



RILEY PASS NEWSLETTER

JUNE 2015

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This newsletter provides information regarding ongoing reclamation work at the Riley Pass Uranium Mine Response and Restoration Project (herein after called the Site). Riley Pass is in the North Cave Hills portion of the Custer Gallatin National Forest's Sioux Ranger District, approximately 25 miles north of Buffalo, SD.

The Site consists of 12 bluffs first mined in the 1950s. Mined bluffs range in size from a few acres to 150 acres and contain mine wastes with hazardous substances. Human health and environmental concerns are primarily related to arsenic and gamma radiation from radium 226. Risk-based clean-up levels have been established for the Riley Pass site.

ANADARKO FRAUD CASE SETTLEMENT

Tronox, LLC is the potentially responsible party for reclamation of approximately 80 percent of the Riley Pass abandoned uranium mines site. In October 2008, Tronox ceased all work on the project and in January 2009, Tronox filed Chapter 11 bankruptcy. A bankruptcy settlement payment was made to the Forest service as a result of the Bankruptcy proceedings.

Additionally, the United States pursued a fraudulent conveyance lawsuit against Tronox's former parent, Kerr McGee Corporation, and Anadarko Petroleum Corporation, which purchased Kerr McGee. A historic settlement reached with Anadarko Petroleum Corp. and Kerr McGee has gone into effect, allowing funds to be disbursed for cleanups across the country, including the Riley Pass site. This settlement resolves fraudulent conveyance claims brought by the United States. On January 23, 2015, pursuant to the settlement agreement, the defendants paid \$5.15 billion, plus interest to settle the lawsuit. The Department of Agriculture has received \$194 million dollars. A large portion of this money will be available for the Riley Pass Site.

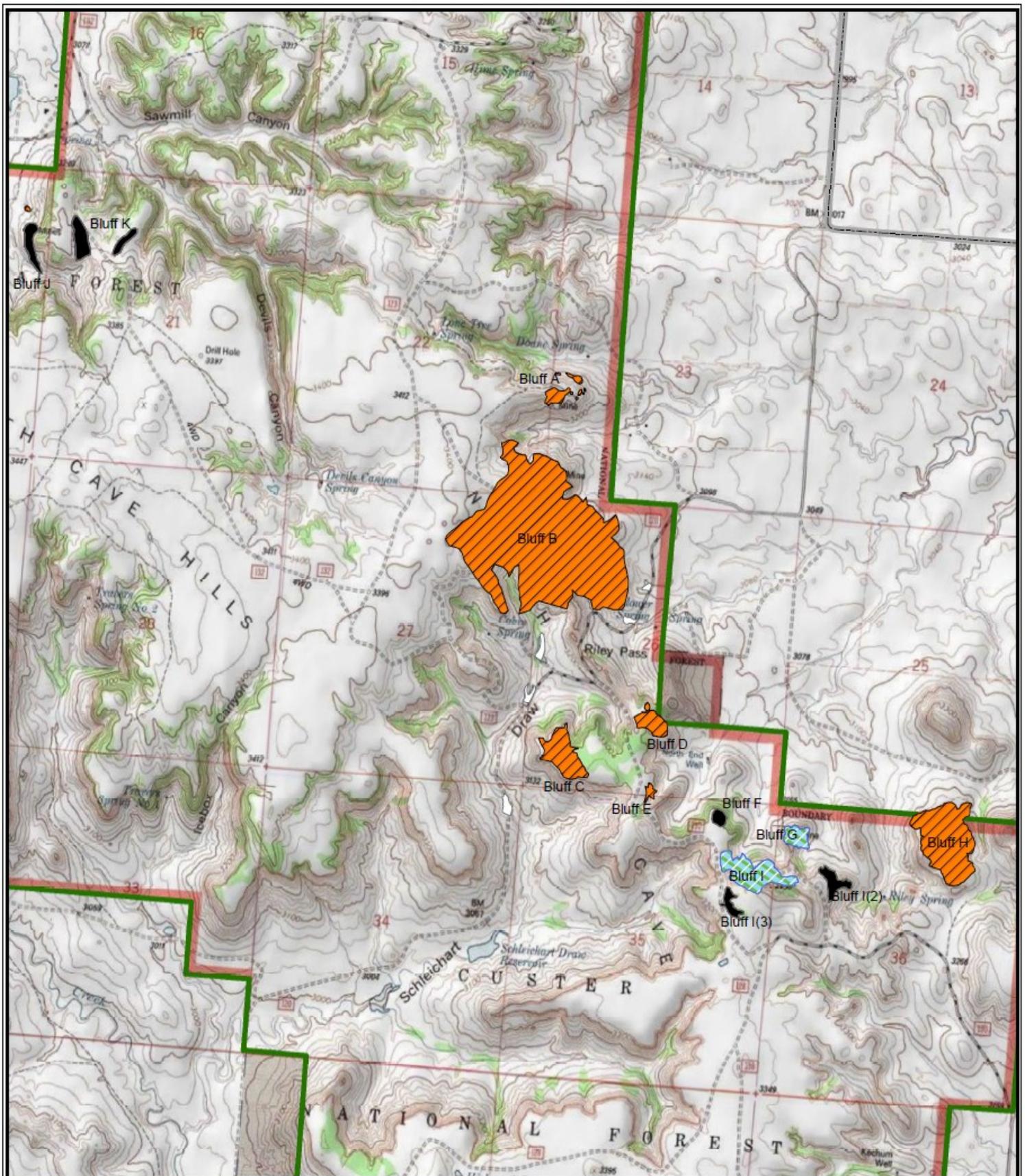
As noted by U.S. District Judge Katherine B. Forrest, in approving the settlement in November, this case arises from a "series of transactions by the Kerr-McGee Corp., that resulted in the spin-off of Tronox, which Kerr-McGee left saddled with the massive environmental and tort liabilities it had accumulated over the course of decades of operating in the chemical, mining, and oil and gas industries, but without sufficient assets with which to address these liabilities." For this reason, as the district court explained, the United States brought fraudulent conveyance claims against the defendants.

Additional information regarding this settlement is available at <http://www2.epa.gov/enforcement/case-summary-settlement-agreement-anadarko-fraud-case-results-billions-environmental>

RILEY PASS 2013/2014 RECLAMATION WORK

Reclamation measures designed and implemented at Riley Pass have focused on consolidating, burying and stabilizing and re-vegetating mine waste and mine spoils. To date, five bluff areas have been reclaimed or partially reclaimed at Riley Pass (see attached map, page 2). Reclamation work has occurred at bluffs F, G, J, K, and I under contract with Belair Construction of Minnesota. Additional road maintenance and fence construction work has been completed by local contractors, including Hafner Construction of Ludlow, SD and Daniel Penn of Buffalo, SD. In recent years, the Forest Service has spent over \$4 million on waste removal actions, repository construction, road repairs and sediment pond maintenance.

Recently completed reclamation work focused on Bluffs I, F, and G. In fall 2013, construction of the Bluff I waste consolidation area was conducted. In summer 2014, the Welch Fire Trail road was bladed and spot surfacing was applied to better accommodate construction traffic. Additionally, waste removal work was conducted at Bluffs I, F and G. Waste was hauled to the waste consolidation area and compacted. Mine spoils (erodible sediments disturbed by



Legend	
	Reclamation Completed
	Reclamation in Progress
	Reclamation Not Started
	Sediment Ponds

**North Cave Hills
Updated Reclamation Map
as of June 2015**





RILEY PASS 2013/2014 RECLAMATION WORK CONT.

were removed were capped with clean soil and compost and then seed, fertilizer and erosion control matting were applied. The final contract amount was \$843,300.



Bluff I(3) growth after 1 year of reclamation. Gate to Bluff I in the background on FS RD 3130.

RILEY PASS 2015 RECLAMATION WORK

Currently, the Forest Service is working on upgrading the infrastructure at the Site in advance of the major reclamation work to be conducted in future years. These contracts will include the maintenance and upgrade of several roads through the area, including blading, surfacing, drainage controls, culverts, gates and cattleguards. Another contract will develop an office site and ancillary facilities to provide support for the ongoing project. The engineering design for the reclamation of Bluffs G and I will be completed this fall. The contract will be bid and work will likely start in 2016.

FUTURE RILEY PASS RESPONSE AND RESTORATION

The Riley Pass project has received adequate funding to complete the reclamation of the entire site. Significant work is necessary in advance of the major reclamation work, such as an overall work plan, health and safety plans, sampling and analysis plans for water monitoring, site investigation and data collection work for design work. Additionally, community relations work, including public meetings and newsletters and technical group discussions will be part of the project. The next public meeting will be in Ludlow, South Dakota on July 28, 2015 at 7pm at the community center.

It is anticipated that it will take 15 to 20 years to complete all of the reclamation work at this Site. The Forest Service will work together with the EPA at bluff mine areas with mixed ownership, (part on National Forest System lands and part on private land), such as Bluff B and H.

NEW ON-SCENE COORDINATOR

Mary Beth Marks has been designated as the On-Scene-Coordinator (OSC), in compliance with the requirements for the National Contingency Plan for removal actions at the Riley Pass Uranium Site. Ms. Marks is the Minerals Staff Officer for the Bearhead-Deerlodge National Forest and Geologist for the Custer Gallatin National Forest. Ms. Marks has extensive experience with reclamation of both active and inactive mine sites. Ms. Marks has also served as the OSC on various mine cleanup projects and has vast knowledge on these processes. Mary Beth is very familiar with the Riley Pass site and was previously the OSC from 2008 to 2011. Feel free to contact Mary Beth Marks (406) 587-6709 regarding the Riley Pass Project.

Sioux Ranger District
Custer Gallatin National Forest
USDA Forest Service
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Camp Crook, SD 57724

PUBLIC SAFETY CLOSURE ORDER IN EFFECT

Riley Pass mine waste contains hazardous substances including arsenic, molybdenum, thorium, radium and uranium. Due to the human health, safety and environmental concerns related to elevated levels of these substances, the Forest Supervisor has closed the bluffs and some adjacent areas to all public entry through a special order. The special order has been placed on signs in the Riley Pass area and throughout the North Cave Hills. The order and closure maps are posted at the Sioux Ranger District Office and are also available upon request.

FOR ADDITIONAL INFORMATION

Documents, maps, and photos regarding site history, human health, environmental concerns and ongoing reclamation at Riley Pass are available for download from the Custer Gallatin National Forest website at:

<http://www.fs.usda.gov/detail/custergallatin/landmanagement/resourcemanagement/?cid=stelprd3833606>

A mailing list is also being maintained for this project. You can stay informed by either checking the website at your convenience, or signing up for our mailing list to receive future editions of the Riley Pass Newsletter in hard copy or electronic format.

For specific requests, additional information, or to be added to the Riley Pass newsletter mailing list, please contact On Scene Coordinator, Mary Beth Marks, at mmarks@fs.fed.us or (406) 587-6709.