

News-Sun

JAL EUNICE HOBBS LOVINGTON TATUM SEMINOLE DENVER CITY

Company plans to build \$93 million plant west of Hobbs Isotopes picks Lea

LEVI HILL
NEWS-SUN

Lea County won big today, scoring a \$93 million project and moving one step closer to a new era of economic diversity.

Idaho-based International Isotopes Inc. announced it has chosen Lea County for its \$93 million depleted uranium de-conversion and fluorine extraction plant, which will extract fluorine gases and acids from uranium tailings created by the enrichment process. The gases are used in the manufacturing of microelectronics and medical equipment.



International Isotopes Inc.

"We will probably see a little activity within six months, and management there within a year," said Steve Laflin, president and chief executive officer of International Isotopes. "Best case, we will have 25 percent of our staff at groundbreaking sometime in 2012."

The plant will more closely resemble a chemi-

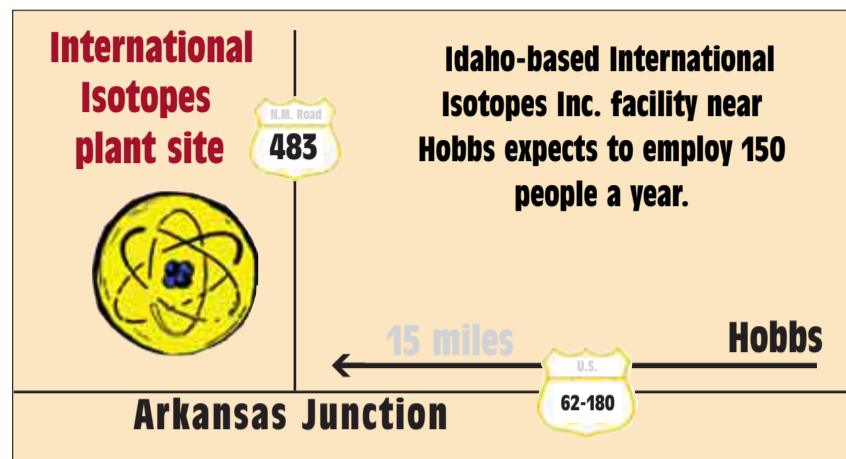
cal processing plant, Laflin said. It will take about 14 million pounds of uranium tails a year and produce 1 million pounds of high-purity fluoride gas and 3-5 million pounds of hydrofluoric acid.

A 600-acre site approximately 15 miles west of Hobbs in the area of Arkansas Junction — U.S. 62/180 and State Road 483 — has been chosen by Isotopes for its new project. The plant will inhabit only about 30 acres of the 600-acre site,

the rest of the land would be a buffer zone, Laflin said.

The material is extremely hazardous in large amounts, but it would disperse easily if released. The 600-acre buffer zone is beyond

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STIMULUS FUNDS

Hobbs to get \$128,000 energy grant

MICHELLE A. FOX
NEWS-SUN

Stimulus money is coming to Hobbs in the form of an Energy Efficiency and Conservation Block Grant.

The \$128,000 grant, which is funded by the recent \$780 billion stimulus package, can be used to perform energy audits and efficiency retrofits in residential and commercial buildings, to develop and implement advanced building codes and inspections and other projects that would lead the city to conserve energy and become more energy efficient.

"These investments to help our communities conserve energy and become more energy efficient will create jobs and save taxpayers in southern New Mexico," said Rep. Harry Teague, D-N.M., in a press release. "Local leaders in the small and rural communities I represent will be able to decide how they put these resources to work in a way that makes sense for our communities."

According to Hobbs City Manager Eric Honeyfield, the money will be used to make a city building more energy efficient. Honeyfield said the building will be selected when the money is finalized.

"We will be looking at minimizing the recurring energy costs at one of our buildings," Honeyfield said. "That way we can reduce the annual operating costs at that building."

City planner Joe Dearing wrote the application for the grant money, according to Honeyfield. Honeyfield said it was the city's first application for stimulus funds.

Hobbs is the only town in Lea County receiving money from the grant.

"This has been one of my top priorities and these federal funds will boost our programs and help us continue to grow our economy at the same time reducing greenhouse gas emissions and helping meet our climate change goals," said Gov. Bill Richardson in a press release.

Hundreds fight grass fire that burns barn, vacant building Fire burns 9,000 acres near Buckeye

BETH HAHN
NEWS-SUN

Hundreds of area firefighters battled a grass fire that burned more than 9,000 acres Monday.

The fire was reported at about 11 a.m. on State Road 238 near Buckeye.

According to Dan Ware, spokesman for New Mexico State Forestry, the cause of the fire appears to be downed power lines.

"Some structures were threatened, but only a barn and (a vacant building) were damaged so far," he said at about 6:15 p.m.

Hobbs Fire Department fire marshal Eric Enriquez said firefighters only confirmed the destruction of one building, the abandoned truck stop at U.S. 62/180 and State Road 529.

Winds were gusty Monday, at times topping 50 mph, which pushed the fire east toward Hobbs when it started.

The winds shifted at about 2 p.m., driving the fire south toward Monument.

Lea County sheriff's deputies evacuated some homes along Pearl Valley Road and in Monument.

Highway 62/180 and State Roads 529 and 238 were closed for most of Monday afternoon while firefighters tried to corral the blaze.

All roads were reopened by 7 p.m., Enriquez said.

Firefighters allowed the truck stop to burn but kept the fire from spreading.

Enriquez said all fire north of U.S. 62/180 was contained by about 7 p.m., but crews were still fighting to contain areas south of U.S. 62/180 along Pearl Valley Road near Monument.

The 238 Fire was estimated to have burned about 9,000 acres as of 7 p.m., Enriquez said.

Firefighters from Monument, Lovington, Knowles, Hobbs, Maljamar, Eunice, Jal, Seminole, Gaines County,

SEE FIRE, Page 2

County looking for airborne fire spotters

MICHELLE A. FOX
NEWS-SUN

During a grass fire, there is a lot of information fire crews need to fight the flames including where the fire is going and if others have started nearby.

Thanks to a new program started by Lea County director of emergency management Lorenzo Velasquez, local pilots can lend their services helping spot grass fires from the skies.

When a grass fire starts, pilots will be mobilized and sent up to look for other grassfires or to help track a fire's path.

"We will use them when we have a grassfire," Velasquez said. "Right now, I have four volunteers."

While the pilots act as eyes in the skies during grass fires, they will be able to enhance their amount of flight time. Pilots are required to have a certain amount of flight time to keep their licenses.

In return for their volunteer work, the county will provide fuel. According to Velasquez, the fuel cost is worked into the budget.

There is no set amount for fuel costs yet.

"We are trying to get an idea of what it is going to cost," said Jim Burke, Lea County director of finance. "This is a totally new project."

According to Hobbs Fire Department Chief Manny Gomez, having pilots in the air during grass fires will be a tremendous help to the crews on the ground.

"As we run an incident command cen-

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The Lea County Road Department grades the side of the road, creating a fire block along State Road 483 Monday during a grass fire near Buckeye.

KIMBERLY RYAN/NEWS-SUN PHOTOS

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OIL PRICES

West Texas intermediate	
Spot	\$48.41 - 3.97
Posted	\$45.00 - 4.00
Sour	\$38.50 - 4.00
N. Gas	\$3.739 + .002

LOVINGTON CHAMBER OF COMMERCE ANNUAL BANQUET

Billionaire Lovington native to address chamber

1975 graduate went on to become CEO of Western Refining Company of El Paso

LEVI HILL
NEWS-SUN

Paul Foster came from humble beginnings as a student at Lovington High School, now the billionaire is coming home to share the secrets to his success.

Foster is the guest speaker at tonight's Lovington Chamber of Commerce annual banquet.

The 1975 graduate of Lovington High School was voted "most likely to succeed" by his class and proved it when

he went from being an undergraduate accounting major from Baylor University to the chief executive officer and chairman of the board of Western Refining Company of El Paso.

"He is just a great inspiration for people in Lovington," said John Graham, incoming chamber president. "Paul is a perfect example that through perseverance and sheer determination you can be successful."

Graham helped recruit Foster to be the guest speaker. In Fortune maga-

zine's 2008 rankings of the 400 richest Americans, Foster, 51, was ranked 162nd with a net worth of \$1.9 billion.

Ky Atwood, chamber executive director, said Foster's attendance has generated a lot of interest in the annual banquet.

"In years past about 200 people showed up to the event," he said. "I already had to close ticket sales because over 250 people have reserved a spot. A lot of people are buying tickets just to listen to Paul Foster. They are excited to have him here."

Atwood said the event has also moved back to Lovington this year instead of being held at the Lea County Event Center in Hobbs and that too has

helped increase ticket sales.

"It is a perfect time for him to be here," Atwood said of Foster. "I think it is a great time for him to speak on his experiences and how to make it through with the economic times we are having."

Some door tickets for the event are still available, but pre-ticket sales have ended. The banquet will also include the recognition of Lovington's 2008 Citizen of the Year and 2008 Business of the Year.

The banquet will be held at the Gann Cafeteria on the back of the Sixth Grade Academy. The cafeteria is located on 5th Street just off Jackson Avenue. The event begins at 7 p.m. Tickets are \$25 each.



Foster



Isotopes

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Nuclear Regulatory Commission requirements, he said.

Isotopes is expected to submit its design application to the Nuclear Regulatory Commission later this year, possibly around November, Laflin said.

The review process for a license could take 18-22 months, Laflin said. Construction would begin sometime after that and take about one year, he said.

Isotopes was evaluating several sites for its new facility including a site near its current operations in Idaho Falls, which are separate from the fluorine extraction plant, and sites in Lea County and Andrews County, Texas.

"This project is totally new and we could judge each site on its stand alone merit," Laflin said. "Lea County put together an excellent package. The reception in New Mexico has been fantastic."

Gary Schubert, chairman of the Lea County Commission, said the county worked on the incentive package that

helped draw Isotopes to the area.

"We are just really excited about it," he said. "The commission has been involved with the incentive package and we are ecstatic that we were selected. It is exactly the kind of thing we hoped would happen when LES picked us, that we would have some spin-off industries come with it."

The package included the county agreeing to endorse Industrial Revenue Bonds for the projects and donate up to \$600,000 towards purchase of the 600-acre site. The proposed site, which sits on state land, may have to be acquired through a land swap. Schubert said the swap will be similar to how the land was acquired for LES' project.

"That is a process we are going to have to go through," he said. "Talks have started with the State Land Office. They have expressed they are open to helping us with that. More than likely we will purchase some land in the state and trade it to (the state land office)."

The plant will be the first commercial project of its kind and will employ 130-150 full-time workers. The majority of those jobs will be high-paying, around \$50,000 per year, Laflin said.

Originally the company estimated the cost of the development to be around \$55 million. That number jumped to \$93 million when factoring in fees, a plant expansion over the original design and operating funds for the first few months, Laflin said.

ISOTOPES TIMELINE

March 31, 2009 — Lea County site selected.

September/October 2009 — First International Isotopes office to open in Hobbs.

November 2009 — International Isotopes to submit facility design application to Nuclear Regulatory Commission, 18-22 month turnaround.

First Quarter 2011 — NRC expected approval of facility design.

Summer 2011 — \$93 million facility expected to break ground with one-year construction timeline.

Summer/Fall 2012 — First high-purity fluorine gas produced.

"We think the opportunity is much bigger than the plant we originally designed and envisioned," Laflin said. "In order to give us flexibility we wanted this kind of capacity to start with and the ability to expand capacity later on. I really hope this plant is still not going to be big enough."

The plant is expected to have an initial de-conversion capacity equivalent to processing approximately 575 deleted UF6 tails cylinders per year.

When Isotopes first began eyeing

Lea County, the prospect of acquiring uranium tails from Louisiana Energy Services' \$3 billion enrichment plant five miles east of Eunice was offered up as a possibility to supply the company's uranium hexafluoride needs.

No deal has been worked out with LES, but Laflin said Isotopes is in talks with various companies.

"We are in discussions with everyone for the material," he said.

The project could spur development in other area industries as well, Laflin said.

"I think similar to some of the services you see that are coming to support LES — welders, mechanics, etc., that have added quality programs to manufacture for the nuclear industry," he said.

News of the selection was initially limited to members of the Lea Energy Committee, a subcommittee of the Economic Development Corporation of Lea County and funded in part by Lea County, and key players in Lea County Monday.

"We are pleased that International Isotopes has decided to make Lea County, New Mexico the home of its new fluorine extraction facility," said Johnny Cope of the Lea Energy Committee.

"We are very pleased that they chose Lea County," said Sen. Carroll Leavell, R-Jal. "I am particularly pleased with the increased size of the proposed plant. This construction can give our county a boost that will

help carry us through these lean times."

Lea Energy Committee member and former Hobbs Mayor Monty Newman said the announcement makes these exciting times for Lea County.

"I think it is clear with LES and now International Isotopes that we have great opportunity in the energy industry field," Newman said. "We can be a significant player in the energy markets, whether it be oil and gas or nuclear."

Lisa Hardison, senior vice president of the EDC of Lea County, said the project will add further fuel to the area's efforts to attract similarly-related businesses.

"This will be the first and potentially the only commercial facility of this type in the United States," she said. "It will help us to continue to attract projects of this nature."

The state and Gov. Bill Richardson also played major roles in helping secure the project.

"New Mexico is very excited that International Isotopes has decided to locate in Lea County," said New Mexico Economic Development Secretary Fred Mondragon in a released statement. "The Economic Development Corporation of Lea County and the Energy Committee should be commended for attracting this excellent company to our state. This industry will fit well with the growing nuclear energy activities in Lea County, such as those of the National Enrichment Facility."

Reaction to Isotope decision

'I think it shows a tremendous effort on the behalf of the energy committee that they've continued to work this hard. ... That's why we're seeing the success that we're seeing.'

U.S. Rep. Harry Teague
D-N.M.

'This is huge for the diversity of the county. It is exactly what we need to do, which is diversify our economy in the energy industry. Our state and local governments are going to benefit from this project.'

Beth Cunningham
President of the EDC of Lea County

'We are pleased that International Isotopes has chosen Lea County for their new project. With projects like these, it took a lot of people and commitment to reach a successful conclusion and we look forward to working with them.'

Kathi Bearden
Member of the Lea Energy Committee

'The results of LES building their plant in Lea County continues to bear fruit as now International Isotopes has decided that Lea best suits their needs in regard to their close proximity to LES and the support that the region has given them.'

Johnny Cope
Chairman of the Lea Energy Committee

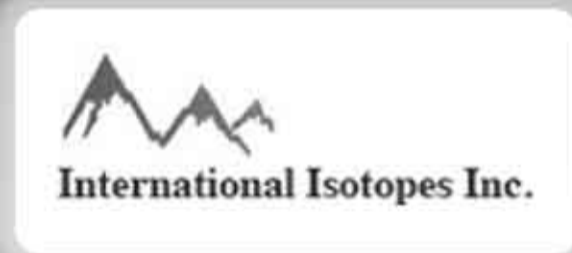
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Steve Laflin
President and CEO of International Isotopes Inc.

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Gary Schubert
Lea Commission chairman

Thank you, International Isotopes, for choosing Lea County.



Thanks to President & CEO Steve Laflin and his team for bringing many new, safe and well-paying jobs to Lea County.

And thanks to the residents of Lea County for supporting such an economically important business, whose products will not only make "clean power cleaner," but will be used to make important products like:

- aluminum metal
- laptops, cell phones and MP3 players
- solar cells
- refrigerants

To learn more about International Isotopes, please visit www.intisoid.com.



Economic Development Corporation of Lea County