

San Juan Record

White Mesa Uranium Mill is an economic juggernaut in San Juan

by Buckley Jensen
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The White Mesa Mill south of Blanding was the subject of a wide-ranging interview with Ron Hochstein, the President and Chief Operating Officer for the Denison Mines Corporation, headquartered in Canada.

Bruce Adams, chairman of the San Juan County Commission, recently took a three-hour tour of the White Mesa Mill. He came away with a renewed appreciation for the size and scope of the operation.

Adams said, "I really had no idea how big the operation is and what a pillar it is to the economic health of San Juan County. It is the crown jewel of private enterprise in southeastern Utah."

Undoubtedly the largest private employer in the county, Denison Mines employs 150 people full time at the mill, another 60 in mining and trucking necessary to provide feedstock to the mill. They also employ 35-40 miners at the Arizona 1 Mine near Kanab. There are many people who act as subcontractors that provide goods and services to the mill operation but are not on Denison's payroll.

The annual operating budget at the mill is \$31 million. In addition to that, Denison spent \$35 million to refurbish and retrofit the mill when they started milling uranium again. Another \$12 million was spent on a state-of-the-art tailings cell.

Each day, more than 400 tons of ore are delivered to the mill by trucks. In-state truckers are allowed to pull pups (trailers), while interstate trucks are not. Most of the ore comes from the Pandora and Beaver mines near La Sal and the Arizona 1 Mine near Kanab. There is also ore purchased from a private producer who mines in the Fry Canyon area of San Juan County.

The world price for yellowcake has risen from \$40 per pound last year to \$73 per pound at the present time. The White Mesa Mill is running at less than half capacity because they cannot mine or buy enough ore to run at full capacity.

That is the reason the mill runs for 10 days and then shuts down for four. "We would love nothing more than to be able to run 24 hours a day year around," said Hochstein, "but until we open more of our own mines or we are able to buy ore from independent miners, this will be the way we will have to operate. The mill is designed to handle 2,000 tons of ore per day.

Even so, the White Mesa Mill produces 24 percent of all the yellowcake produced

in the United States at the present time. Last year, 1.2 million pounds of yellowcake uranium and 2.2 million pounds of vanadium were produced. The present world price for vanadium is \$7 per pound. Vanadium's principle use in industry is to harden steel.

Yellowcake from Blanding is shipped to Metropolis, IL. It is further refined there and then shipped to several other places around the country before it ends up in the fuel rods that are the energy source for nuclear power plants.

Last year, Denison Mines paid San Juan County \$950,000 in property taxes. The ripple effect of the money Denison spends in the county, in addition to wages, benefits and taxes, would be difficult to calculate.

With uranium prices on the rise, the company is contemplating opening the Tony M Mine near Tickaboo, UT west of Lake Powell. Denison owns many other mining properties across the Colorado Plateau and plans to open more as the price of uranium rises.

Sixty-five percent of the employees at the mill, and a substantial number of their miners, are Native Americans.

When asked about what the most difficult aspect of uranium mining is, Hochstein replied without hesitation, "it is the self proclaimed groups in the country who seem to think it is their duty to do everything they can to thwart or delay the development of energy sources."

He continued, "I don't even call them environmentalists any more...they are fringe groups which are out to stop anything that will help the United States become energy independent."

Denison Mines has been in a legal battle with various groups for some time now because Denison wants to expand their mines in the La Sal area and drill vent holes so fresh air can be pumped into the mines.

"We are challenged at every turn and I don't know when we will finally get permission from the State and the BLM to do what we need to do in La Sal. It is tremendously expensive to spend years in litigation before being able to do almost anything in the energy business these days.

"On the one hand, the Obama Administration says they want clean energy and more energy independence from OPEC countries, but they allow roadblocks and red tape in such quantities that it will make true energy independence virtually impossible." Hochstein said.

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