



United States Department of the Interior

BUREAU OF LAND MANAGEMENT

**Uncompahgre Field Office
2465 South Townsend Avenue
Montrose, Colorado 81401**

www.co.blm.gov



April 13, 2010

Steven R. Schiesswohl, Realty Officer
11025 Dover Street, Suite 1000
Westminster, CO 80021

Dear Mr. Schiesswohl,

Please sign the enclosed Memorandum of Understanding and return to me at the above address.

If you have any questions, please give me a call at 970-240-5300. Thank you.

Sincerely,

Barbara L. Sharrow
Field Manager

Enclosure: Memorandum of Understanding

MEMORANDUM OF UNDERSTANDING
BETWEEN THE
U.S. BUREAU OF LAND MANAGEMENT
AND THE U.S. DEPARTMENT OF ENERGY

This Memorandum of Understanding (MOU) is entered into by the Bureau of Land Management (BLM), United States Department of Interior as represented by the Grand Junction Field Office, the Uncompahgre Field Office, and the Dolores Public Lands Office (San Juan Field Office); and the Department of Energy (DOE), Office of Legacy Management, Office of Site Operations. This MOU concerns the management of withdrawn lands that will remain in withdrawn status for mining purposes as long as the DOE has a mission requiring them.

I. PURPOSE

The purpose of this MOU is to identify the individual and shared roles and responsibilities of the DOE and BLM with respect to the DOE Uranium Leasing Program (ULP). Under the ULP, the DOE manages the leasing of withdrawn lands in western Colorado for the purpose of mining uranium and vanadium as established under various Public Land Orders. Mining activities include exploration, mine development, mineral extraction, and reclamation.

II. AUTHORITIES

This MOU is based on the following authorities:

- A. BLM
 - 1. Federal Land Policy and Management Act of 1976 (FLPMA)
- B. DOE
 - 1. Public Land Orders (PLOs) 459, 494, 565, 698, 779, and 1495
 - 2. 10 C.F.R. Part 760, "Domestic Uranium Program"

III. UNDERSTANDING

- A. The parties mutually affirm that they shall comply with all provisions of this MOU. Nothing in this MOU shall limit or affect the authority and legal responsibility of the DOE or BLM, or cause either party to perform beyond its respective authority or expend any sum in excess of available appropriations.

- B. The DOE has the sole authority and responsibility to assure that lessees conduct operations in compliance with lease language and all applicable laws and regulations, including the National Environmental Policy Act (NEPA) of 1969, 42 U.S.C §§ 4321, et seq., and Implementing regulations.
- C. In accordance with lease language, lessees have the right to explore for, develop, mine, and extract uranium and vanadium ores on the leased premises, including the right to use as much leased surface land as needed to appropriately conduct operations.
- D. With the exception of DOE leasing activities previously described, the BLM has jurisdictional authority over all other surface and subsurface uses of the subject lease tracts. The BLM shall notify the DOE of non-compliance, safety, and other issues noted by BLM staff while performing their duties on the leased premises. The BLM shall also notify the DOE of surface and subsurface activities that may affect DOE activities on the withdrawn lands.
- E. The DOE shall notify the BLM of noncompliance issues with lessees, and of appropriate actions taken in response.
- F. Both the DOE and BLM acknowledge and shall abide by agreements reached during preparation of the ***Uranium Leasing Program Final Programmatic Environmental Assessment*** (PEA) (DOE/EA-1535, July 2007). The lessee stipulations agreed to between the agencies are outlined in Section 5.22 of the PEA. This MOU shall govern all current and future activities.
- G. The DOE and BLM shall meet annually, preferably in August, to project workloads and develop a scope of work for the upcoming year.

IV. LEASE ISSUANCE, NEGOTIATION, AND MANAGEMENT

The DOE shall have sole authority over the selection of lessees, and the negotiation, issuance, management, and termination of leases. The DOE shall assure that all lease-wide stipulations agreed to with the BLM are incorporated into leases, or are included as stipulations in Exploration and Mining Plan approvals, as appropriate.

V. REVIEW AND APPROVAL RESPONSIBILITIES FOR EXPLORATION PLANS (AKA, NOTICES OF INTENT) AND MINING/RECLAMATION PLANS (PLANS)

- A. The DOE shall assume primary responsibility for the administration, review, and approval of lessee-submitted exploration and mining/reclamation plans.
- B. The DOE shall involve the BLM in the review of lessee plans, in accordance with the ***Uranium Leasing Program Exploration and Mining Plan Review Process*** outlined in

Appendix A. The BLM shall review lessee plans and provide comments regarding compliance with BLM regulations (such as those concerning rights-of-way and gravel pit permitting) and potential effects on:

1. Natural and cultural resources, including threatened, endangered, and sensitive species, plants, wildlife, historic properties, archaeological sites, ground and surface water quality, and leasable minerals
 2. Special use areas
 3. Other surface uses, such as grazing and recreation.
- C. Lessee compliance with lease stipulations often occurs at this stage. The lessee will conduct necessary surveys and obtain required permits (e.g. Colorado Department of Transportation highway access and or County road access permits) prior to approval of plans by the DOE.
- D. The DOE and BLM shall exchange information to encourage consistency and to reduce duplication of efforts.

VI. FIELD REVIEWS OF LESSEE EXPLORATION, MINING, AND RECLAMATION ACTIVITIES

- A. The DOE shall assure that all lessee activities are conducted in accordance with lease stipulations, plan stipulations, and all other applicable regulations.
- B. The DOE shall serve as the point of contact for dealing with lessee operations and assuring compliance with Section VI.A, and shall maintain lease contract files and associated documentation.
- C. The DOE shall conduct periodic visits to leased sites in order to observe lessee activities, and assure that such activities are conducted in accordance with items identified in Section VI.A. The DOE shall coordinate with the BLM on decisions involving BLM surface management responsibilities, and shall invite the BLM to participate in these visits.
- D. The DOE shall encourage the BLM to conduct site visits at any time in order to assure that lessees are performing activities properly or to conduct surface compliance for BLM activities. The BLM Point of Contact (POC) shall notify the DOE of planned visits so that coordination can occur if needed.
- E. Locked gates shall have a BLM lock to enable ready access if needed. The DOE shall provide a 24-hour contact name and number to the BLM and the BLM shall provide the same to the DOE. If emergency access is needed, the BLM POC will contact the DOE regarding the reasons as soon as possible.
- F. The DOE shall assure that any concerns voiced by the BLM will be addressed by the lessee immediately.

VII. RECLAMATION ACTIVITIES

- A. The DOE shall reclaim all leased tracts when no longer required to support the DOE mission. All reclamation activities shall be performed in accordance with reclamation provisions in approved mining plans and shall be consistent with the reclamation guidance document prepared jointly by the DOE and BLM, ***United States Department of Interior, Colorado Bureau of Land Management, Closure/Reclamation Guidelines for Abandoned Uranium Mine Sites***, (1995, Supplement to *Solid Minerals Reclamation Handbook*, BLM Handbook H-3042-1).
- B. On affected leases within this MOU, the DOE and BLM shall coordinate all bonding actions. Bonds will not be reduced or relinquished until all pertinent parties have reviewed the proposed action.
- C. The DOE shall consult with the BLM prior to reclamation to ensure that all involved lands are reclaimed to BLM standards and needs. The DOE shall consult with the BLM to determine whether historic mine structures exist that the BLM may want to preserve. When a decision is made to leave a structure in place, the BLM shall document that decision in writing and indicate that the BLM will accept ownership of the historic structures.
- D. A final joint DOE and BLM inspection shall be conducted following reclamation.

VIII. FINANCIAL ASSISTANCE FOR BLM ACTIVITIES UNDER THIS MOU

Both agencies agree that it is integral to the success of the ULP for the DOE to pursue financial support for BLM assistance with review of all environmental compliance documents related to the ULP. As a result, the DOE shall commit to fund up to 2,080 hours of BLM staff time. The BLM agrees to estimate the costs for conducting activities based on a scope of work prepared by both agencies. The BLM shall use the funds to pay for the staff time necessary for BLM specialists to review and concur with ULP documents. In addition, the BLM shall designate one employee to serve as a POC to coordinate the review of and concurrence with DOE environmental compliance activities. DOE's financial assistance shall allow the POC to prioritize the review of DOE's plans so that it is completed in a timely manner.

IX. CONFLICT RESOLUTION

All parties agree that the initial responsibility for resolving conflicts shall lie with the signatories to this MOU. Issues that cannot be resolved by the signatories shall be submitted to the BLM Southwest and Northwest District Managers and the DOE Office of Legacy Management Director of Site Operations for resolution.

X. AMENDMENT OR TERMINATION

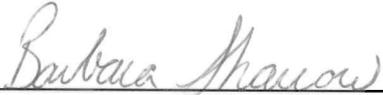
- A. Any party has the right to renegotiate this MOU or parts thereof, upon 30 days notice to the other parties. All parties agree to review this MOU annually to ensure that it is properly implemented and that the actions of the DOE and BLM are consistent with the stated purposes of the MOU.
- B. All parties shall review funding and timeframes for completing BLM reviews of and concurrences with DOE environmental compliance activities. The parties shall determine whether funding levels and staff time estimates are appropriate and if not, shall agree to amend the schedule to either increase or decrease funding or modify timeframes for completing environmental reviews.
- C. This MOU may be terminated by any party, for any reason, upon 90 days notice to the other parties.
- D. The parties agree to implement the terms and conditions of this MOU as of the date of the final signatures below.

XI. ADMINISTRATIVE RECORD

- A. Each agency is responsible for managing its own administrative record for purposes of this MOU.

XII. SIGNATURES

The parties hereto have executed this Memorandum of Understanding as of the dates shown below.



Ms. Barbara Sharrow, Field Manager
Uncompahgre Field Office
Bureau of Land Management

3-25-10

Date



Mr. Steve Beverlin, Field Office Manager/District Ranger
Dolores Public Lands Office
Bureau of Land Management

4/7/10

Date



Ms. Catherine Robertson, Manager
Grand Junction Field Office
Bureau of Land Management

3/29/10

Date



Mr. Steven R. Schiesswohl, Property & Reuse Team Lead
Office of Legacy Management
U.S. Department of Energy
DOE Office of Legacy Management

4/19/2010

Date

Appendix A

URANIUM LEASING PROGRAM EXPLORATION AND MINING PLAN REVIEW PROCESS

It is the intent of all parties to complete each item in the Exploration and Mining Plan Review Process as quickly as possible. The goal shall be to complete each review process as quickly as possible; no longer than four months for Exploration Plans and six months for Mining Plans. The parties agree that this MOU shall be reviewed annually to determine if the following review schedule is appropriate:

1. A lessee shall transmit an Exploration or Mining Plan (Plan) to the DOE by formal memorandum.
2. Within five business days, the DOE shall forward a PDF file containing the lessee Plan to the BLM point of contact (POC). All communication between the DOE and BLM shall be through the BLM POC. All Plans forwarded to the BLM shall be fully legible color facsimiles of an appropriate scale and equal in quality to the original. The DOE shall provide the respective BLM field office with at least one full-size paper copy of the Plan.
3. The BLM POC shall coordinate and prioritize DOE Plans for BLM review and notify the DOE of issues or proposed changes. The BLM POC shall coordinate the involvement of other BLM staff members and resource specialists as necessary. To facilitate the review and permitting process, BLM specialists shall be allowed to directly communicate with their DOE contractor counterparts, upon approval by the DOE of a request by the contractor or the BLM to do so. The DOE, the BLM, and their contractors shall share appropriate non-confidential digital datasets (such as GIS shape files and databases) of resource data and mine/exploration plans.
4. The DOE and BLM shall review Plans and jointly conduct a site visit(s) with the lessee to discuss details of the Plan. Pertinent BLM staff members and resource specialists are strongly encouraged to attend and participate in these site visits. The DOE shall invite representatives from the Colorado Division of Reclamation, Mining, and Safety and other agencies involved in reviewing a Plan to attend the site visit. During the site visit, the DOE and BLM shall determine if there are inadequacies in the Plan, whether additional information is needed, and whether the DOE needs to place additional stipulations on the lessee.
5. The BLM POC shall formally transmit comments made during the site visit to the DOE for ULP files within 10 business days of the site visit. It is the responsibility of the BLM POC to gather and summarize comments from BLM specialists for submittal to the DOE.

6. The DOE shall work with the lessee to resolve agency comments, and the lessee shall resubmit the Plan if necessary. The DOE shall forward Plan revisions to the BLM POC, and the BLM POC shall ensure that changes are reviewed and issues are resolved satisfactorily. If unresolved issues remain, the DOE shall work with the lessee to resolve and resubmit the Plan.
7. When the BLM is satisfied with a lessee's Plan, the BLM shall notify the DOE in writing that the Plan is acceptable.
8. The DOE shall complete NEPA and environmental reviews of lessee Plans simultaneously with the above processes, and shall coordinate with other agencies, including the BLM, on resultant changes to a Plan. The DOE shall provide bond information to BLM for review and comment.
9. When all agencies are satisfied, the DOE shall formally notify the lessee of a Plan's approval.
10. The DOE shall provide the BLM with copies of its approval letter, including new stipulations at the time of approval.
11. Any off-lease components of a Mine or Exploration Plan on BLM lands are subject to applicable BLM NEPA regulations and timeframes. A jointly prepared NEPA document will be required, with both the BLM and DOE as signatories. For complex proposals, it may be appropriate for the BLM, the DOE, and other cooperating agencies to prepare a project-specific MOU that addresses special circumstances not addressed in this MOU.