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Colorado Court Rejects Canadian Mining Company's Suit Against State of Colorado

Standards to prevent water contamination from uranium mining upheld

DENVER, Colo. -- On Friday, Denver District Court Judge Christina Habas rejected in its entirety a lawsuit brought by Powertech Uranium Corp., a Canadian uranium prospecting company, against the Colorado Mined Land Reclamation Board seeking to overturn comprehensive regulations aimed at protecting ground water from in situ leach uranium mining impacts and ensuring full involvement in the mine permitting process by affected local citizens.

The lawsuit, filed through South Dakota subsidiary Powertech (USA) Inc., claimed that the state rules and regulations implementing House Bill 08-1161 and Senate Bill 08-228 were arbitrary, capricious, and exceeded Colorado statutory authority. The court rejected each and every argument raised by the company.

The lawsuit challenged a list of specific rules, each designed to ensure ground water protection as well as require public and local government involvement in the mine permit process. The rules were crafted over a two-year process and were supported by a diverse range of groups, including Coloradoans Against Resource Destruction (C.A.R.D.), Environment Colorado and other conservation groups statewide, Denver Water, multiple local governments and affected communities.

Weld County land owner Robin Davis, a co-founder of C.A.R.D. whose ranch is adjacent to Powertech's proposed mine site, praised the ruling. "Powertech had told us from day one that they could and would restore our water. Instead of making good on that promise, the company instead sought through the courts to eliminate ground water protections and exclude the public from the process. If it can't fulfill its promises of protecting our precious water supplies, Powertech should formally abandon this risky project."

Powertech has already asked U.S. EPA and Colorado regulators to suspend work on any permitting related to the so-called "Centennial Project" but has refused to publicly withdraw its proposal.

This is the second time in recent months the uranium mining industry has lost lawsuits in state court aimed at weakening ground water protections. On April 9, 2012, Denver District Court Chief Judge Robert Hyatt rejected a case by the Cotter Corporation against the Mined Land Reclamation Board attempting to fight clean-up orders at its Schwartzwalder Mine, which has contaminated Denver Water supplies on Ralston Creek near Golden.

“The Colorado uranium mining industry is wrong to keep fighting water quality protections and better public involvement. The people of Colorado have a right to be heard and will not accept mining projects that cannot protect the water,” said Jeff Parsons, senior attorney with the Western Mining Action Project who represented local communities that intervened on the side of the State in defending the rules against the Powertech lawsuit.

“Frankly, we expect better from the Colorado mining industry, both because of the real threats they can pose and their repeated promises about protecting water and communities. The Mined Land Reclamation Board and Department of Natural Resources deserve great credit for vigorously defending the case. They have helped ensure both that Coloradans have ample involvement in mine permitting and that Colorado never again suffers the indignity of serious water contamination at the hands of irresponsible mining companies.”

Coloradoans Against Resource Destruction, based in Wellington, Colo.; Tallahassee Area Community, based in Cañon City, Colo.; and Sheep Mountain Alliance, based in Telluride, Colo.; joined together to intervene in the lawsuit.

The court order can be downloaded at this link:

<http://www.scribd.com/doc/100089417/Powertech-v-Colorado-MLRB-Order>

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