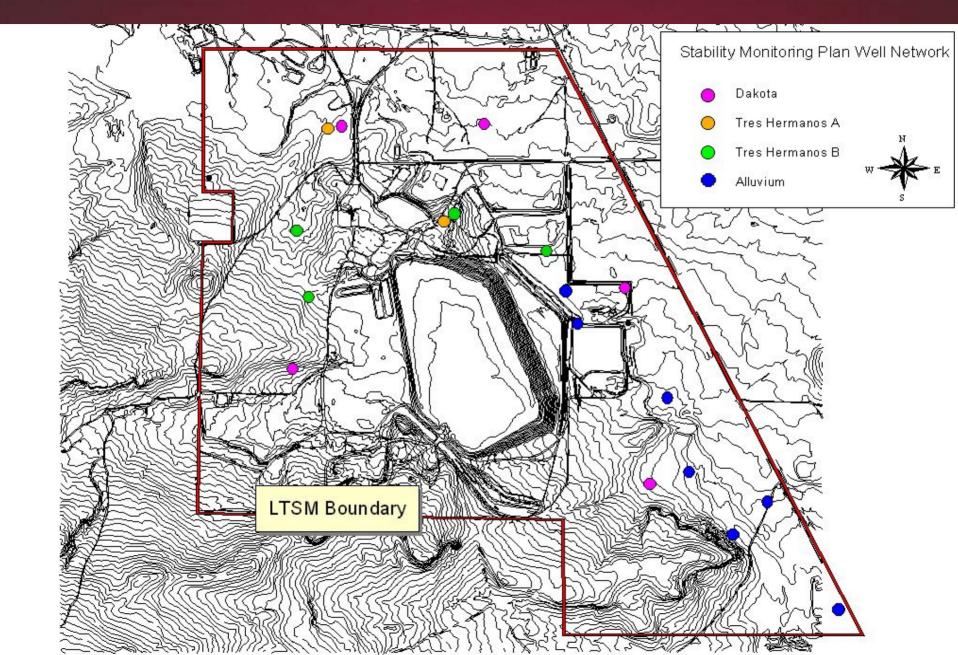
- NRC Responds to NMED Comments February 2005
- NRC Requests More Information (RAI #4)— February 2005
 - Address Non-Hazardous Constituents
- RAM Responds to RAI #4 July 2005
- NRC Issues RAI #5 October 2005
- RAM Responds to RAI #5 December 2005
- NRC Issues EA January 2006
- NRC Issues Amendment February 2006

Approved ACLs

Parameter	Dakota	Tres Hermanos A	Tres Hermanos B	Alluvium
U-nat (mg/L)	1.6	No ACL	1.6	23
Th-230 (pCi/L)	945	945	945	13,627
Ra-226 and -228 (pCi/L)	218	218	218	3,167
Pb-210 (pCi/L)	88	88	88	1,274
Gross Alpha (pCi/L)	No ACL	No ACL	No ACL	8,402
Molybdenum (mg/L)	No ACL	No ACL	No ACL	176
Nickel (mg/L)	6.8	No ACL	6.8	98
Selenium (mg/L)	No ACL	No ACL	No ACL	49
Chloride (mg/L)	3,200	1,070	2,810	7,110
Nitrate (mg/L)	22.8	9.2	7.7	351
Sulfate (mg/L)	6,480	2,584	4,760	12,000
Total Dissolved Solids (mg/L)	14,100	6,400	11,700	26,100



Stability Monitoring Plan



What Next?

- Terminate NMED Discharge Permit
 - NRC Asserts Sole Jurisdiction (Fast Track)
 - Dissolve DP-169

- Develop AAS With NMED (Not So Fast Track)
 - L-Bar Model

Lessons Learned

 Never, Ever Link Regulatory Approvals to Your Personal Bonus Program

Know The Expectations of Each Party

Maintain Communication With All Parties

Questions, Comments

