ENERGY FUELS RESOURCES CORPORATION

June 10, 2009

Mr. Steve Tarlton
Radiation Management Program
Colorado Department of Public Health and Environment
4300 Cherry Creek Drive South
HMWMD-RAD-B2
Denver, CO 80246-1530

Transmittal: Socioeconomics Baseline for the Proposed Piñon Ridge Uranium Mill and Proposed Outline for the Socioeconomic Impact Analyses
Piñon Ridge Mill, Montrose County, Colorado

Dear Steve:

Enclosed are two copies of the socioeconomic baseline report and two copies of the proposed socioeconomic impact analysis for your review and comment. Computer discs with the corresponding electronic files are also included for your use.

Lisa McDonald at Louis Berger is currently working on the impact analysis and we would appreciate getting your comments on the proposed outline in the next few weeks if possible. We can also set up a meeting if your comments are extensive.

Sincerely,

Frank Filas, P.E.
Environmental Manager

Cc: L. McDonald, Louis Berger
P. Egidi, CDPHE (electronic version)

Socioeconomics Baseline for the Proposed Piñon Ridge Uranium Mill

Montrose County, Colorado

June 8, 2009

Prepared for
Energy Fuels Resources Corporation
Lakewood, Colorado

by

The Louis Berger Group
Lakewood, Colorado

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1.0 INTRODUCTION

Energy Fuels Resources Corporation (EFR) proposes to license, construct and operate a conventional acid leach uranium and vanadium mill at the Piñon Ridge Mill site (the "Site") in western Montrose County, Colorado. Site facilities will include an administration building, a 17-acre mill, tailing ponds totaling 90 acres, an 80-acre evaporation pond, a 5-acre ore storage pad, and an access road. The mill will process ore produced from mines within a reasonable truck-hauling distance and the mill will initially process up to 500 tons of ore per day ("t/p/d"). However, as designed, the mill may be expanded to process up to 1,000 t/p/d. The expected operating life of the mill is 20 to 40 years.

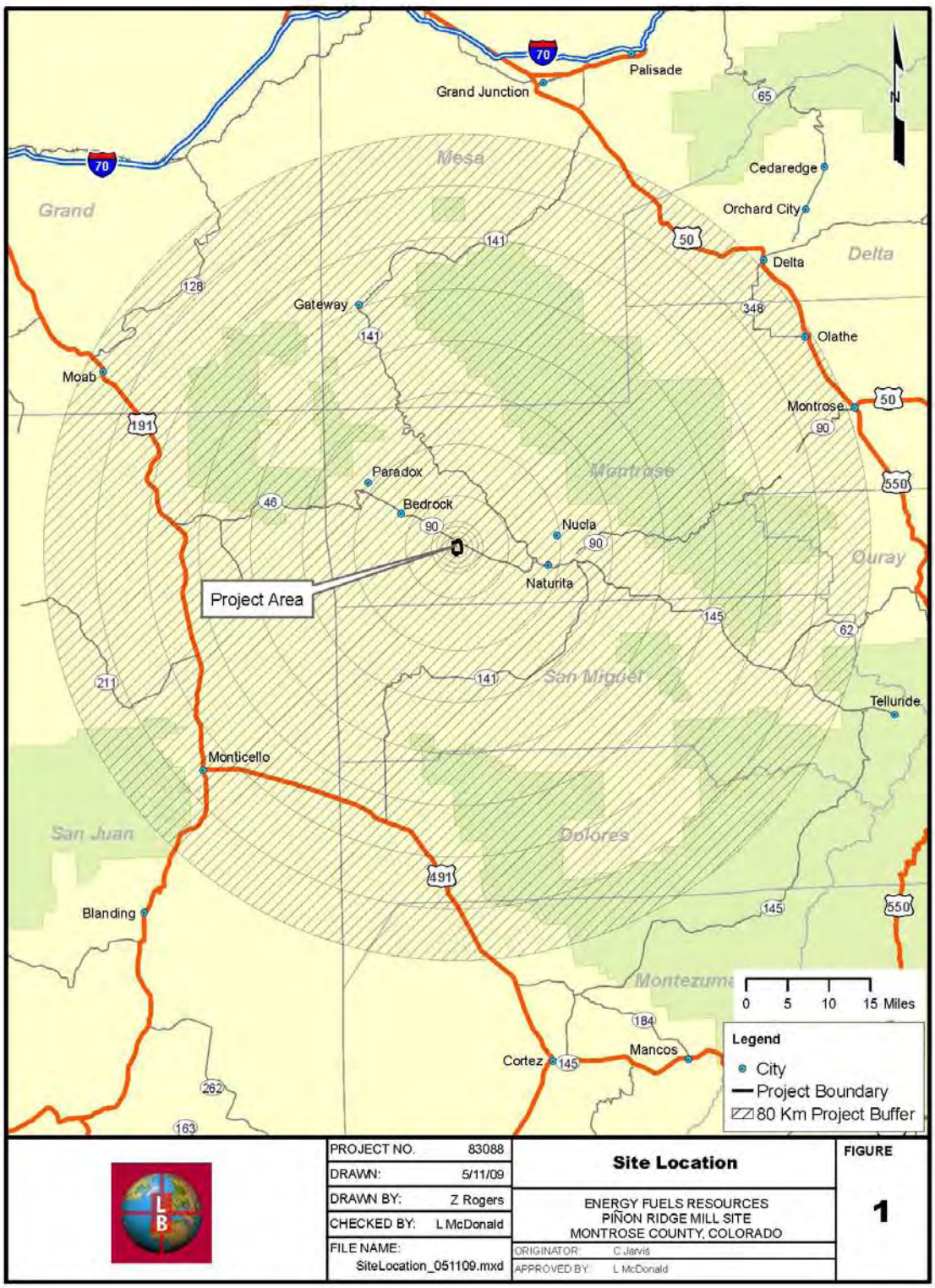
The Piñon Ridge Mill is subject to regulation by the State of Colorado, and the mill license (Radioactive Source Material License) will be issued and administered by the Colorado Department of Public Health and Environment (CDPHE). The activities described in this document were performed as part of the baseline characterization required for the Environmental Report (ER) in accordance with Section 3.8.8, Part 3, 6 CCR 1007-1. This report presents the results of the socioeconomic baseline assessment conducted by the Louis Berger Group for EFR in support of the mill license application. A supplemental report will be prepared that evaluates the socioeconomic impacts of the mill and potential mitigation as the licensing evaluation process develops.

1.1 Site Location and Study Area

The Site is located in the Paradox Valley at 16910 Highway 90, approximately eleven km (seven miles) east of Bedrock and 21 km (13 miles) west of Naturita. Both Bedrock and Naturita are located in Montrose County, Colorado. The Site's legal description is the Southwest ¼ of the Southeast ¼ of Section 5, all of Section 8, the North ¼ of Section 17, and the Southeast ¼ of the Northwest ¼ of Section 17, Township 46 North, Range 17 West, of the New Mexico Principal Base and Meridian. The Site is located on both the Davis Mesa Quadrangle and Bull Canyon Quadrangle 1:24,000 United States Geological Survey (USGS) topographic/geologic maps. The Site location is shown in Figure 1.

The study area ("Study Area") for the project is defined as all areas within an 80-km (50-mile) radius of the Site, and is depicted in Figure 1. The use of an 80-km study area was based on guidance published by the U.S. Nuclear Regulatory Commission regarding the preparation of Environmental Reports for Uranium Mills (USNRC, 1982). The 80-km Study Area includes all or portions of Delta, Dolores, Mesa, Montezuma, Montrose, and San Miguel counties in western Colorado and Grand and San Juan counties in Utah. The collection of data and information for this Report was done on two levels. Initially, data and information was collected to help describe the socioeconomic characteristics throughout all eight of the counties. Second, more specific information was obtained for resources, activities, infrastructure and services that are most likely to lead to socioeconomic impacts associated with the proposed mill.

Figure 1. Site Location



2.0 SOCIOECONOMICS

2.1 Land Ownership and Land Use

Land ownership for all counties in the Study Area is summarized in Table 1. Like other areas of the western U.S., this area is dominated by Federal public lands. In all counties but Montezuma County, Federal public lands comprise greater than half of the land base.

Table 1. Land Ownership Patterns in Counties within the Study Area

Land Ownership	County							
	Delta, CO	Dolores, CO	Mesa, CO	Montezuma, CO	Montrose, CO	San Miguel, CO	Grand, UT	San Juan, UT
Private	44%	36%	27%	28%	31%	37%	4%	8%
State	1%	3%	0%	35%	1%	3%	15%	5%
Federal	55%	61%	73%	38%	68%	59%	72%	61%
Tribal	0%	0%	0%	0%	0%	0%	8%	26%
Total	100%	100%	100%	100%	100%	100%	100%	100%

Source: U.S. Bureau of Land Management, 2007 and 2008.

Montrose County, which includes the Site, encompasses approximately 2,200 square miles in southwestern Colorado. The Uncompahgre Plateau runs northwest to southeast through the central part of the County. This geological feature divides the County into the Uncompahgre/Gunnison River basins on the east and the Dolores/San Miguel River basins on the west. In addition to being the agricultural hub of the Western Slope, Montrose County is home to Black Canyon of the Gunnison National Park, as well as the Gunnison Gorge National Recreation and Wilderness Areas. A majority of the county is made up of federally owned lands including Bureau of Land Management (BLM) (44 percent), National Forest (23 percent), and National Park lands (1 percent). Private lands account for 31 percent of Montrose County.

Major land uses on public and private lands in the Study Area include agriculture, mining, oil and gas exploration and production, timber harvesting, and recreation. All land uses are subject to valid existing rights, which may be conveyed by title, deed, right-of-way, permit, withdrawal, or any other legally recognized instrument. Lands and access roads in the Study Area provide the public with multiple use opportunities.

2.1.1 AGRICULTURAL PRACTICES

Agricultural land uses dominate both the public and private lands in the Study Area. Agricultural uses are measured as part of the U.S. Department of Agriculture's (USDA) Census of Agriculture on a five-year basis.[1] Relevant data from the latest Census of Agriculture is summarized in Table 2. Data in the table show that the percentage of land area in farms and ranches in the Study Area ranges from two percent in Grand County, Utah to 63 percent in Montezuma County Colorado. Approximately 23 percent of the acreage in private ownership in Montrose County was utilized for farming and ranching in 2002 (USDA, 2004). Given the arid

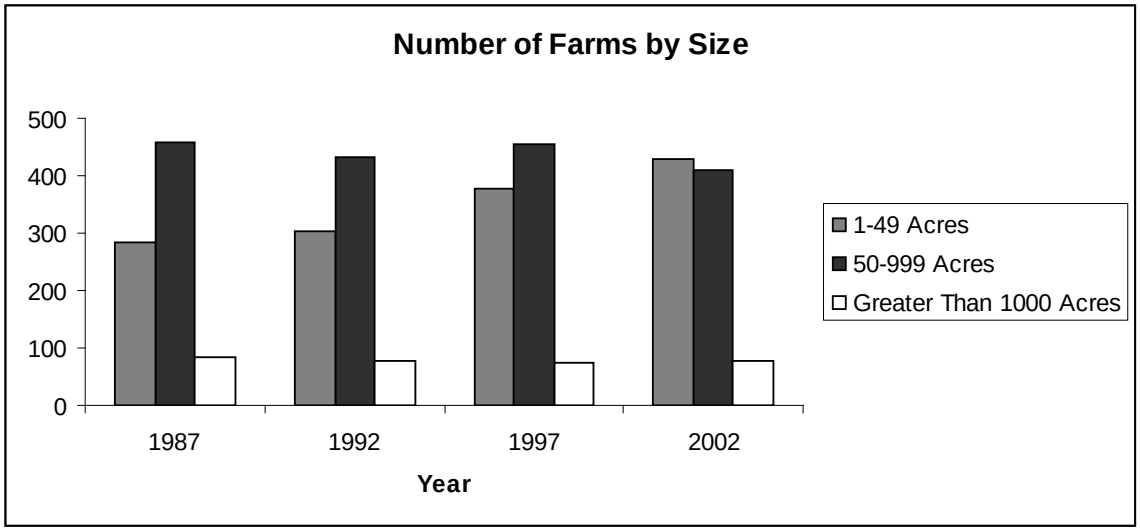
[1] The 2002 Census of Agriculture, conducted by the United States Department of Agriculture's (USDA) National Agricultural Statistics Service (NASS) is taken to measure agricultural activity and productivity for each county, State, and region of the United States. It covers production and sales of agricultural products during 2002 and inventory of livestock, poultry, and machinery and equipment as of December 31, 2002 (USDA, 2004).

nature of the Study Area, the percentage of total farm and ranch acreage on private lands in crops is relatively small, ranging from three percent in San Miguel, County to seven percent in Montrose County. Though data was not provided by the Census, it is assumed that the majority of lands in farms not in croplands are used for grazing. Grazing is likely occurring on both improved and unimproved pastures. Improved pasture contains low successional native grasses and forbs characteristic of native prairie, but may also contain forage crops for cattle and is often times irrigated. Improved and unimproved pastures support cattle production through cow-calf operations. In addition, a significant percentage of public lands are used for grazing operations throughout the Study Area (USDOE, 2007).

The BLM has determined that public lands within the immediate areas surrounding the Site, would require 30 to 50 acres to support one cow-one calf pair for a month (animal unit month (AUM)[2]). This minimal amount of forage available for domestic livestock in the area would not support concentrated grazing (USDOE, 2007).

Figure 2 depicts the change in farm and ranch size in Montrose County from 1987 to 2002 as defined by the USDA. The number of small farms and ranches (1 to 49 acres) in Montrose County has increased 51.2 percent from 1987 (283 farms and ranches) to 2002 (428 farms and ranches). The medium size farms and ranches (50 to 999 acres) has seen a slight decrease (10.9 percent) from 1987 (459 farms and ranches) to 2002 (409 farms and ranches). The large size farms and ranches (greater than 1000 acres) have decreased 7.1 percent from 1987 (84 farms and ranches) to 2002 (78 farms and ranches) (USDA NASS 2008).

Figure 2. Montrose County Farms by Size



Source: USDA, 2004.

[2] An AUM is defined as the amount of forage needed to feed one cow-calf pair for a month.

Table 2. Farm and Agricultural Breakdown from Current Census Data

Sate	Colorado																		Utah					
County	Delta			Dolores			Mesa			Montezuma			Montrose			San Miguel			Grand			San Juan		
	1992	1997	2002	1992	1997	2002	1992	1997	2002	1992	1997	2002	1992	1997	2002	1992	1997	2002	1992	1997	2002	1992	1997	2002
Total Area [1] (Acres)	730,880			682,880			2,129,920			1,303,680			1,434,240			823,680			2,356,480			5,004,800		
Land Area in Farms (Acres)	260,728	281,889	262,443	167,106	155,741	158,518	420,233	416,613	385,255	834,018	935,330	818,677	447,412	371,881	334,747	200,674	161,937	151,093	63,116	75,801	52,729	342,921	1,673,079	1,558,661
Average Size of Farms (Acres)	276	271	247	1,266	973	734	317	280	241	1,262	1,303	988	551	429	366	2,069	1,951	1,349	717	892	561	1,577	7,243	6,747
Total Cropland (acres)	78,783	75,090	79,134	74,915	68,413	82,687	94,012	92,482	119,920	116,231	102,915	118,944	97,346	89,191	106,613	22,707	27,921	21,708	5,293	6,001	2,450	133,713	150,143	29,693
Irrigated Cropland (acres)	71,690	70,981	54,184	7,611	7,508	9,966	78,267	87,648	66,052	55,193	61,081	48,703	84,782	85,040	75,459	15,824	12,341	5,246	3,069	4,472	3,360	5,491	9,078	2,089
Corn (acres)	4,431	3,511	2,887	0	0	NA	9,511	6,229	2,915	NA	NA	0	8,152	8,688	6,172	0	0	0	67	NA	0	0	NA	NA
Wheat (acres)	898	633	351	17,461	17,248	10,535	1,941	4,626	3,499	8,370	8,988	2,147	2,689	2,047	895	1,091	4,418	NA	0	NA	0	32,018	38,138	26,557
Oats (acres)	NA	NA	263	NA	NA	228	NA	NA	89	NA	NA	113	NA	NA	192	NA	NA	NA	0	NA	0	474	538	0
Barley (acres)	426	90	NA	0	NA	0	1,214	448	283	705	NA	0	884	947	1,429	0	0	0	0	0	0	634	135	0
Beans (acres)	2,549	1,809	1,368	18,672	12,732	488	945	662	859	7,236	5,400	NA	8,726	8,765	7,063	986	NA	0	NA	NA	0	NA	NA	NA
Forage (acres)	29,744	32,273	24,775	9,536	11,638	9,087	36,469	38,718	35,917	43,529	49,848	38,117	33,947	37,437	35,748	8,044	5,090	3,800	2,107	2,664	2,165	6,046	8,230	2,317
Vegetables (acres)	NA	NA	1,016	NA	NA	0	NA	NA	734	NA	NA	14	NA	NA	3,876	NA	NA	NA	NA	NA	111	NA	NA	NA
Orchards (acres)	NA	NA	2,521	NA	NA	8	NA	NA	2,410	NA	NA	263	NA	NA	295	NA	NA	0	101	90	80	48	46	NA
Market Value of Crops ($1,000)	$15,315	$15,177	$14,413	$6,944	$8,601	$1,805	$18,342	$20,146	$29,554	$7,165	$12,913	$6,463	$16,207	$19,654	$21,039	$311	$474	$330	$577	$850	$739	$8,990	$3,503	$1,592
Market Value of Livestock ($1,000)	$29,278	$23,906	$24,664	$52,606	$53,753	$1,968	$27,262	$30,304	$29,670	$7,606	$8,961	$8,058	$38,814	$68,621	$36,952	$4,078	$2,423	$3,281	$1,770	$1,439	$1,437	$43,641	$5,594	$5,924

Source: USDA, 2004.

2.1.2 TIMBER HARVESTING

Commercial forests, such as those made up of ponderosa pine (*Pinus ponderosa*), Douglas fir (*Pseudotsuga menziesii),* and Engelmann spruce (*Picea engelmannii*), are very limited in the Study Area due to minimal rainfall, steep topography, and relatively low elevations. However, on public lands near the Site there is limited harvesting of piñon pine (*Pinus edulis*) and juniper (*Juniperus spp.)* trees for firewood and fence posts (USDOE, 2007).

2.1.3 RECREATION

A vast majority of BLM lands within the Study Area are accessible to the public for off-highway vehicle use, mountain biking, hiking, hunting, and other recreational uses. The BLM categorizes public lands into two recreational management areas: Special Recreation Management Areas (SRMAs) and Extensive Recreation Management Areas (ERMAs). SRMAs are areas where recreation is recognized as the principal land-use management objective. ERMAs are areas where recreation is not the principal objective, but it is considered along with other uses under a multiple land-use management objective and, as such, ERMAs receive only custodial care (USDOE, 2007).

The Dolores River Canyon is the only SRMA within close vicinity of the Site. It extends from McPhee Reservoir north of the town of Dolores 167 km (104 miles) north to the town of Bedrock. The SRMA includes one of the more popular rafting and canoeing rivers in the southwestern United States and the BLM and the U.S. Forest Service have constructed recreational sites along the river to accommodate recreational uses. The peak period for river activity is from April 30th to June 15th during spring runoff.

Eighty km (50 miles) north of the Site, the Gateway area and surrounding Unaweep Canyon have recently become the focus of targeted development. It is the intent of a private landowner to promote the area as a destination resort and encourage recreational activities in the area (USDOE, 2007). BLM is currently in the process of conducting inventories of recreational resources to determine if SRMA designation is warranted (USDOE, 2007). As the resort and community are further developed, it is recognized that additional tourism and traffic would result. To date, no studies have been conducted, nor have projections been made to identify the magnitude of the increased activity.

2.1.4 ENERGY AND MINING

Colorado has a rich mining heritage, beginning with the discovery of gold in 1859 (CMA 2008). Uranium mining in Colorado dates back to 1898. The mineral mining industry in the state continues to evolve with the discovery and development of new reserves. The following energy and mineral products are produced in significant amounts in Colorado: coal, oil and gas, gold, gypsum, limestone, silver, molybdenum, soda ash and sodium bicarbonate. Colorado's energy and mining industry directly employed an average 29,109 persons in the third quarter of 2008 according to the Colorado Department of Labor and Employment (Colorado Department of Labor and Employment, 2009). In addition, Colorado ranks third among the states in mineral royalty receipts (CMA 2008).

The Colorado Geological Survey (CGS) estimates the total value of 2006 mineral and energy production in Colorado to be $11.6 billion (CGS, 2007). This is a 4.9 percent decrease from the

revised 2005 total value of $12.2 billion. The past mineral and energy production values are as follows (CGS 2004, 2005):

- 2002 - $4.1 billion,
- 2003 - 6.7 billion, and
- 2004 - $8.5 billion.

Although there was a 4.9 percent decrease between 2005 and 2006, there was a 186 percent increase between 2002 and 2006. Energy, carbon dioxide[3], and mineral production values for 2006 are estimated at (CGS, 2007):

- Natural gas - $7,181 million
- Oil - $1,401 million
- Carbon dioxide - $291 million
- Coal - $974 million
- Nonfuel minerals - $1,762 million
- Uranium - $0

Considerable mineral exploration and development has occurred historically in the Study Area. Minerals produced in the Study Area have included coal, oil, natural gas, carbon dioxide, sand and gravel, radium, uranium, and vanadium. Uranium and vanadium exploration and mining, coal mining and oil and gas exploration and production are currently the predominant mineral activities in the area. If the demand for uranium and vanadium continues to increase, it is expected that the amount of uranium and vanadium mined and milled in the Study Area will increase accordingly.

The Uravan mineral belt is a zone of uranium-vanadium deposits in San Miguel, Montrose, and Mesa counties in Colorado, and Grand County in Utah (Wikipedia, 2009). This mineralized zone is the oldest uranium mining region in the U.S. Historically, approximately 1,200 mines were located within the Uravan mineral belt which produced over 63 million pounds of uranium and 330 million pounds of vanadium from 1948 to 1978 (Colorado DNR, 2008). Uranium and vanadium mineralization occurs in the Burro Canyon, Morrison, Entrada, and Chinle Formations within the Uravan Mineral Belt in Colorado. However, nearly all of the production was derived from the Salt Wash Member of the Morrison Formation. In Addition, uranium-vanadium deposits occur in both the Salt Wash and Chinle in other districts within the Study Area including the La Sal, Lisbon Valley (a/k/a Big Indian), East Canyon, and Montezuma Canyon districts in San Juan County, Utah and the Polar Mesa district in Grand County, Utah. The industry has experienced booms and busts throughout the century, and in 1984 all production ceased as the price of uranium fell.

After years of prices in the single digits, the change in market fundamentals has caused a new interest in uranium mining and milling in the Uravan District. Many old mines are undergoing renovation, and thousands of claims have been staked in preparation for resumption of production. The BLM has estimated that approximately 66,000 unpatented mining claims existed

[3] Carbon dioxide is used in various industrial applications including enhanced oil recovery.

historically in western Colorado, the majority of which are in areas of known or suspected uranium and vanadium mineralization (BLM 1984). The CGS estimates that more than 60 percent of the 5,700 new mineral claims (3,500 filed in 2006) were filed in counties which are likely to be for uranium. The BLM estimates that as of January 2007 there were approximately 4,800 mining claims in Mesa, Montrose, and San Miguel Counties located for uranium mineralization. The extent of active work on the mining claims has not been summarized. BLM estimates that approximately 95 percent of Colorado's uranium production is on public lands (CGS, 2006).

During the past five years, there has been some active uranium mining in the Study Area. The Cotter Corporation opened the JD-9 mine in Montrose County in 2003 and produced 15,201 tons of uranium/vanadium ore from the mine in 2004. In 2005, they produced 127 tons of U_3O_8 from four mines in Montrose County including the JD-9, JD-8, JD-6 and SM-18. Cotter's ore was shipped via truck to their mill in Canon City for processing. Cotter put all four of their mines in Montrose County on standby in November 2005, laying off 49 workers, due to difficulties in making the mines profitable (CDNR, 2008).

In early 2007, Denison Mines (USA) Corporation reopened the Sunday and West Sunday Mines near Slick Rock in San Miguel County and the Pandora Mine near La Sal in San Juan County, Utah. Denison also reopened the Tony M mine near Hanksville, Utah in late 2007; however this mine is west of the Study Area. These mines produced 75,000 tons of uranium/vanadium ore in 2007. Denison operated five mines within the Study Area in 2008: the Sunday and West Sunday Mines, Pandora, and Rim & Beaver (near La Sal, Utah) but shut down the Tony M Mine late in the year. In addition, Denison recently announced the temporary closure of the Rim and Sunday Mines. All three of these mines are lower grade producers that are not viable at the current low spot prices. Production from Denison's mines in 2008 was not available. The ore from these mines is shipped to Denison's White Mesa Mill in Blanding, Utah, which was restarted in April 2008. Several small, independent mines in both Colorado and Utah also sold and shipped ore in smaller lots to the White Mesa Mill in 2007 and 2008. Denison announced in May 2009 that the mill would temporarily switch from conventional ore feed to alternative feed in June 2009 (Denison, 2009). Ore from their operating mines continues to be stockpiled at the mill.

The Whirlwind Mine, located west of Gateway, Colorado and owned and operated by Energy Fuels Resources, recently obtained operating permits in 2008. However, the mine was placed on standby in November of 2008 because the company was unable to obtain a satisfactory ore sales or toll milling agreement with the White Mesa Mill.

As uranium mines reopen, a potential bottleneck exists because of a lack of conventional mills to process uranium ore. Table 3 summarizes the status of all conventional uranium processing mills in the U.S as reported by the U.S. Energy Information Agency. Currently, the only conventional mill operating in the U.S. is the White Mesa Mill in Blanding, Utah which reopened in April 2008. Denison invested approximately $31 million in new mill equipment in refurbishing this facility. In 2008, they produced 791,000 pounds of uranium and 1,233,000 pounds of vanadium from processed ores. Cotter Corporation recently announced it would like to reopen their mill in Canyon City although production is not expected at the plant until 2014 (Denver Post, 2009).

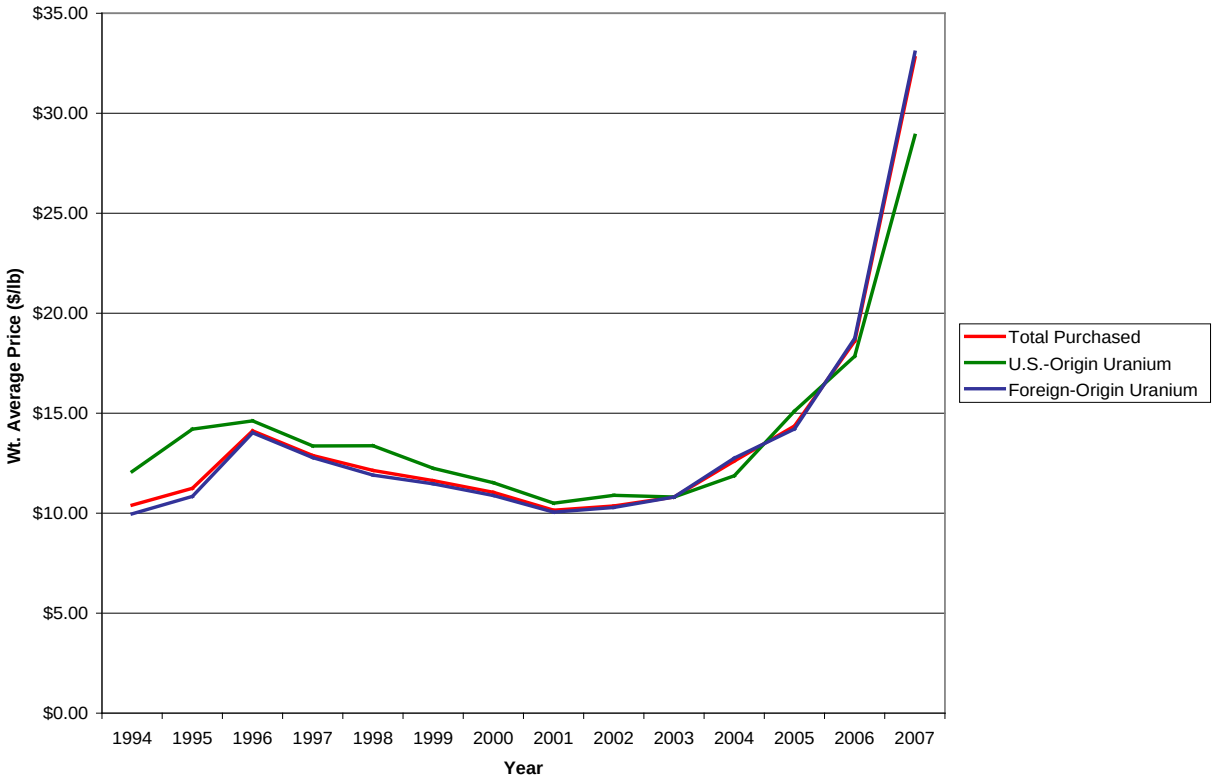
Table 3. Status of Conventional Uranium Milling Operations in the U.S. (4th Quarter 2008)

Mill Owner	Mill Name	Capacity (short tons of ore per day)	Status
Cotter Corporation	Canyon City Mill	400	Standby
Denison White Mesa	White Mesa Mill	2,000	Operating
Energy Fuels Resources	Piñon Ridge Mill	1,000	Developing
Kennecott Uranium Co.	Sweetwater Uranium Project	3,000	Standby
Uranium One	Shootaring Canyon Uranium Mill	750	Changing License to Operational
Total		**7,150**	

Source: Energy Information Administration, 2008.

Historic uranium prices were obtained from the Energy Information Agency as shown in Figure 3. The weighted average price for uranium ($/lb) increased by over 160 percent between 2004 and 2007. Prices continued to increase for much of 2007, reaching over $130 per lb. However, by the end of 2007, prices declined to near $55 per pound of U_3O_8. For much of 2008 and the first quarter of 2009, prices have fluctuated between $40 and $50 per lb. The latest data available, shows spot prices for U_3O_8 at $47.50 per lb (tradetech.com, May 7, 2009). The long-term price for U_3O_8 has remained relatively stable over the past several years and was $69 per lb as of April 30, 2009 (tradetech.com).

Figure 3. Historical Uranium Prices



Source: EIA, 2008.

Coal is used to produce 70 percent of Colorado's electricity needs (CGS 2008). As of 2006 there were ten active coal mines in Colorado, four of which are surface mines. Coal was produced in eight Colorado counties in 2006. The production of coal in Colorado has remained relatively stable with 35.9 million tons produced in 2003, 39.8 million tons in 2004, 37.8 million tons in 2006 and 35.5 million tons in 2007 (CGS 2008). This is a one percent decrease in produced coal from 2003 to 2006. Delta County was the state's top coal producing county with 9.2 million tons, all from underground mining. The New Horizon Mine in Montrose County produced 405,611 tons of coal in 2006, down from 420,730 tons in 2005. This mine supplies coal to the Nucla Station, a 100-megawatt power plant in Nucla, Colorado.

Oil and gas production in the Study Area is concentrated in Montezuma and San Miguel Counties along the Colorado-Utah border in the Paradox Basin. Proven oil and gas reserves are also located to the east and south of the Slick Rock within the Study Area. Production of carbon dioxide in Colorado is concentrated in Montezuma County just outside the Study Area where 94 percent of the state's production occurred in 2007.

Oil and gas production within the State of Colorado has increased by 213 percent between 2002 and 2006. The oil, natural gas, and carbon dioxide production values for Colorado are as follows (CGS, 2004, 2005):

- 2002 - $2.7 billion,
- 2003 - $5.0 billion,
- 2004 - $6.7 billion, and
- 2005 - $9.3 billion.

The CGS estimate the total value of oil, natural gas, and carbon dioxide production in the state in 2006 was $8.9 billion. This represents a seven percent decline from the 2005 values ($9.5 billion). Much of this decline is due to the reduction in natural gas production, which fell by 11 percent between 2005 ($8,114 million) and 2006 ($7,181 million). The production for carbon dioxide had a 21 percent increase from 2005 ($241 million) to 2006 ($291 million). Crude oil production for 2006 was valued at $1,401 million, which is a 15 percent increase from $1,217 million in 2005 (CGS, 2007).

2.2 Economic Characteristics

This section focuses on trends associated with specific economic characteristics within the Study Area (all areas within an 80-km (50 miles) radius of the Site). This includes employment, income and earnings, unemployment and economic base industries.

2.2.1 EMPLOYMENT

Information on total employment by industry for 2007 for all the counties in the Study Area was obtained from the U. S. Bureau of Economic Analysis (BEA, 2009a) and is summarized in Table 4. Given the rural nature of most of these counties, employment is often concentrated in a few industries. For instance, in six of the eight counties, government services ranks first or second in percentage of employment, ranging from 10.6 percent in Mesa County to 29 percent in San Juan County. Retail trade also provided a high percentage of jobs in five of the eight counties (Delta, Mesa, Montezuma, Montrose and Grand). It is expected that these counties would show strong employment in retail trade given the location of economic hubs including Delta, Grand Junction, Cortez, Moab and Montrose. Montrose and San Miguel Counties showed a strong concentration of employment in construction, which is expected given the boom in development in certain parts of these counties. Based on the total number of employees, mining was a significant employer in Mesa, Delta and San Juan Counties.

Employment trends in Montrose County by industry for 2001 through 2007 are summarized in Figure 4. Industries showing the greatest increase in employment during this period include construction (899), services (2,455), and trade (349). Industries showing the largest decline in employment in Montrose County between 2000 and 2007 were farming and ranching (-102), manufacturing (-37), and forestry, fishing and related services (-23).

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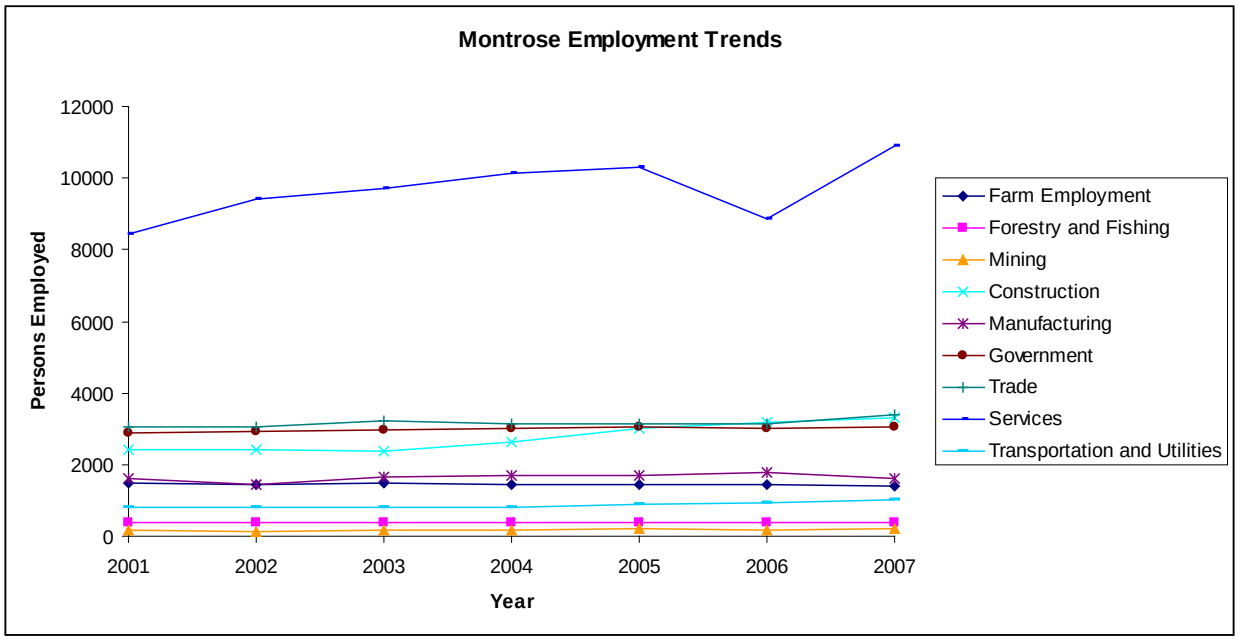
Table 4. Total Labor Force by Industry for Counties in the Study Area, 2007

Industry	Workforce by County							
	Colorado						Utah	
	Delta	Dolores	Mesa	Montezuma	Montrose	San Miguel	Grand	San Juan
Farm employment	1,408	220	1,998	940	1,383	120	97	292
Forestry, fishing, and related activities	356	NA	299	174	368	NA	NA	NA
Mining	552	NA	3,425	165	213	NA	NA	380
Utilities	72	0	234	100	226	15	NA	NA
Construction	1,566	130	9,054	1,588	3,298	1,469	568	439
Manufacturing	828	17	3,743	576	1,595	163	100	127
Wholesale trade	356	NA	2,768	234	613	49	86	NA
Retail trade	1,990	93	11,006	1,848	2,794	618	944	493
Transportation and warehousing	195	NA	3,239	279	797	76	NA	128
Information	198	NA	1,147	142	280	159	74	13
Finance and insurance	444	NA	3,551	384	676	199	114	125
Real estate and rental and leasing	836	NA	4,717	633	1,384	1,180	428	134
Professional and technical services	679	40	4,286	634	1,203	544	298	NA
Management of companies and enterprises	43	0	134	NA	40	39	NA	NA
Administrative and waste services	646	23	4,649	NA	992	352	NA	179
Educational services	NA	NA	608	86	121	121	103	135
Health care and social assistance	NA	23	9,921	1,392	2,062	258	380	514
Arts, entertainment, and recreation	239	NA	1,868	214	428	608	379	NA
Accommodation and food services	846	58	6,574	1,139	1,431	1,131	1,456	NA
Other services, except public administration	991	63	4,885	805	1,572	519	290	321
Government and government enterprises	2,461	198	9,347	3,155	3,041	839	860	1,766
Total Employment	15,983	1,024	87,453	14,955	24,517	8,674	6,752	6,086

Source: BEA, 2009

NA = Not Available

Figure 4. Montrose County Employment Trends by Industry



Source: BEA, 2009a

For towns closest to the Site, data was collected on the most common industries for employment by residents. For both Naturita and Nucla, data was available as summarized in Table 5 and showed construction, mining and utilities are important industries for men in terms of employment. Women in these communities tend to take more service-oriented jobs such as accommodation and food service, educational services and health care. The construction and service level jobs are likely located in resort areas such as Telluride.

For the small communities of Bedrock and Paradox, employment information was collected through interviews (White, 2009). The interviews indicated that most persons employed in Bedrock and Paradox work in ranching, truck driving, the local charter school, or government (e.g. Colorado and Montrose Departments of Transportation; US Bureau of Reclamation de-salination project), and small businesses (community store, organic gardening, bed and breakfast). A few individuals work in construction and services in the Telluride region (10-15 people) and a small number work out of their homes.

Table 5. Most Common Industries that Employ Men and Woman in Naturita and Nucla, Colorado

Naturita		Nucla	
Men	**Woman**	**Men**	**Woman**
Construction (37%)	Food and Beverage Stores (17%)	Construction (27%)	Accommodation and food services (30%)
Utilities (10%)	Accommodation and Food Service (17%)	Mining (9%)	Educational services (13%)
Mining (9%)	Education Services (10%)	Accommodation and food services (9%)	Health care (10%)
Education Services (6%)	Admin and support and waste management services (8%)	Utilities (7%)	Utilities (7%)
Public Admin (6%)	Public Admin (7%)	Truck transportation (7%)	Building material and garden equipment and supplies dealers (5%)
Accommodation and Food Service (5%)	Health Care (6%)	Educational services (7%)	Finance and insurance (5%)
Motor vehicle and parts sales (3%)	Retail Sales (5%)	Public administration (5%)	Public administration (5%)

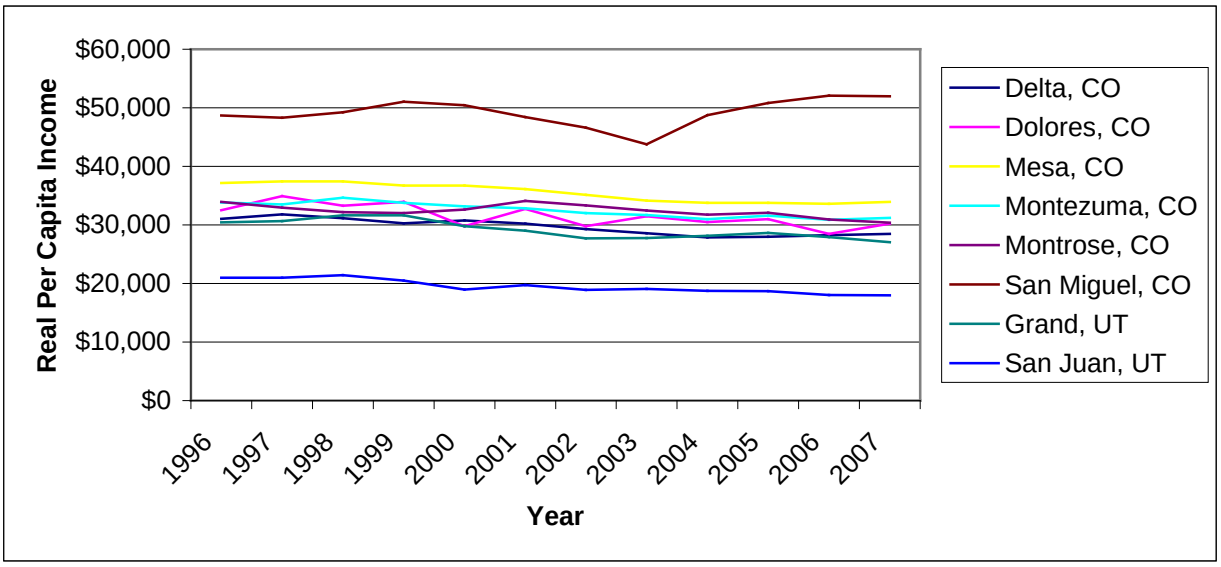
Source: City-Data.com

2.2.2 INCOME AND EARNINGS

Real Per Capita Income

Trends in real per capita income for all the counties in the Study Area, Colorado, Utah and the U.S. for 1996 through 2007 are summarized in Figure 5 (BEA, 2008b). In most counties in the Study Area, real per capita income has declined between 1996 and 2007. The exception was San Miguel County in Colorado that experienced an increase in real per capita income over the later part of the period. In addition, most of the counties in the Study Area reported per capita income that was lower than the state or national levels. The exception was San Miguel County, which consistently reported per capita income levels higher than the U.S. average. In 2007, Montrose County had a per capita income level that was 70 percent of per capita income in the State of Colorado and 75 percent of the U.S. average. San Juan County in Utah reported the lowest levels of per capita income, which were 58 percent of per capita income in Utah and 44 percent of the U.S. average in 2007.

Figure 5. Per Capita Income Trends, 1996 - 2006 (2007$)



Source: BEA, 2009

Average Earnings per Industry

Data were obtained from the Colorado Department of Labor and Employment and the Utah Department of Workforce Services on the average monthly payroll wages for the State of Colorado and Utah for each of the counties in the study area. The data are summarized in Table 6. In 2007, average payroll wages in all the counties in the Study Area were lower than the state averages. For Colorado counties in the Study Area, average monthly payroll wages ranged from 48 percent to 90 percent of the average for the State of Colorado. For the Study Area counties in Utah, average monthly wages ranged from 78 to 88 percent of the state average. Industries that provide the highest paying jobs in the Study Area include mining, business services, financial activities, and construction.

Table 6. Average Monthly Earnings per Job, all Study Area Counties and States

Average Monthly Wages by County and State, 2007

Industry	Delta County	Dolores County	Mesa County	Montezuma County	Montrose County	San Miguel County	Colorado	Grand County	San Juan County	Utah
Mining	$4,604	NA	$5,480	$5,280	$4,396	$7,272	$6,720	$4,247	$4,287	$5,664
Agriculture, Forestry, Fishing and Hunting	$1,640	$1,488	$1,936	$1,992	$1,804	NA	$2,060	NA	$1,942	$2,260
Construction	$2,204	$2,412	$3,188	$3,064	$2,752	$3,428	$3,508	$2,672	$2,230	$3,186
Manufacturing	$2,368	$1,592	$2,980	$2,204	$2,204	$3,616	$4,376	$2,247	$3,306	$3,324
Trade, Transportation and Utilities	$3,137	$1,768	$3,227	$2,750	$2,897	$3,891	$3,955	$3,453	$1,554	$3,699
Information	$1,688	NA	$3,008	$2,148	$2,240	$2,068	$5,828	$1,870	$1,087	$2,775
Financial Activities	$2,604	NA	$3,624	$2,984	$3,192	$4,548	$5,288	$2,667	$3,127	$4,196
Professional and Business Services	$1,995	$3,066	$3,527	$2,300	$5,008	$3,988	$5,005	$2,463	$2,270	$3,099
Education and Health Services	NA	$2,104	$2,842	$2,024	NA	$2,632	$3,060	$1,868	$2,623	$2,333
Leisure and Hospitality	$3,678	$1,356	$1,064	$1,606	$1,288	$2,508	$1,788	$2,171	$2,294	$2,049
Other Services	$2,184	NA	$2,136	$1,856	$2,268	$2,468	$2,416	$3,238	$1,864	$2,003
Government	$2,964	$1,392	$3,584	$2,464	$3,388	$2,996	$3,908	$4,120	$3,151	$4,992
Average – All Industries?	$2,642	$1,897	$3,050	$2,556	$2,858	$3,583	$3,993	$2,820	$2,478	$3,194

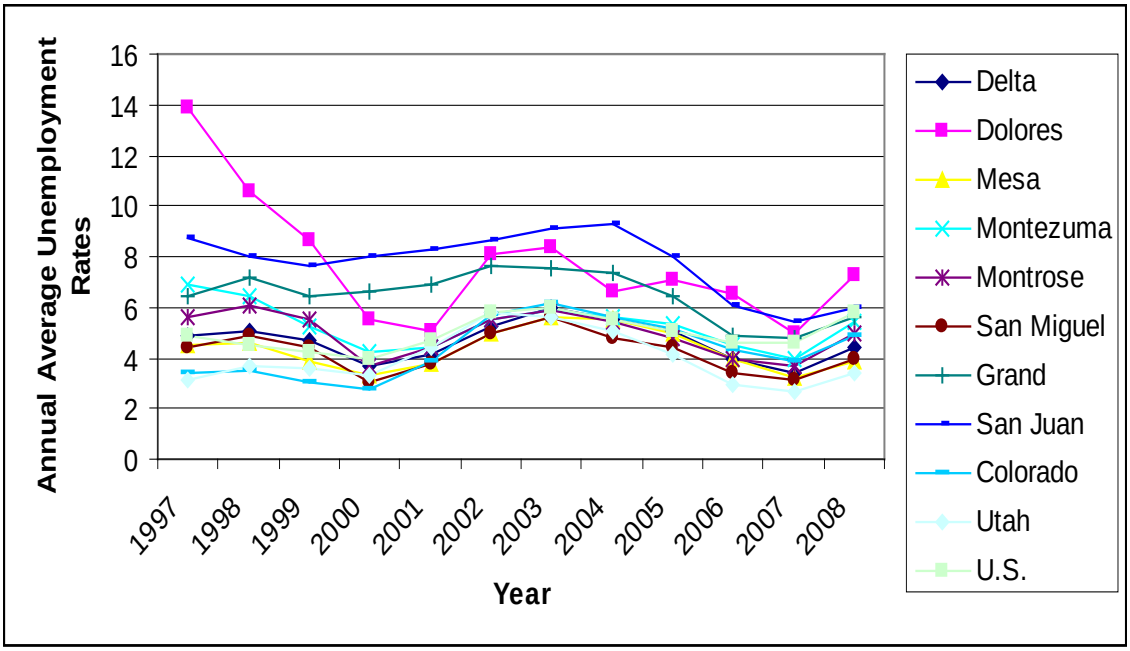
Source: Colorado Department of Labor and Employment; Utah Department of Workforces Services, Workforce Development & Information Division.

2.2.3 UNEMPLOYMENT

Trends in unemployment can provide information on the health of the local economy. Annual average unemployment rates for each of the counties in the Study Area, the States of Utah and Colorado and the U.S. between 1997 and 2008 are shown in Figure 6. This data was obtained from the U.S. Department of Labor (U.S. Department of Labor, 2009). Between 1997 and 2000, most of the counties reported unemployment rates that were higher than the state or U.S. averages. For counties such as Dolores, San Juan and Grand, unemployment rates were higher throughout the entire time period than in either the State or the U.S. For years 2000 through 2007, annual unemployment in all counties except Dolores, San Juan and Grand were similar to averages reported in Utah, Colorado and the U.S. In all areas, unemployment trended downward between 2003 and the first half of 2007. The trend changed in the second half of 2007 through 2008 with unemployment increasing in all areas. This increase in unemployment coincides with a downturn in the national economy.

Annual unemployment rates in Montrose County continued to fall through the first half of 2007, which was consistent with unemployment rates in the State of Colorado. However the most recent data available shows unemployment increasing throughout Montrose County due to a national recession. Data was not available for towns nearest the Site, but it appears that unemployment is currently increasing in western parts of Montrose County.

Figure 6. Annual Average Unemployment Rates



Source: U.S. Department of Labor, 2009

2.2.4 ECONOMIC BASE

An area's economic base is comprised of industries that are primarily responsible for bringing outside income into the local economy. These industries typically export their goods and services outside the region and in turn support ancillary industries such as retail trade, housing construction and personal services. The location of important industries in certain areas has traditionally been tied to such factors as the natural resource base, cost factors (transportation and labor) and existing transportation infrastructure. However, technology has affected these location factors.

To assess the importance of certain industries to each of the counties in the study area, location quotients were calculated on 21 industries as summarized in Table 7 and in Table 8. The location quotients were calculated for employment using data from the U.S.BEA on total employment by industry during 2006. The location quotients compare each industry's share of total local employment to the industry's state or national share. This quotient yields a value generally between zero and two, where 1.0 indicates an equal share percentage between the local and state or national economies. Location quotients greater than two indicate a strong industry concentration while those less than 0.50 indicate a weak concentration as compared to state or national economies.

Table 7 (quotients above two have been highlighted for ease of reference) shows that in four of the six Study Area counties in Colorado, agriculture is a strong basic industry. Montezuma and Montrose counties are heavily dependent on natural resource based industries such as agriculture, forestry and other related industries compared to both Colorado and the U.S. economies. Utilities are also important for these two counties. Mesa County showed high location quotients in agriculture and mining. This is not surprising given recent increases in oil and gas development throughout the area and the continued strength of the agricultural sector in the county. San Miguel County showed high location quotients in construction, real estate and arts and entertainment and demonstrates the influence of Telluride on the economy of the county.

Location quotients for the counties located in Utah are summarized in Table 8 (quotients above two have been highlighted for ease of reference). Grand County showed high locations quotients for arts, entertainment and recreation as well as accommodations and food service. This is not surprising given the location of Moab, a major outdoor recreation destination within the county. San Juan has high location quotients in agriculture and government relevant to the State of Utah and the U.S.

Table 7. Labor Location Quotients for the Counties in Colorado, 2006

Industry	Location Quotients for Study Area											
	Delta		Dolores		Mesa		Montezuma		Montrose		San Miguel	
	CO	US	CO	US	CO	US	CO	US	CO	US	CO	US
Agriculture	6.40	5.7	15.19	13.44	1.71	1.51	4.49	3.98	4.16	3.68	0.99	0.87
Forestry, fishing, related activities, and other	D	D	D	D	0.97	0.62	2.98	1.88	4.07	2.58	D	D
Mining	D	D	D	D	2.65	5.2	0.97	1.92	0.76	1.49	D	D
Utilities	1.72	1.46	0.00	0.00	1.01	0.86	2.38	2.02	3.27	2.77	0.64	0.54
Construction	1.19	1.46	1.51	1.85	1.31	1.60	1.30	1.60	1.72	2.11	2.05	2.52
Manufacturing	1.02	0.63	0.34	0.21	0.88	0.54	0.77	0.47	1.42	0.87	N/A	N/A
Wholesale trade	0.65	0.61	D	D	0.89	0.83	0.44	0.41	0.71	0.66	0.15	0.15
Retail trade	1.2	1.16	0.90	0.86	1.24	1.18	1.20	1.14	1.04	0.99	0.70	0.66
Transportation and warehousing	0.47	0.39	D	D	1.40	1.15	0.73	0.60	1.15	0.95	0.37	0.31
Information	0.43	0.59	D	D	0.50	0.69	0.33	0.46	0.43	0.60	0.58	0.81
Finance and insurance	0.58	0.66	D	D	0.78	0.89	0.50	0.57	0.53	0.60	0.45	0.51
Real estate and rental and leasing	0.76	1.02	D	D	0.81	1.08	0.73	0.97	0.92	1.22	2.55	3.40
Professional and technical services	D	D	D	D	0.61	0.78	0.51	0.65	0.59	0.75	0.76	0.96
Management of companies and enterprises	D	D	0.0	0.0	0.18	0.16	0.14	0.12	0.18	0.16	0.58	0.50
Administrative and waste services	0.70	0.68	D	D	0.91	0.90	0.40	0.39	0.69	0.68	0.74	0.73
Educational services	0.28	0.22	0.0	0.0	0.48	0.39	0.29	0.23	0.24	0.19	0.73	0.58
Health care and social assistance	0.96	0.78	D	D	1.43	1.16	1.12	0.91	1.05	0.85	0.36	0.29
Arts, entertainment, and recreation	0.63	0.80	0.0	0.0	0.87	1.10	0.54	0.69	D	D	2.47	3.14
Accommodation and food services	0.75	0.83	0.67	0.76	1.01	1.11	1.06	1.18	D	D	1.8	2.04
Other services, except public administration	1.25	1.24	N/A	N/A	1.10	1.10	1.0	1.0	1.21	1.21	1.14	1.14
Government and government enterprises	1.17	1.14	1.48	1.44	0.82	0.80	1.66	1.62	0.95	0.92	0.72	0.70

Source: Calculated using data from BEA, 2008a
D – Not reported by BEA to avoid disclosure of confidential information

Table 8. Labor Location Quotients for the Counties in Utah, 2006

Industry	Location Quotients for Study Area			
	Grand		San Juan	
	UT	USA	UT	USA
Farm	1.28	0.98	3.23	4.22
Forestry, fishing, related activities, and other	D	D	D	D
Mining	D	D	D	D
Utilities	D	D	D	D
Construction	1.02	1.25	0.97	0.79
Manufacturing	0.19	0.19	0.62	0.63
Wholesale trade	0.37	0.33	D	D
Retail trade	1.25	1.30	0.76	0.73
Transportation and warehousing	D	D	0.61	0.60
Information	0.49	0.58	0.15	0.13
Finance and insurance	0.28	0.34	0.41	0.35
Real estate and rental and leasing	1.21	1.36	0.43	0.38
Professional and technical services	0.66	0.62	D	D
Management of companies and enterprises	D	D	D	D
Administrative and waste services	D	D	0.35	0.36
Educational services	0.59	0.72	1.08	0.88
Health care and social assistance	0.74	0.57	0.85	1.09
Arts, entertainment, and recreation	2.75	2.71	D	D
Accommodation and food services	3.53	3.23	D	D
Other services, except public administration	0.88	0.83	0.95	1.01
Government and government enterprises	0.98	1.02	2.23	2.21

Source: Calculated using data from U.S. BEA, 2008a
D – Not reported by BEA to avoid disclosure of confidential information

2.3 Demographic Characteristics

2.3.1 POPULATION

In general, the population within the Study Area follows a rural pattern. The 2007 population estimates as published by the Colorado Demography Office and the Utah Governor's Office of Planning and Budget are summarized in Table 9 for counties in the Study Area. The largest populations are within Mesa and Montrose Counties with current census populations of 140,416 and 40,263 respectively. The least populated counties in the Study Area include Dolores, San Miguel and Grand. Table 10 lists the populations for cities and towns within the Study Area. The towns closest to the site (Naturita, Nucla, Bedrock and Paradox) have a very rural characteristic with populations less than 1,000.

Table 9. Estimated Population for Counties in the Study Area for 2007

County	2007 Population (Est.)	State Population Rank (CO or UT)
Mesa, CO	140,416	11
Montrose, CO	40,263	17
Delta, CO	30,959	18
Montezuma, CO	25,561	21
San Miguel, CO	7,684	44
Dolores, CO	1,937	59
Grand, UT	9,125	22
San Juan, UT	14,807	17

Source: Colorado Demography Office, 2009, Utah Governor's Office Of Planning and Budget, 2009

Table 10. Population Centers in the Study Area

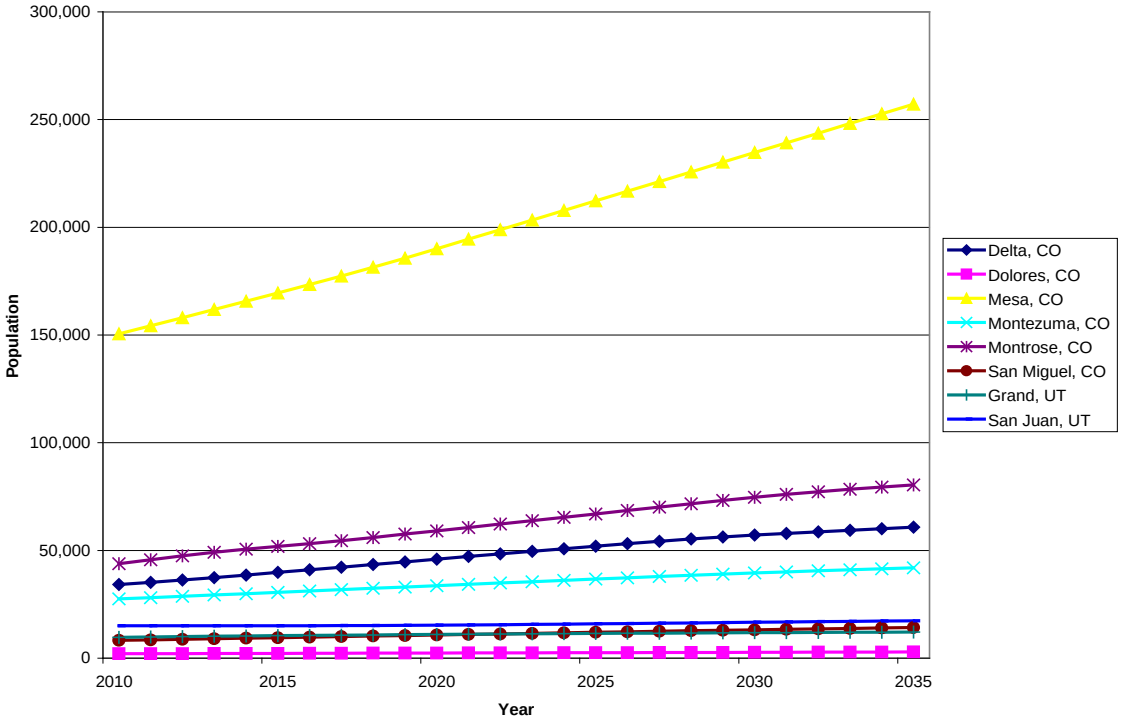
State	County	Population Center	2000 Population	2007 Population (Est.)	Percent Change
Colorado[1]	**Delta**	Delta	6,400	8,021	25.33%
	Dolores	Dove Creek	698	713	2.15%
	Mesa	Grand Junction	41,986	53,662	27.81%
	Montezuma	Pleasant View	NA	5,647	na
	Montrose	Montrose	12,344	17,369	40.71%
		Naturita	635	679	6.93%
		Nucla	734	757	3.13%
		Olathe	1,573	1,789	13.73%
		Bedrock/Paradox	na	250-300[3]	na
	San Miguel	Norwood	438	510	16.44%
		Telluride	2,221	2,429	9.37%
Utah[2]	**Grand**	Moab	4,793	4,868	1.56%
	San Juan	Monticello	1,958	1,956	-0.10%

Sources: 1) Colorado Demography Office, 2009b; 2) U.S. Census Bureau, 2009; 3) White, 2009.
na = not available.

Information on the population and distance of these population centers from the Site are provided in Appendix A.

Population forecasts for each of the counties in the study area was obtained from the Colorado Demography Office and the Utah Governor's Office of Budget and Planning and are shown in Figure 7. All the counties are expected to grow over the next 25 years. Mesa County is expected to increase the most in population, adding over 100,000 residents between 2010 and 2055. This is followed by Montrose (36,500) and Delta Counties (26,600) during this period.

Figure 7. Population Forecasts for Counties in the Study Area, 2010-2035



Source: Colorado Demography Office, 2007b, Utah Governor's Office Of Planning and Budget, 2008b

2.3.2 RACE AND POVERTY

Table 11 presents a summary for cities, towns and counties that fall within Study Area in regards to race and poverty characteristics. Minorities are a small percentage of the population within this region. This is especially true in the towns of Nucla and Naturita, where minorities are less than 6% of the population.[4] The sole exception in the Study Area is San Juan County, Utah, where American Indians represent more than half of the population. The town of La Sal, Utah, has a population that contains 22.1 percent Native Indian, which is the largest minority population within the study area. The town of Sawpit, Colorado, has a minority population of

[4] Data was not available on race and poverty characteristics for Paradox and Bedrock.

zero, which is the lowest minority population within the study area. On average, the minority population for the counties within the Study Area is 22 percent which is less than the national average (37 percent).

Several of the counties within the Study Area have poverty rates that are higher than state or national averages. For Colorado counties, all are above the state average (9.3 percent) while all but one is above the national average (12.4 percent). The Utah counties report poverty levels that are above both the state (9.4 percent) and national average with San Juan County reporting relatively high percentage of their population living below the poverty level (31.4 percent).

Table 11. Race and Poverty Characteristics of Counties, Cities, and Towns within the Study Area

	Place	Total	White	Black	American Indian and Alaskan Native	Asian	Native Hawaiian or Pacific Islander	Some other race	Two or more races	Hispanic or Latino	Median Household Income	Poverty Levels
Colorado Counties	Delta	27,834	92.6%	0.5%	0.8%	0.3%	0.1%	4.3%	1.8%	11.4%	$32,785	11.76%
	Dolores	1,844	95.3%	0.1%	2.0%	0.4%	0.1%	0.6%	1.7%	3.9%	$32,196	13.07%
	Mesa	116,255	92.3%	0.5%	0.9%	3.6%	0.1%	5.5%	2.4%	10.0%	$35,864	10.02%
	Montezuma	23,830	81.7%	0.1%	11.2%	0.2%	0.1%	4.3%	2.4%	9.5%	$32,083	16.10%
	Montrose	33,432	90.0%	0.3%	1.0%	0.4%	0.1%	5.7%	2.5%	14.9%	$35,234	12.44%
	San Miguel	6,594	93.6%	0.3%	0.8%	0.7%	0.1%	3.4%	1.1%	6.7%	$48,514	10.39%
Utah Counties	Grand	8,485	92.6%	0.2%	3.9%	0.2%	0.0%	1.7%	1.3%	5.6%	$32,387	14.66%
	San Juan	14,413	40.8%	0.1%	55.7%	0.2%	0.0%	1.7%	1.5%	3.7%	$28,137	31.4%
Colorado Places	Delta	6,400	86.3%	0.0%	1.9%	0.0%	0.0%	9.9%	2.3%	22.5%	$27,415	14.25%
	Dove Creek	698	96.3%	0.0%	1.9%	0.0%	0.0%	0.3%	1.6%	3.9%	$27,500	12.3%
	Pleasant View	5,647	97.4%	0.4%	0.0%	0.0%	0.0%	1.7%	0.5%	4.5%	$62,123	2.57%
	Montrose	12,050	89.0%	0.4%	1.0%	0.6%	0.1%	6.5%	2.4%	17.4%	$33,750	14.58%
	Naturita	622	94.0%	0.0%	2.4%	0.2%	0.0%	1.7%	2.0%	5.0%	$28,977	9.98%
	Norwood	438	97.5%	0.0%	1.6%	0.0%	0.0%	0.2%	0.7%	5.5%	$39,375	5.54%
	Nucla	708	94.7%	0.0%	1.1%	0.1%	0.0%	0.5%	3.5%	3.7%	$28,466	17.03%
	Olathe	1,573	74.4%	0.1%	0.7%	0.3%	0.0%	19.7%	3.8%	35.2%	$26,286	20.21%
	Sawpit	25	100%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	$26,250	0.00%
Utah Places	Moab	4,779	90.4%	0.4%	5.5%	0.3%	0.1%	1.9%	1.6%	6.4%	$32,620	15.7%
	Monticello	1,945	86.0%	0.0%	0.0%	0.0%	0.0%	6.7%	1.8%	13.1%	$35,929	7.87%
	La Sal	339	66.7%	0.0%	22.1%	0.3%	0.0%	4.4%	6.5%	11.2%	$25,926	22.1%

Source: U.S. Census Bureau, 2008b

2.3.3 HOUSING

Available data on housing stocks for towns within the Study Area were obtained from the U.S. Census Bureau and the Colorado Demography Office and are summarized in Table 12. The data show that the available housing units increased in more populated areas than in less populated areas between 2000 and 2007. The highest vacancy rates in the Study Area occurred in San Miguel County at 43 percent.

Some data was available regarding housing stocks and vacancy rates for communities near the Site. Nucla and Naturita have experienced very little growth in housing stocks between 2000 and 2007 while the vacancy rate percentages declined slightly. This trend appears to be changing with a 36-unit townhome facility under construction that will provide two and three bedroom units. In addition, the Multi Listing Service for Nucla and Naturita shows a total of fifty homes currently for sale. In addition, there are approximately 20 building lots available and various land owners willing to develop their property (Davis, 2009).

Information on housing for Bedrock and Paradox was collected through interviews (White, 2009). Currently within the jurisdictions of these two communities there are approximately eighty-five homes. There appear to be six habitable vacant houses and a few trailer spaces all of which may be available for rent or sale. There are also several 40-acre type properties for sale in areas surrounding these communities but most of these properties do not include access to water.

Table 12. Housing Units and Vacancy Rates of Surrounding Counties Within Colorado

County	City/Town	Housing Units [a]			Percent Vacancy [b]	
		2000	2007	Percent Change	2000	2007
Delta		12,418	13,211	6%	10.6	12.0
Dolores		49,073	58,666	20%	34.4	33.0
Mesa		14,303	17,220	20%	5.4	7.0
Montezuma		5,233	6,159	18%	12.4	9.0
Montrose		4,040	4,645	15%	8.2	7.0
San Miguel		5,465	5,753	5%	42.0	43.0
Grand County, Utah		12,418	13,211	6%	Na	na
San Juan County, Utah		1,198	1,285	7%	Na	na

a. U.S. Census Bureau, 2008a and 2008b.
b. Colorado Demography Office, 2009c.
c. na = not available

Data on home values were available for Nucla and Naturita from the Montrose County Assessor as summarized in Table 13. The data shows the average and median sales values of single-family home in Nucla and Naturita between 2002 and 2007. For most of this period, the number of sales declined. The exception is 2007, which saw an increase in sales of single-family homes. Average and median home values have increased during the six-year period.

Table 13. Average Value of Single-Family Home Sales in Nucla and Naturita

Year	# Sales	Average Sale Value	Median Sale Value
2002	39	$73,000	$47,900
2003	28	$85,600	$87,000
2004	25	$96,600	$96,500
2005	16	$99,825	$88,450
2006	12	$95,687	$74,077
2007	22	$95,137	$92,750
Percent Change (2002 – 2007)	-43.6%	30.3%	93.6%

Source: Montrose County Assessor

2.4 Community Services

The following section discusses the community services available in the Study Area and closest to the Site that would likely to be affected by mill operations.

2.4.1 Emergency and Health Care Services

Montrose County is served by four fire protection districts: the Montrose Fire Protection District, the Olathe Fire Protection District, the Nucla/Naturita Fire Protection District, and the Paradox Volunteer Fire Department. The Nucla/Naturita Fire Protection District is an all-volunteer unit that provides emergency medical services as well as fire protection services including ambulance service. The Paradox Volunteer Fire Department has sufficient equipment for the present population, but sometimes has trouble attaining enough personnel.

The Basin Clinic, located in Naturita, services an area that has approximately a 160-km (100-mile) radius from the clinic, including five to six rural communities (Basin Clinic, 2008). The clinic provides 24-hour emergency care and family care. The clinic employs one full-time nurse, two part-time nurses and three EMTs. In addition, a medical doctor visits that clinic two days per week. The next available emergency health services are located in Norwood, 23 km (14 miles) away. The nearest hospital is Montrose Memorial Hospital in Montrose, Colorado, approximately 89 km (55 road miles) from the Site. Montrose Memorial Hospital is a 75 bed Regional Medical Center. St. Mary's Hospital in Grand Junction, with over 350 beds is also available for medical treatment .

2.4.2 Water and Wastewater Services

The Mustang Water Authority currently provides water to the communities of Nucla and Naturita. The current system was built three years ago with a capacity of 1.2 million gallons per day. Average daily use for the system is 300,000 gallons, well below its current capacity. Paradox has a domestic water supply that serves most homes within the city limits (approximately sixty taps). The system includes a spring fed-filtration/chlorination plant and

pipeline. This water supply is adequate for the current population. The town of Bedrock and outlying areas are on individual wells. Some of these wells are of good quality and volume; however others have good volume but poor quality. Individuals with poor quality wells haul potable water from Paradox's water supply.

Nucla and Naturita have separate wastewater treatment systems that serve the population. Both have lagoon systems that appear to be presently operating well below capacity. For instance, Naturita can treat up to 200,000 gallons per day but on average treats 60,000 gallons. The same is true for Nucla, which is currently operating below their capacity. However, Naturita is now looking at potentially upgrading their system to address new ammonia standards implemented by the State of Colorado. One option is to reduce the capacity of the facility to 130,000 gallons per day, which would allow the city to meet the standards in the near future but would require an upgrade in the years to come.

2.4.3 EDUCATION

West End School District Re-2 – Montrose County, CO

The West End School District of Montrose County currently oversees three campuses: an elementary school in Naturita, a junior/senior high school in Nucla, and a charter school in Paradox. Total enrollment in October 2007 was 331 between these three schools. Over the past five years, student enrollment has declined, with the district losing approximately 20 students per year. In the 2007/2008 school year this decline ceased and the enrollment levels are currently steady (West End School District, 2008).

Norwood R-2J – San Miguel County, CO

This district in San Miguel County contains only one school, which is pre-K through 12th grade. As of October 2007 enrollment was 305 students. Enrollment has been steady for the past five years. Note that this district, while located primarily in San Miguel County, also serves several students in Montrose County, as the district boundary crosses county lines.

2.5 Transportation

This section describes the major transportation routes in the study area and reports on traffic statistics where available.

2.5.1 MONTROSE COUNTY HIGHWAYS

The major transportation routes in the study are shown in Figure 8. US Highway 550 is the primary north-south highway in the county. It follows the Uncompahgre River northwest all the way to the town of Montrose, passing through Ridgway. In Montrose, US 550 comes into town n Townsend Avenue and at the intersection with Main Street ends at US 50/SH 90.

US Highway 50 runs south through downtown Delta and into Montrose County where it is an expressway southeast through Olathe toward the town of Montrose. In Olathe, US 50 follows a bypass to the east of town and old US 50 is marked as a business route through town. In Montrose, US 50 heads southeast into town on Townsend Avenue and into downtown. At the intersection with Main Street, US 50 turns northeast, US 550 goes southeast, and SH 90 goes southwest. As a locally maintained truck route, US 50 provides a bypass around the busiest part of downtown. US 50 then heads east from Montrose, generally following the Gunnison River.

State Highway (SH) 141 enters Montrose County from the south approximately 16 km (10 miles) southwest of Naturita. It extends northeast, reaching SH 145 east of Naturita near the confluence of the Naturita and Maverick Creeks. SH 141 then goes west through Naturita along the San Miguel River northwest to Uravan. To the west of Uravan, SH 141 runs on a very curvy route northwest down the Dolores River canyon exiting Montrose County 24-km (15 miles) south of Gateway. SH 145 enters Montrose County just north of Norwood and runs northwest to Redvale, ending at SH 141 east of Naturita.

SH 90 starts at the Utah border west of Paradox, and has a connection with UT 46. It follows the La Sal Creek east for only a few miles, then turns north and follows a few switchbacks over some ridges before descending into Paradox Valley. SH90 then passes south of the town of Paradox, continuing east through Bedrock past the Site, and terminating at SH 141 near Vancorum, five km (3 miles) west of Naturita. SH 90 is the primary access to the Site within Paradox Valley.

Numerous unimproved roads constructed on public lands exist around the Site. Many of these roads were constructed by the mining and ranching industries before BLM developed regulations for authorizing road construction and use. Many of these roads are currently maintained by county agencies or the BLM.

Figure 8. Location of Major Transportation Routes in the Study Area

2.5.2 HIGHWAY FATALITIES AND ACCIDENTS

Based upon the Colorado Department of Transportation (CDOT) highway statistics for calendar year 2000 (CDOT 2000), the fatality and injury rates from accidents along all state highways were 0.015 fatalities occurrences per million vehicle miles and 0.63 injury occurrences per million vehicle miles. A comparison of traffic fatality rates in Colorado with those reported throughout the U.S. during 2006 are summarized in Table 14. Trends in the number of traffic fatalities on all roads in Colorado are shown in Figure 9.

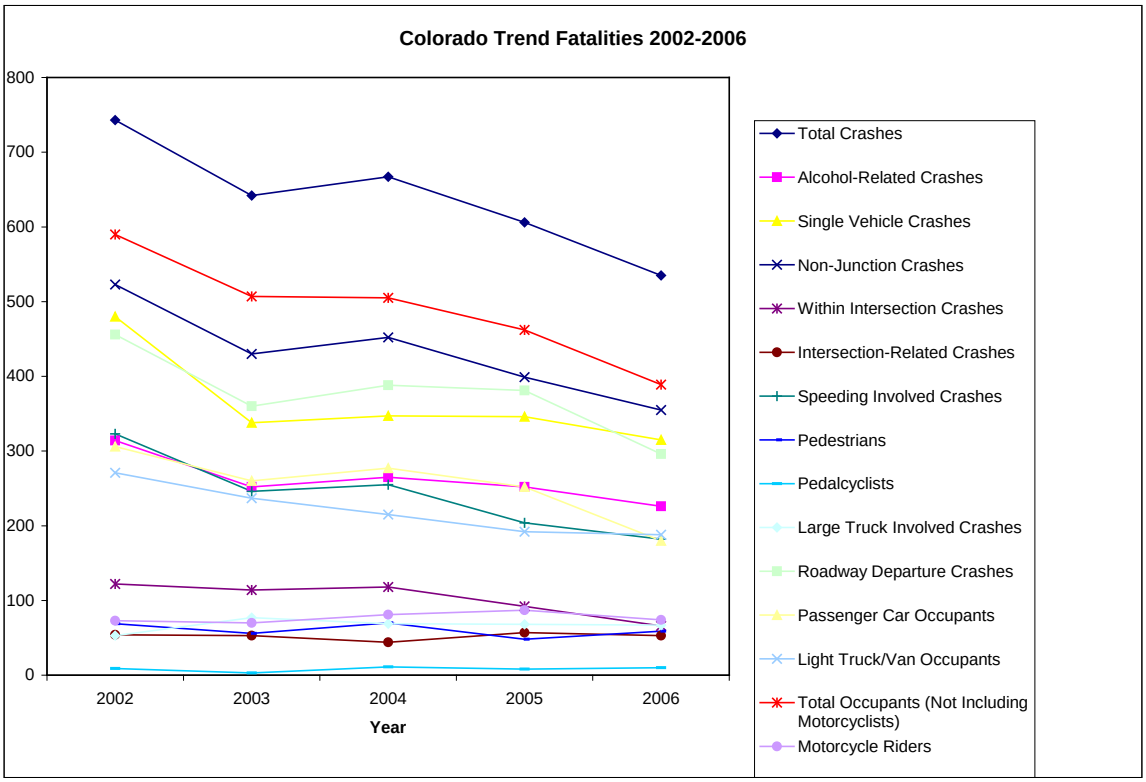
For total rural state highways, the fatality rate is similar at 0.018 fatalities per million vehicle miles, and the accident rate is approximately half that of total highways (0.36 per million vehicle miles). Information from CDOT and Utah DOT indicate that a majority of accidents occur at intersections and on curved sections of the highways. Primary locations of accidents occurring within the Study Area include (1) intersections on U.S. Highway 50 in Montrose, (2) the intersection of U.S. Highways 191 and 491 in Monticello, (3) steep, curved sections of State Highways 46 and 90 east of La Sal, and (4) the 18-mile section of U.S. Highway 191 immediately south of Monticello.

Table 14. Fatality Comparison Involving Automobiles in the United States and Colorado Highways, 2006

	Fatalities in Colorado	Percent of Total Fatalities in Colorado	Fatalities in US	Percent of Total Fatalities in US
Within Intersection Crashes	66	12%	7,518	18%
Pedestrian	59	11%	4,784	11%
Pedalcyclists	10	2%	773	2%
Large Truck Involved Crashes	67	13%	4,995	12%
Roadway Departure* Crashes	296	55%	24,806	58%
Passenger Car Occupants	180	34%	17,800	42%
Light Trucks and Vans Occupants	188	35%	12,721	30%
Other/Unknown Occupants**	21	4%	1,571	4%
Total Vehicle Occupants	389	73%	32,092	75%
Motorcycle Riders	74	14%	4,810	11%
Total Non-occupants***	72	13%	5,740	13%
Total	535		42,642	

Source: NHTSA, 2007.

Figure 9. Trends of Fatality Causes on Colorado Highways Involving Automobiles



Source: NHTSA, 2007.

Access to the proposed Pinon Ridge Uranium Mill would be located near milepost 23 on SH 90 which will serve as the major east-west access road to the site. SH 141, which intersects SH 90 east of the project site, will serve as the major north-south access to the site. Turnkey Consulting completed an evaluation of existing peak-hour traffic volumes at two locations along these routes: 1) Site Access/SH 90; and 2) SH 90/SH 141. The following discussion summarizes the results of this analysis.[5]

Site Access/SH 90

The existing intersection of the Site Access/SH 90 is a four-leg layout. However, the access opposing the site access is a dirt road with little to no observed traffic volume. CDOT reported the Annual Average Daily Traffic (AADT) for this location of 400 vehicles. Hourly estimates for this location are as follows.

- Assuming a 10% peak-to-daily factor, the 2006 peak-hour values would be 40 vhp (two-way),
- Assuming a 50% directional factor, each 2006 peak-hour through volume would be 20 vph (one-way),
- Assuming a 3.4% annual growth rate, each 2007 peak-hour through volume would be 21 vph.

[5] TurnKey Consulting, LLC., *Final Traffic Assessment*, March 10, 2008.

SH 90/SH 141

The intersection of SH 90/ SH 141 is a three-leg configuration. Turnkey Consulting conducted a traffic count on October 19, 2007 at this location. Table 15 shows the results of the traffic count with an adjustment to account for peak time of year (July).

Table 15. Existing 2007 PM Peak Hour Traffic Volumes at SH 90 and SH 141 (VPH) Montrose County Colorado

	Eastbound			Northbound			Southbound		
	L	T	R	L	T	R	L	T	R
Raw Field Count	1	na	13	18	12	Na	na	17	1
Adjusted for Peak Season	1	na	15	21	14	Na	na	20	1

2.6 Fiscal Conditions

Because the mill will be located on private property, the operation will be subject to property taxation applicable in Montrose County. Several government entities in addition to Montrose County, have authority to levy taxes against properties located in Montrose County. In order to determine the tax districts that would be relevant to the proposed Pinon Ridge Mill, taxing district maps were obtained from the Montrose County Tax Assessor Department. Using this methodology, five taxing districts were identified as relevant to the mill. Information on these districts is summarized in Table 15.

Table 16. Montrose County Taxing Districts, 2007

District	Assessed Valuation	Gross Levy	Credit Levy	Abatement Levy	Net Levy	Revenue
Library Districts						
Montrose County Regional Library District	$543,128,374	3.000	0.000	0.000	3.000	$1,629,385
Naturita Area Capital Facility District	$28,587,842	0.830	0.000	0.000	0.830	$23,728
School Districts						
West End School District No RE-2	$41,182,806	25.940	0.000	0.000	25.940	$1,068,282
Water Conservancy Districts						
San Miguel Water Conservancy District	$11,730,932	0.052	0.000	0.000	0.052	$610
Water Conservation Districts						
Southwestern Water Conservation District	$55,826,701	0.407	0.200	0.000	0.207	$11,556
Total	$680,456,655	30.229	0.200	0.000	30	$2,733,561

Source: Montrose County Tax Assessor

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APPENDIX A

Population and Distance of Area Population Centers

Table A-1. Population of Areas Within a 50-mile (80 kilometer) Radius

County	City/Town	Population	Direction from Site	Distance From Site						
				10Km/6.21mi	20Km/12.43mi	30Km/18.64mi	40Km/24.85mi	50Km/31.07mi	60Km/37.28mi	70Km/43.50mi
Colorado										
Delta		27,834	NE							
	Delta	6,400	NE							X
Dolores		1,844	S							
	Cahone (81320 Zip)*	318	S						X	
	Dove Creek	698	SSW					X		
	Pleasant View	3,932	S							X
Mesa		134,189	N							
	Gateway	200	NW						X	
Montezuma		23,830	E							
Montrose		33,432	---							
	Bedrock/Paradox*	200-300	WNW	X						
	Montrose	12,344	ENE							X
	Naturita	635	ESE	X						
	Nucla	734	E	X						
	Olathe	1,573	ENE							X
	Redvale (81431 Zip)*	381	ESE		X					
San Miguel		6,594	S							
	Dunton	0 (ghost town)	SE							X
	Egnar (81325 Zip)*	129	SW				X			
	Norwood	438	ESE				X			
	Placerville (81430 Zip)*	93	ESE						X	
	Sawpit	25	ESE							X
Utah										
Grand		8,485	WNW							
	Moab	4,779	WNW							X
San Juan		14,413	W							
	La Sal	339	W					X		
	Monticello	1,958	WSW						X	

U.S Census Bureau 2007
* City-Data.com 2007