



Department of Energy  
Office of Legacy Management

October 26, 2009

OLM-SRS-2009-148

Mr. Amory E. Quinn, President  
Cotter Corporation  
7800 East Dorado Place, Suite 210  
Englewood, CO 80111

Subject: Approval of Exploration Plan Submitted for DOE Lease Tract **C-LP-21**

Dear Mr. Quinn:

The Prospecting Notice of Intent (NOI) for U.S. Department of Energy (DOE) Lease Tract C-LP-21 (proposing 2 holes), submitted by Cotter Corporation (Cotter) on June 23, 2009, has been reviewed by DOE and its contractor in accordance with the *Uranium Leasing Program Final Programmatic Environmental Assessment*, the Lease Agreement, and the National Environmental Policy Act. The NOI is hereby approved as submitted, subject to the following stipulations:

- 1) No new roads shall be constructed; all drill sites shall be accessed by overland travel along designated routes. Existing roads shall be improved only to the extent necessary to allow proper access of the required equipment.
- 2) If subsurface cultural or paleontological resources are unearthed during operations, activity in the vicinity of the cultural/paleontological resource shall cease and DOE and the U.S. Bureau of Land Management (BLM) shall be notified immediately. Pursuant to 43 CFR 10.4, Cotter must notify the authorized officer, by telephone, with written confirmation, immediately upon the discovery of human remains, funerary items, sacred objects, or objects of cultural patrimony. Further, Cotter must stop activities in the vicinity of the discovery and protect it for 30 days or until notified to proceed by DOE. Additionally, Cotter is responsible for informing all persons associated with this project that they will be subject to prosecution for knowingly disturbing Native American Indian shrines, historic and prehistoric archaeology sites, or for collecting artifacts of any kind, including historic items and/or arrowheads and pottery fragments from Federal lands.
- 3) Brush located within the drill pad area shall be cut as necessary to minimize fire danger.
- 4) The drainage adjacent to drill site LP21-2009-02 shall be avoided and no materials shall be allowed to enter the drainage.
- 5) Bulk drill cuttings shall be backfilled into the drill hole, ensuring that all cuttings exhibiting elevated radiological readings are placed back in the drill hole at depth. Residual drill cuttings shall be scattered and blended with existing surface soil materials. Polyurethane foam shall be used to permanently plug the hole.

2597 B 3/4 Road, Grand Junction, CO 81503	<input type="checkbox"/>	3600 Collins Ferry Road, Morgantown, WV 26505
1000 Independence Ave., S.W., Washington, DC 20585	<input type="checkbox"/>	11025 Dover St., Suite 1000, Westminster, CO 80021
10995 Hamilton-Cleves Highway, Harrison, OH 45030	<input type="checkbox"/>	955 Mound Road, Miamisburg, OH 45342
232 Energy Way, N. Las Vegas, NV 89030	<input type="checkbox"/>	

REPLY TO: Westminster, CO Office

ULP 026.06(c)

- 6) During wet weather, when excessive damage can be caused by vehicle traffic, activities shall cease until conditions improve.
- 7) All activities associated with this NOI, including the reclamation and reseeding of disturbed areas shall be completed by November 30, 2009. Disturbed areas shall be reclaimed immediately after exploration activities are completed. The enclosed seed mixture shall be used during reclamation. Seed tickets shall be submitted to DOE for permanent retention in the record file.
- 8) No rattlesnakes shall be harmed by project activities and all known bird nests shall be avoided.
- 9) All personnel working on the proposed exploration activities shall be made aware of the stipulations set forth in this letter, and those set forth in the Lease Agreement.
- 10) Cotter personnel shall provide DOE with a proposed schedule for the completion of the approved activities.

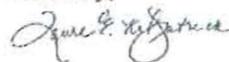
DOE coordinated its review of this NOI with the U.S. Bureau of Land Management (BLM) and the Colorado Division of Reclamation Mining, and Safety (CDRMS). These agencies have concurred with DOE's decision, subject to their letters (Dave Kauffman, BLM, to Steve Schiesswohl, DOE, dated August 18, 2009 [COC-71888], and G. Russell Means, CDRMS to Glen Williams, Cotter, dated July 28, 2009 [P-2009-019], respectively.

DOE herein acknowledges that Cotter has an existing reclamation bond posted with DOE in the amount of \$48,000 that adequately covers the estimated reclamation costs associated with this NOI. Please note that the reclamation liability associated with all future activities proposed by Cotter will be assessed by DOE in a similar manner and the bond amount may need to be revised.

Approval of this plan is conditioned upon the faithful compliance with the terms, conditions, and stipulations set forth herein and in the Lease Agreement. This approval is restricted solely to the activities set forth in your plan. Activities not described shall not be undertaken until and unless a supplemental plan is submitted to and approved by the DOE Realty Officer. Furthermore, approval of this plan in general shall not be construed as a modification of any requirements of the Lease Agreement.

If you have any questions or concerns, please contact me at (720) 377-9683, or Ed Cotter of DOE's Contractor staff at (970) 248-6056.

Sincerely,



2009.10.27

07:49:07 -06'00'

*for*  
Steven R. Schiesswohl  
Realty Officer

Enclosure

cc w/ enclosure:

G. Williams, Cotter Corporation WSO  
R. Ernst, USBLM  
R. Means, CDRMS  
L. Kilpatrick, DOE  
Project File (E. Cotter)

## URANIUM LEASING SITES

### Reseeding Specifications

The following seed mixture was developed, in consultation with U.S. Bureau of Land Management, and is generally approved for use within the Slick Rock, Naturita, Uravan, and Gateway, Colorado, areas. Seed selection criteria were based on climate and elevation ranges within these areas. Recognizing that surface soil conditions, nutrients, and available moisture can vary within these areas, successful establishment of six or more of the twelve species is considered adequate. If the total number of species seeded is less than that specified below, the seeding rates for the individual species must be adjusted accordingly. All seed tags must be submitted to DOE for verification prior to the seeding application.

Species		Broadcast Application Rate (lbs. PLS/ acre)
Scientific Name	Common Name	
<i>Pascopyrum smithii</i>	Arriba western wheatgrass	4.0
<i>Elymus trachycaulus ssp. trachycaulus</i>	Slender wheatgrass	2.0
<i>Oryzopsis hymenoides</i>	Paloma Indian ricegrass	4.0
<i>Bouteloua gracilis</i>	Hachita blue grama	2.0
<i>Hilaria jamesii</i> (florets)	Galleta grass	2.0
<i>Stipa comata</i>	Needleandthread grass	1.0
<i>Stipa viridula</i>	Lodorm green needlegrass	2.0
<i>Linum lewisii</i>	Lewis flax	1.0
<i>Penstemon palmeri</i>	Cedar Palmer penstemon	0.5
<i>Sphaeralcea coccinea</i> or <i>Sphaeralcea parvifolia</i>	Scarlet or Parvifolia globemallow	0.3
<i>Atriplex canescens</i>	Rincon fourwing saltbush	3.0
<i>Ceratoides lanata</i>	Winterfat	1.0
<b>Total pounds per acre</b>		<b>22.8</b>

Seed shall be broadcast at the specified application rate and covered (except "pocked" surfaces) using a drag bar, chain link, or packer wheels. If seed is drilled, use one-half (1/2) the broadcast rate.

Seeding shall be performed during one of the following time periods:

- § For best results, between October 15 and consistent ground freeze; or
- § Between August 1 and August 31.

Revegetation efforts on the disturbed areas will be considered satisfactory when:

- § Soil erosion resulting from the operation has been stabilized; and
- § A vegetative cover at least equal to that present prior to the disturbance and a plant species composition at least as desirable as that present prior to the disturbance has been established.



United States Department of the Interior  
BUREAU OF LAND MANAGEMENT

Uncompahgre Field Office  
2465 S. Townsend Avenue  
Montrose, Colorado 81401  
www.blm.gov



RECEIVED

OCT 09 2009

IN REPLY REFER TO:  
3809(CO-S05)

OCT 6 2009

Mr. Steve Schiesswohl  
Department of Energy  
Office of Legacy Management  
11025 Dover St., Suite 1000  
Westminster, CO 80021

Dear Mr. Schiesswohl:

Thank you for your response and questions for Cotter Corporation's Exploration Plans for U. S. Department of Energy Lease Tracts **C-LP-21** and C-CM-25. Your concern about the critical deer and elk wintering area restrictions is understood.

A map showing the deer and elk winter wintering area restrictions is included. The Colorado Division of Wildlife recommends the areas and length of time that the restrictions apply. BLM makes the determination in the resource management plan for the area. The San Juan/San Miguel Resource Management Plan, Record of Decision, pg 12 documents the decision. The purpose of the seasonal restrictions is "to mitigate the impacts of human activities on important seasonal wildlife habitat". Drilling activities would fall into the category of disturbing the soil surface and creating noise/activity that could be stressful for wintering big game populations.

If you have any other questions or concerns please feel free to contact Barney Buria at (970) 240-5333.

Sincerely,

Barbara L. Sharrow  
Field Office Manager

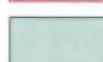
cc: Ed Cotter

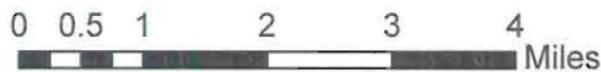
# Map of West End Showing Winter Range Data



Map produced by Bureau of Land Management,  
 Uncompahgre Field Office, GIS Program  
 Projection: UTM, Zone 13; Datum: NAD 1983  
 September 18, 2009

No warranty is made on the accuracy, reliability  
 and completeness of these data for individual use  
 or aggregate use with other data. Spatial data may  
 not meet National Map Accuracy Standards.  
 This information may be updated without notification.

- |   |                                |   |                   |
|---|--------------------------------|---|-------------------|
|  | Crucial Mule Deer Winter Areas |  | BLM               |
|  | Crucial Elk Winter Areas       |  | Private           |
|  | DOE Withdrawn Lands            |  | State             |
|   |                                |  | US Forest Service |





Department of Energy  
Office of Legacy Management

September 8, 2009

OLM-SRS-2009-122

Ms. Barb Sharrow, Manager  
U.S. Bureau of Land Management  
Uncompahgre Field Office  
2505 South Townsend Avenue  
Montrose, CO 81401

Subject: Exploration Plans for DOE Lease Tracts C-LP-21 and C-CM-25

Dear Ms. Sharrow:

Thank you for your response to Cotter Corporation's Exploration Plans for U.S. Department of Energy (DOE) Lease Tracts C-LP-21 and C-CM-25. Please be assured that the conditions outlined in your letter dated August 18, 2009, are either covered in the environmental provisions set forth in the respective DOE lease agreements or will be included in the stipulations outlined in DOE's letter approving the plans. The stipulation concerning the "Deer and Elk Winter Range timing limitation" could severely restrict our leaseholder's ability to perform work during the specified 4½-month period. To that end, would you please provide DOE with a map showing the critical deer and elk habitat to which that restriction applies, together with all supporting documentation. Additionally, would you please clarify the phrase "no surface disturbing activities," i.e., if the drill sites have already been constructed, does the actual drilling of the holes constitute a surface disturbing activity.

Furthermore, from an administrative point of view, please be advised that the DOE leaseholders must submit all plan-related documentation to DOE for inclusion in the lease tract record files. This requirement includes the seed tickets referenced in your letter as the seventh bullet. Additionally, DOE has calculated the reclamation performance bond requirements for these exploration activities and has compared those amounts with the bonds currently held by DOE. The bond for Lease Tract C-LP-21 was determined to be adequate for the activities proposed there. DOE has directed Cotter Corporation to increase the amount of its bond for Lease Tract C-CM-25 to the minimum \$5,000 required for all leases. Based on the documentation received from the Colorado Division of Reclamation, Mining, and Safety, they have accepted the bonds required by DOE and have directed Cotter Corporation to submit a minimum \$100 bond to the State for each plan.

2597 B 3/4 Road, Grand Junction, CO 81503

1000 Independence Ave., S.W., Washington, DC 20585

10995 Hamilton-Cleves Highway, Harrison, OH 45030

232 Energy Way, N. Las Vegas, NV 89030

REPLY TO: Westminster, CO Office

3600 Collins Ferry Road, Morgantown, WV 26505

11025 Dover St., Suite 1000, Westminster, CO 80021

955 Mound Road, Miamisburg, OH 45342

Ms. Barb Sharrow

-2-

If you have any questions or concerns, please contact me at (720) 377-9683, Laura Kilpatrick of my staff at (720) 880-4338, or Ed Cotter of my contractor staff at (970) 248-6056.

Sincerely,



Steven R. Schiesswohl  
Rocky Flats  
2009.09.08 17:01:14  
-06'00'

Steven R. Schiesswohl  
Realty Officer

cc: L. Kilpatrick, DOE  
Project File (E. Cotter)

August 19, 2009

U.S. Department of Energy  
Office of Legacy Management  
ATTN: Steven Schiesswohl  
11025 Dover Street, Suite 1000  
Westminster, CO 80021-5573

SUBJECT: Contract No. DE-AM01-07LM00060, Stoller  
National Environmental Policy Act (NEPA)—Environmental Checklist on  
Cotter Corporation Exploratory Drilling, Lease Tracts C-CM-25 and C-LP-21

REFERENCE: Task Order LM-505-07, Uranium Leasing Program

Dear Mr. Schiesswohl:

Enclosed is an Environmental Checklist that evaluates potential impacts related to exploratory drilling of three drill holes on Cotter Corporation lease tracts C-CM-25 and C-LP-21, in Montrose County in western Colorado. The drill holes would be either on or near an existing dirt road. Disturbed areas would be reclaimed immediately following drilling and probing activities.

Stoller is recommending categorical exclusion as the appropriate level of NEPA documentation. If you concur in the results of the Environmental Checklist, please sign and forward the checklist to Brandy Barker, Administrative Services, who will send the checklist to Rich Bush, LM NEPA Compliance Officer, for a final determination.

If you have questions or concerns, please contact me at (970) 248-6056, or Sandy Beranich at (970) 248-6115.

Sincerely,

  
2009.08.19  
13:39:54  
-06'00'

Ed Cotter, Program Lead  
Uranium Leasing Program

SJB/bjg  
Enclosure

cc w/enclosure:

Sandy Beranich, Stoller (e)  
Scott Osborn, Stoller (e)  
Project File (E. Cotter)

**U.S. Department of Energy  
Office of Legacy Management  
National Environmental Policy Act – Environmental Checklist**

<b>Project/Activity Title</b> Cotter Corporation Exploratory Work on C-LP-21 and C-CM-25	<b>NEPA ID Number</b> LM 20-09	<b>Date</b> August 19, 2009
<b>LM Site Name</b> Uranium Leasing Program, CO	<b>LM Site Program</b> Reuse and Property Management	
<b>Contractor NEPA Coordinator</b> Sandra Beranich	<b>Signature</b> <i>Sandra Beranich</i> 8/19/09	
<b>Contractor Task Manager</b> Ed Cotter	<b>Signature</b> <i>Edward T. Cotter</i> 8/19/09	
<b>DOE Project Manager</b> Steven Schiesswohl	<b>Signature</b> <i>Steve Schiesswohl</i> 2009.08.26 10:05:54 -06'00'	

**A. Brief Project/Activity Description:**

Cotter Corporation proposes to conduct exploratory drilling on lease tracts C-LP-21 and C-CM-25 in Montrose County in western Colorado. A truck-mounted rotary drill would be used to drill three 6-inch-diameter holes on drill pads that measure 20 feet (ft) by 50 ft. All drill holes are planned to reach 225 ft below ground surface. Mud pits to contain drill cuttings would measure approximately 10 ft by 10 ft. Topsoil materials and mineralized cuttings would be segregated from the non-mineralized drill cuttings. The mineralized cuttings would be returned to the drill hole first and would be followed by the remaining cuttings to within 5 ft of the surface, after which a 3-ft polyurethane foam plug would be installed. The remaining 2 ft of drill hole would be filled with topsoil and any remaining cuttings. All disturbed areas would be graded and reseeded with an approved seed mixture appropriate to the area. Each drill hole would require an estimated 2 to 4 days to drill, probe, and reclaim.

The proposed drill hole on C-CM-25 would be within an existing dirt road. No off-site areas would be disturbed. On C-LP-21, two drill holes would be adjacent to an existing county road (EE22). The drill holes would require overland travel of 100 ft between the county road and the proposed drill hole site. The existing surface is a mixture of shrubs and grasses. No cultural resources or protected species were identified in any of the potentially disturbed areas on these lease tracts.

**B. Environmental Concerns:**

If the proposed action could affect human health and the environment, the "yes" column is checked, and an explanation of the degree, type, and magnitude of the physical, chemical, and radiological sources of impacts is given below. Additional description or explanation is provided on attached sheets as necessary.

Element	Yes	No	Element	Yes	No
Air emissions/air quality	X		Exposure/impacts to public or workers		X
Noise	X		Need for public awareness/involvement		X
Solid waste generation		X	Transportation/traffic control required		X
Mixed waste management		X	Access to/use of DOE property	X	X
Chemical storage on site		X	Visual resources impacted		X
Pesticide/herbicide use		X	Cultural/arch resources present	X	X
Toxic substances management		X	Wetland/floodplain impacted		X
Regulated quantities of petroleum used or stored on site		X	Protected species present: Federal, state, or Tribe listed		X

C-LP-21      C-CM-25  
ULP 0240.06(C)      ULP 3031.06(C)      ULP

Element	Yes	No	Element	Yes	No
Radioactive materials/soils		X	Migratory birds breeding or nesting		X
Surface (ground) disturbance	X		Wild/scenic rivers impacted		X
Surface water use/contamination		X	Prime/unique farmlands present		X
Surface water quality		X	Groundwater use/contamination		X
Groundwater quality affected		X	Other Considerations?		X

**C. Explanation and Qualification of All "Yes" Responses**

Air emissions/air quality: Use of heavy equipment would result in minor and temporary amounts of fugitive dust being present during the duration of the proposed actions.

Noise: Noise levels would be temporarily elevated during use of the rotary drilling rig.

Surface (ground) disturbance: Minor surface disturbance of an estimated 0.002 acre per drill hole would be reclaimed by grading and broadcast seeding with an approved seed mixture immediately following drilling and probing activities.

**D. Recommendation:**

The proposed action to drill and reclaim three exploratory drill holes would be considered categorically excluded from further environmental evaluation under Title 10 *Code of Federal Regulations* Part 1021, Appendix B to Subpart D, B3.1, "Onsite and offsite site characterization and environmental monitoring..."

Meets Criteria

Does Not Meet Criteria

Unsure

**E. NEPA Determination**

I have reviewed the scope of actions proposed under Section A of this Environmental Checklist, and the information relevant to the potential for environmental impacts in Section B, and determined the following:

The proposed actions meet the criteria for categorical exclusion.

The proposed actions do not meet the criteria for categorical exclusion; therefore, I recommend that the LM NEPA Planning Board be convened based on my recommendation (see attached rationale) to complete:

( ) an Interim Action ( ) an Environmental Assessment

( ) an Environmental Impact Statement ( ) a Supplemental Analysis



LM NEPA Compliance Officer

8/31/09

Date

Distribution upon signature:

- R. Bush, LM NEPA Compliance officer
- S. Schiesswohl, DOE Project Manager
- S. Beranich, Stoller NEPA Coordinator (e)
- E. Cotter, Stoller Task Manager (e)
- rc-grand.junction



United States Department of the Interior

Bureau of Land Management  
Uncompahgre Field Office  
2505 South Townsend  
Montrose, Colorado 81401

RECEIVED  
AUG 21 2009



AUG 18 2009

In Reply  
Refer to:  
CO-150  
3809.301  
COC-71888

Steven R. Schiesswohl  
Realty Officer  
DOE - LM  
11025 Dover St., Suite 1000  
Westminster, CO 80021

Dear Mr. Schiesswohl:

Thank you for the notification that Cotter Corp. wishes to conduct uranium exploration drilling on two DOE Lease Tracts (C-LP-21 and C-CM-25, Long Park and Club Mesa, respectively) located in portions of T.47N., R.17W., Section 5 and 27. We conducted a site visit with DOE and CDRMS on July 16, 2009 to review your proposal.

This correspondence shall serve as notification to DOE for the purpose of their lease authorization stipulations. These stipulations described below are also required conditions upon your DOE lease approval.

The notice is accepted and you may begin operations with the following conditions:

- o The plans for Cotter Corporation for DOE Lease Tracts C-LP-21 (2 holes), and C-CM-25 (1 hole) are concurred with the following contingences:

C-CM-25: Disturbance should be kept within the disturbed roadway. Keep any disturbance away from the small drainage adjacent to the roadway.

C-LP-21: Keep disturbance to a minimum. Remove brush only by cutting. Keep activities from local drainages.

For both holes: All ground disturbing activities are to be completed by November 30, 2009. Please follow procedures set forth in Appendix A of the Notice of Intent to Conduct Prospecting Operations for Hard Rock/Metal Mines. Reclaim and reseed late this fall following disturbance to take advantage of winter moisture.

- o Approval is given for the drill site locations inspected on 7/16/09. If other locations in

this area are proposed for drilling, the notice must be modified and field checked by BLM

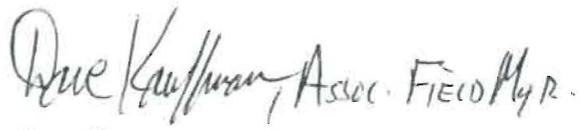
- If subsurface cultural or paleontological resources are unearthed during operations, activity in the vicinity of the cultural/paleontological resource will cease and a BLM representative notified immediately. Pursuant to 43 CFR 10.4 the holder of this authorization must notify the authorized officer, by telephone, with written confirmation, immediately upon the discovery of human remains, funerary items, sacred objects, or objects of cultural patrimony. Further, the operator must stop activities in the vicinity of the discovery and protect it for 30 days or until notified to proceed by the Authorized Officer.
- The operator is responsible for informing all persons associated with this project that they will be subject to prosecution for knowingly disturbing Native American Indian shrines, historic and prehistoric archaeology sites, or for collecting artifacts of any kind, including historic items and/or arrowheads and pottery fragments from Federal lands.
- During wet weather conditions, no mud blading would be allowed. When road conditions are such that vehicles create ruts deeper than 4 inches, drilling and vehicle activities will be temporarily suspended.
- The operator is required to control weeds until the site is reclaimed in accordance with Montrose County regulations. As a safeguard to avoid the inadvertent invasion of noxious weeds, vehicle(s) that have been driven in weed-infested areas should be cleaned with high-pressure water spray equipment before entering non-infested areas.
- DOE's seed mix will be used for the project. Reclamation and seeding will take place the fall following disturbance. Please submit seed tickets to this office upon completion of seeding.
- Deer and Elk Winter Range timing limitation – No surface disturbing activities are allowed between December 1 and April 15.
- Midget faded rattlesnake: no rattlesnakes shall be harmed by project activities.
- Migratory birds: to the extent possible, avoid destruction of any known songbird or other nests in the area.
- BLM concurs with the bonding recommendations of the Colorado Division of Reclamation, Mining and Safety (CDRMS). Operations may begin when the bond is filed with CDRMS and a copy of the bond is submitted to this Office.

Your Notice is complete, the operation will not cause unnecessary or undue degradation to the public lands and it contains all the information required by BLM surface management regulations at 43 CFR 3809.301. Your notice remains in effect for 2 years from the date of this letter, unless extended under 43 CFR 3809.333 or unless you notify BLM beforehand that operations have ceased and reclamation is complete. BLM will conduct an inspection to verify whether reclamation has been completed before recommending bond release to the Colorado

whether reclamation has been completed before recommending bond release to the Colorado Division Reclamation Mining and Safety (CDRMS). The Notice will expire on June 9, 2011. On or before the expiration date, the Field Manager must be given written notice if you intend to continue operations under the terms of the existing Notice for an additional two (2) years.

Please call Robert Ernst at (970) 240-5305 if you have questions. Thank you for your cooperation.

Sincerely,

  
for Barbara Sharrow  
Manager, Uncompahgre Field Office

cc: Russ Means, CDRMS  
Ed Cotter, Stoller-DOE



Department of Energy  
Office of Legacy Management

August 11, 2009

OLM-SRS-2009-100

Mr. Amory E. Quinn, President  
Cotter Corporation  
7800 East Dorado Place, Suite 210  
Englewood, CO 80111

Subject: Reclamation Bonds for DOE Lease Tracts C-SR-13A, C-LP-21, and C-CM-25

Dear Mr. Quinn:

The U.S. Department of Energy (DOE) is currently reviewing Cotter Corporation's proposed exploration plans for DOE Lease Tracts C-SR-13A, C-LP-21, and C-CM-25. As part of that process, DOE has reviewed the reclamation performance bonds currently held for the respective properties. In 2008, as the Uranium Leasing Program was extended for an additional ten years, DOE decided that the minimum bond required for any lease activities would be \$5,000. DOE's review of its lease files has shown that the current bonds in place for Lease Tracts C-SR-13A (\$6,000), and C-LP-21 (\$48,000) are sufficient to cover full reclamation of the proposed exploratory activities. However, for Lease Tract C-CM-25, the current bond of \$4,000 falls below the minimum bond requirement as established by DOE. Accordingly, Cotter Corporation shall increase the bond amount for Lease Tract C-CM-25 to at least the minimum amount required (\$5,000). The approval of the exploration plan for Lease Tract C-CM-25 shall be contingent on DOE receiving formal documentation of this increase.

If you have questions concerning this matter, please contact me at (720) 377-9683.

Sincerely,

Steven R. Schiesswohl  
Rocky Flats  
2009.08.11 16:06:05  
-06'00'

Steven R. Schiesswohl  
Realty Officer

cc: G. Williams, Cotter Corporation  
L. Kilpatrick, DOE (e)  
E. Cotter, Stoller (e)  
Project File ULSCF 2.0 (E. Cotter)

Cotter, Ed

C-LP-21

**From:** Bernard\_Buria@blm.gov  
**Sent:** Thursday, August 06, 2009 5:12 PM  
**To:** Cotter, Ed  
**Subject:** T&E Clearance.

Ed,  
I just received the T&E clearance. Everything is fine except for deer and elk winter range. The cutoff is Dec. 1st and they should be done by then.  
Thanks,  
Barney

Bernard (Barney) Buria  
Environmental Protection Specialist  
Uncompahgre Field Office  
2465 S. Townsend Ave.  
Montrose, CO 81401  
(970) 240-5333 Phone  
(970) 596-4617 Cell Phone  
(970) 240-5367 Fax

Cotter, Ed

C-LP-21

**From:** Bernard\_Buria@blm.gov  
**Sent:** Friday, July 31, 2009 9:27 AM  
**To:** Cotter, Ed  
**Cc:** teresa\_pfifer@blm.gov

Mr. Cotter,  
Glade Hadden our archeologist checked the areas on Wednesday July 29th for Cotter Corp.'s drilling and has OK'ed each site. The Threatened & Endangered clearance has not been done yet. I was told this morning that it will be completed next week. As soon as I know I will let you know the outcome of the T & E clearance. Thank you for your cooperation with this and about the oil drums near SM-18. I did get Kyle's emailed pictures and map. I will let you know when I hear from our hazmat person in Junction. We will get something set up at that time.  
Thanks again,  
Barney

Bernard (Barney) Buria  
Environmental Protection Specialist  
Uncompahgre Field Office  
2465 S. Townsend Ave.  
Montrose, CO 81401  
(970) 240-5333 Phone  
(970) 596-4617 Cell Phone  
(970) 240-5367 Fax

# STATE OF COLORADO

## DIVISION OF RECLAMATION, MINING AND SAFETY

Department of Natural Resources

1313 Sherman St., Room 215

Denver, Colorado 80203

Phone: (303) 866-3567

FAX: (303) 832-8106

RECEIVED

AUG - 3 2009



July 28, 2009

Glenn Williams  
Cotter Corporation  
P.O. Box 700  
Nucla, CO 81424

Bill Ritter, Jr.  
Governor

Harris D. Sherman  
Executive Director

Ronald W. Cattany  
Division Director  
Natural Resource Trustee

Re: Notice of Intent Application, LP-21, P-2009-019, Notice Approval

Dear Mr. Williams,

The Division of Reclamation Mining and Safety has finished the review of the above referenced Notice of Intent. It appears the notice meets the minimum requirements of Rule 5. Therefore staff is please to inform Cotter that notice is complete and approved.

Due to the small size and limited disturbance, staff elected not to calculate a reclamation bond but will use Rule 5.3.3(1) and require the minimum \$2,000.00. This is below the \$5000.00 warranty to be held by the Department of Energy (DOE). Per Rule 4.2.1(6) when mining on federal land and the land management agency requires a financial warranty be posted the amount posted to the state shall be the difference between the amount required by the agency and the state or a minimum of \$100.00.

Per Rule 5.1.3(b), Cotter has 60 (sixty) days from the date of this letter to submit the \$100.00 bond otherwise the notice may be denied for failure to correct all deficiencies which includes the bond. Please submit a Financial Warranty and proof of DOE bond to the Division's Administrative Assistant Elizabeth Taliaferro in the Denver Office. Any questions regarding the warranty should be directed to Elizabeth at 303-866-3567, Ext. 8148.

If you need additional information please contact me at the Division of Reclamation, Mining and Safety, Grand Junction Field Office, 101 S. 3rd St., Suite 301, Grand Junction, Colorado 81501, or by telephone no. 970.241.1117.

Sincerely,

G. Russell Means  
Environmental Protection Specialist II

Cc: Elizabeth Taliaferro, DRMS Administrative Assistant (e-mail)  
Ed Cotter, Department of Energy

### DOE Uranium Leasing Program Field Examination Notes

DOE Lease Tract: C-LP-21 Lessee: Cotter Corp Date: 7/16/09

Proposed Activity: Exploration Plan Proposed By: Cotter Corp

Examining Team: (2 holes)

Name	Organization	Home Office	Telephone
<u>E Cotter / D Burns / K Turley</u>	<u>DOE/stoller</u>	<u>Grand Jct</u>	<u>(970) 248-6056</u>
<u>Glen Williams</u>	<u>Cotter</u>	<u>Nucla</u>	<u>864-7347</u>
<u>Tony Atkins</u>	<u>Consultant</u>	<u>Nucla</u>	<u>864-7205</u>
<u>Barry Burns</u>	<u>BLM</u>	<u>Montrose</u>	<u>240-5333</u>
<u>Linda Sheeder</u>	<u>DOE/stoller</u>	<u>Grand Jct</u>	<u>248-6711</u>

Description of Surface Area Affected: Sage brush flat approximately 50-80 ft from roadway

Photos Taken: \_\_\_\_\_  GPS Data Collected: \_\_\_\_\_

Surveys Conducted:  Cultural/Historical  T&E  Other: \_\_\_\_\_

Changes to Plan: \_\_\_\_\_

Concerns Voiced and or Special Conditions to be Addressed in the Approval of this Plan: \_\_\_\_\_

Blade away the brush from the area to minimize the fire danger. Keep activities away from the local drainages. No cultural or T&E issues noted.

This plan appears technically feasible and practicable with the changes and special conditions (if any) set forth above. The DOE Realty Officer, who has jurisdictional control of the Uranium Leasing Program, will use this information as the basis for his approval/disapproval of this plan. Note: A sketch may be added to the back of this form if required to clarify the situation.



Department of Energy  
Office of Legacy Management

July 6, 2009

OLM-SRS-2009-079

Mr. Glen Williams, Manager  
Cotter Corporation  
Western Slope Operations  
P.O. Box 700  
Nucla, CO 81424

Subject: Comments on Exploration Plans for DOE Lease Tracts C-CM-25, C-LP-21, and C-SR-13A

Dear Mr. Williams:

I have reviewed your Notices of Intent (NOI) for proposed exploratory work on the following U.S. Department of Energy (DOE) lease tracts: C-CM-25, C-LP-21, and C-SR-13A. In Appendix A of each of the NOIs, there is a statement indicating that you do not believe that pre-drilling surveys would be needed for cultural or other natural resources. In accordance with the National Historic Preservation Act, you may be required to conduct a cultural resource survey, depending upon the Bureau of Land Management's (BLM) assessment of the pre-existing disturbance on your proposed drill sites. On lease tract lands, BLM has the authority to determine if cultural resource surveys are required. Other resource survey needs or stipulations will be determined by the DOE in conjunction with the BLM.

If you have questions concerning this matter, please contact me at (720) 377-9683.

Sincerely,

Steven R. Schiesswohl  
2009.07.08 08:49:14  
-06'00'

Steven R. Schiesswohl  
Realty Officer

cc: L. Kilpatrick, DOE (e)  
E. Cotter, Stoller (e)  
Project File ULSCF 2.0 (E. Cotter)

2597 B 3/4 Road, Grand Junction, CO 81503

1000 Independence Ave., S.W., Washington, DC 20585

10995 Hamilton-Cleves Highway, Harrison, OH 45030

232 Energy Way, N. Las Vegas, NV 89030

REPLY TO: Westminster, CO Office

3600 Collins Ferry Road, Morgantown, WV 26505

11025 Dover St., Suite 1000, Westminster, CO 80021

955 Mound Road, Miamisburg, OH 45342



Department of Energy  
Office of Legacy Management

June 30, 2009

OLM-SRS-2009-076

Ms. Barb Sharrow, Manager  
U.S. Bureau of Land Management  
Uncompahgre Field Office  
2505 South Townsend Avenue  
Montrose, CO 81401

Subject: Exploration Plans for DOE Lease Tracts C-LP-21 and C-CM-25

Dear Ms. Sharrow:

The U.S. Department of Energy (DOE) recently received two Exploration Plans from Cotter Corporation for DOE Lease Tracts C-LP-21 (2 holes), and C-CM-25 (1 hole). Copies of the respective plans are enclosed for your review. We are currently in the process of scheduling the field visit in mid-July and you will be notified (via phone) of the exact time, date, and place of the meeting.

If you have questions or concerns, please contact me at (720) 377-9683, or Ed Cotter at (970) 248-6056.

Sincerely,

Steven R. Schiesswohl  
2009.07.02 08:43:44  
-06'00'

Steven R. Schiesswohl  
Realty Officer

Enclosures

cc w/enclosures:

L. Kilpatrick, DOE

E. Cotter, Stoller

Project File ULSCF 2.0 (E. Cotter)

cc w/o enclosures:

G. Williams, Cotter Corporation



RECEIVED

JUN 25 2009

June 23, 2009

Steve Schiesswohl  
Senior Realty Officer  
U.S. Department of Energy  
11025 Dover Street, Suite 1000  
Westminster, CO 80021

Subject: Prospecting Notices of Intent for Cotter  
Corporation Leases SR-13A, LP-21, and CM-25

Dear Mr. Schiesswohl:

Enclosed is one copy of the Notices of Intent (NOIs) for the above referenced properties. Cotter Corporation is planning to do the drilling on these properties in the second half of this year. Following is a brief description of the planned drillsites.

The SR-13A drillsite will be accessed from an existing drillroad. The drillsite is located on top of the mesa south of the # 1 venthole, approximately 75 feet off an existing drillroad on relatively flat terrain. Due to the topography no additional drillroad construction is anticipated. The only surface disturbance anticipated will be for the drillhole cuttings containment pit.

The two LP-21 drillsites are located in the flat area just west of the south edge of the LP-21 mine waste dump. Access to the drillsites will be off an existing road. No surface disturbance is anticipated for either the drillpads or the access. The only surface disturbance anticipated will be for the drillhole cuttings containment pit.

The CM-25 drillsite is located approximately 700 feet west of County Road EE22, just northwest of the western extent of the CM-25 underground workings. The drillsite is located on an existing drillroad. No surface disturbance is anticipated for either the drillpads or the access. The only surface disturbance anticipated will be for the drillhole cuttings containment pit.

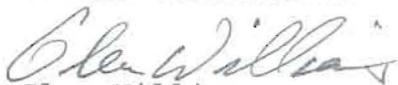
Prior site visits do not indicate any cultural resource or Threatened and Endangered species concerns exist. If there

DOE NOIs

are concerns regarding these issues following DOE's site visit, Cotter Corporation will have the sites of concern inspected for the appropriate issues by a qualified contractor.

If you have any questions regarding this information, please contact me at 970-864-7347

Sincerely,  
COTTER CORPORATION



Glen Williams  
Manager of Mining

cc: Ed Cotter, S.M. Stoller Corp.  
(w/ 3 copies of attachments)

**Form 1 – All information for DRMS use and confidential filing  
NOTICE OF INTENT TO CONDUCT PROSPECTING OPERATIONS  
FOR HARD ROCK/METAL MINES**

**CHECK ONE:** \_\_\_\_\_ **There is an NOI Number Already Assigned to this Operation**  
NOI # P- \_\_\_\_\_ (Please reference the file number assigned to this operation)  
 **New NOI**  
\_\_\_\_\_ **Modification to an Existing NOI**  
NOI# P- \_\_\_\_\_ (Provide for Modifications to an existing NOI)

GENERAL OPERATION INFORMATION

Type or print clearly, in the space provided, ALL information described below.

**I. GENERAL INFORMATION**

1. **DATE NOI RECEIVED BY THE DIVISION:** \_\_\_\_\_ (office use only)

2. **PROJECT NAME:** LP-21

3. **PROSPECTOR:**

Name: Glen Williams

Title: Manager of Mining

Company Name: Cotter Corporation

Street: 28151 DD Rd

P.O. Box: 700

City: Nucla

State: Colorado

Zip Code: 81424

Telephone Number: 970.864.7347

Fax Number: 970.864.7287

**PERSON MLRB SHOULD CONTACT:**

Name: See contact details under PROSPECTOR

Title: \_\_\_\_\_

Company Name: \_\_\_\_\_

Street: \_\_\_\_\_

P.O. Box: \_\_\_\_\_

City: \_\_\_\_\_

State: \_\_\_\_\_

Zip Code: \_\_\_\_\_

Telephone Number: \_\_\_\_\_

Fax Number: \_\_\_\_\_

4. **APPLICATION FEE:** \$86. (NOIs require a \$86 fee which must accompany this notice or it cannot be processed by the Division). Attached

5. **LOCATION INFORMATION:**

County: Montrose

PRINCIPAL MERIDIAN (check one) \_\_\_\_\_ 6<sup>th</sup> (Colorado)  10<sup>th</sup> (New Mexico) \_\_\_\_\_ (Ute)

SECTION (write number): S 27

TOWNSHIP (write number and check direction) T 47 North  South

RANGE (write number and check direction) R 17 East West

QUARTER SECTION (check one): NE NW SE  SW

QUARTER/QUARTER SECTION (check one):  NE NW SE SW

GENERAL DESCRIPTION: (the number of miles and direction to the nearest town and the approximate elevation):

Approximately 5 miles south of the historic townsite of Uravan. 6400 ft elevation

NOTE: Supply longitude and latitude or UTM coordinates if lands have not been surveyed or as supplemental information to this NOI. GPS measurements will be acceptable for this purpose:

\_\_\_\_\_  
\_\_\_\_\_

6. **LAND OWNERSHIP**

Private \_\_\_\_\_ Public Domain (BLM) \_\_\_\_\_ National Forest (USFS) \_\_\_\_\_  
State \_\_\_\_\_ State Sovereign Lands \_\_\_\_\_ Other (please describe): D.O.E. Lease Tract

**If prospecting is located on BLM or USFS land the remaining section must be completed, otherwise go to section II Maps & Drawings**

7. **PROSPECTING ON BUREAU OF LAND MANAGEMENT (BLM) LAND AND U.S. FOREST SERVICE (USFS) LAND**

The Division and the BLM/USFS have entered into cooperative agreements that eliminate the need for a prospector to post a financial warranty with each agency and allow them to coordinate the review of the NOI in order to minimize administrative processing time and effort.

A. **CLAIMANT:**

Name: Cotter Corporation

Address: 28151 DD Road, Box 700

Nucla, CO 81424

Telephone: 970.864.7347

Fax Number: 970.864.7287

B. **SITE/CLAIM INFORMATION:**

List names, serial numbers and provide legal description to nearest quarter-quarter section of all sites or claims (attach additional page, if necessary).

<u>NAME</u>	<u>SERIAL NUMBER</u>	<u>LEGAL DESCRIPTION</u>
<u>LP-21</u>		<u>All of Sec. 27 (excluding S1/2 SW1/4) and S1/2 SW1/4 and SW1/4 SE1/4 Sec. 22, T.47N., R.17W., NMPM, Montrose County, Colorado</u>

C. **LOCATION MAP:** Attach a USGS 7.5 minute quad, or similar map of adequate scale, which locates the prospecting site(s).

D. Are prospect sites (e.g., drill holes, trench locations, etc...) staked on the ground? Yes  No

E. Specify the Land Management Agency, Address and Telephone Number:

Ed Cotter, SM Stoller

U.S. D.O.E. - GJO, 2597 B-3/4 Road

Grand Junction, CO 81502-5504

970.248.6056

F. The prospector is required to document that the NOI has been sent to the BLM or the USFS. Processing of the NOI will not begin until the prospector has submitted evidence acceptable to the Division that the NOI was sent to the BLM or USFS. Check one:

Evidence of notification is attached to this NOI for BLM Land

Evidence of notification is attached to this NOI for USFS Land.

Other proof of notice is attached to this NOI

## II. MAPS & DRAWINGS

Accurate topographic base map showing the location of the proposed project must be submitted with this notice. The prospector may submit a U.S.G.S. 7.5 minute quadrangle, or similar map of adequate scale that:

- identifies the proposed prospecting site(s) or activity areas involving surface disturbance. Activity areas include all drill holes, mud pits, excavations, trenches, adits, shafts, tunnels, rock dumps, stockpiles, impoundments and prospecting roads, and
- includes sufficient detail to identify and locate known prospecting features and facilities that may be affected and those that are not anticipated to be affected. This includes the location of all drill holes, mud pits, excavations, trenches, adits, shafts, tunnels, rock dumps, stockpiles, impoundments and prospecting roads. Color photographs, adequately labeled (including date, orientation and location), of the prospecting site may be used to fulfill this requirement if included with the NOI submittal.

## III. PROJECT DESCRIPTION

- Mineral(s) and/or Resource(s) being Investigated: Uranium (U<sub>3</sub>O<sub>8</sub>) and Vanadium (V<sub>2</sub>O<sub>5</sub>)
- Estimated dates of commencement and completion:  
Commencement: After 1 Jul 2009  
Completion: Before 30 Sep 2009
- Amount of material to be extracted, moved or proposed to be moved: N/A
- Identify the type or method of prospecting proposed and quantity (place an "X")  
 Cuts       Pits       Trenches  
 Shafts       Tunnels       Adits       Declines  
 Air Drilling       Fluid Drilling       Drilling & Blasting

5. Describe proposed surface excavation or other land disturbance, including roads, pits, trenches, waste piles, drill pads and collar areas of underground workings, ponds, etc...

2 drill sites (approx 20'x 50') adjacent to an existing road. One site (PDH-LP21-2009-01) will connect directly to said road, the other site (PDH-LP21-2009-02) will require an off-road over-the ground access trail of about 100 feet. Only actual disturbance expected is for the D.O.E. mandated mudpit for each drill site (see section III-6-1). No surface disturbance for the drill pads or access trail is anticipated. Historic drilling has been dry.

6. Proposed Disturbance (approximate) Describe the proposed drilling to be conducted, including anticipated number of holes, diameter, depth, location, etc... Submit additional pages if necessary:

A. Drill Pads: Quantity 2 Average Width 20 (ft) Average Length 50 (ft)

B. Drill Holes: Quantity 2 Depth 225 (ft) Diameter 6 (in)

C. Mud Pits: Quantity 2 Average Width 10 (ft) Average Length 10 (ft) Average Depth 3 (ft)

Described proposed underground work, including reopening of old workings, advancement of adits or shafts, trenches, pits, cuts, rock dumps, or other types of disturbance, describe type, quantity and general dimensions:

None

D. Other Disturbances (please describe):

None

E. Indicate Chemicals and Fuels used or stored on site. List type, quantity and method to store.

< 200 gal diesel fuel and 55 gal or less motor oils and / or hydraulic fluids used by drill rigs and support vehicles. Fuel, oils and fluids will be stored in the beds of the support vehicles and removed from the drilling area at the end of each day.

F. New Road(s): Length (ft) Width (ft) Significantly Upgraded Road(s) Length (ft) Width (ft)

Are culverts or other crossings proposed? If so, please describe: None proposed

G. Total project area to be disturbed 0.004 (acres)

H. Describe the equipment to be used for the prospecting operations:

- 1) Small, truck-mounted rotary drill rig capable of boring to 1,500 feet
- 2) Rigid-frame water and or rod truck, single or dual rear axles, if needed
- 3) Support vehicle for drilling crew (3/4 ton 4x4 p/u truck or equivalent)

I. Describe and locate any structures to be constructed (i.e. stockpiles, ponds, impoundments):

The drill sites will have a nominal 10' x 10' x 3' catchment for cuttings/fluids as required on D.O.E. properties

J. Describe anticipated relationship to surface water and groundwater (proximity to streams, penetration of ground water aquifers):

The drainages are ephemeral and flow only during heavy rainstorms or snow melt. The nearest perennial stream is the San Miguel River, located about 3.5 miles to the northeast. Based on historic drill data, the proposed drilling is expected to be dry.

#### IV. OPERATION AND RECLAMATION MEASURES:

1. The Board suggests that a photographic record of the pre-prospecting and post-prospecting conditions be kept by the prospector. These photos should be taken from the same location and by the same method to clearly show the pre-prospecting condition of the land and the reclamation efforts. Upon completion of reclamation and request for bond or surety release, the Board may consider the photos as evidence of adequate reclamation, and thus, be able to act more quickly on the request for release.
2. Provide a description of the native vegetation of the area to be disturbed, including tree, shrub, and grass communities of the area. Color photographs, sufficient to adequately represent the ecology of the site and adequately labeled (including date, orientation and location), may be used in lieu of a written description. Based on the quality of the photographs, the Division may require additional detail.

Pinyon, juniper forest, sagebrush, rabbitbrush, snakeweed. The area is grazed by range cattle. Please see Appendix A for a narrative of the proposed operational and reclamation procedures. Photos of the proposed drill site are attached as Appendix B

- 3. Describe the estimated topsoil depth and how topsoil will be salvaged, stockpiled and redistributed for the re-establishment of vegetation. Specify approximate topsoil redistribution depth:

Topsoil, if present, is estimated to be less than 1 foot deep. Any topsoil disturbed will be saved, stockpiled to one side and redistributed over said disturbed area during reclamation.

- 4. Describe how drill holes will be plugged (refer to Rule 5.4 of the Rules for required abandonment procedures):

Any cuttings are to be returned to the hole to the extent possible. Remaining cuttings will be buried in the containment pits. The holes will be plugged with spray foam from five feet to within two feet of the surface and filled with available soil and or soil mixed with cuttings.

- 5. Describe how portals, adits, shafts, ponds, excavations, or other disturbances will be reclaimed (refer to Rule 3 and Rule 5 for specific reclamation performance standards). You may wish to contact the Division for closure specifications.

The topsoil from the containment pits will be bermed on the lower side. When reclaiming the site the bermed soil will be pushed back across the pits, dragged or raked and seeded with the approved seed mixture.

- 6. Describe how roads will be reclaimed or returned to their pre-prospecting (or better) condition:

No road disturbance is expected.

- 7. List the seed mixture to be used in the re-establishment of vegetation. See the attached seed mixture calculation to obtain PLS/acre. For assistance with formulating seed mixtures and rates, contact the local NRCS if on private land, BLM/USFS if on public land or State Land Board if on state land.

A. Provide plant name and seeding rate

Plant Name	Seeding Rate (PLS/acre)
See Appendix C	

B. Describe the method for seed bed preparation, and application method for grass/forb seeding:

Following reclamation, the surface is back-dragged with a toothed loader bucket or equivalent, seed is hand broadcast and either back-dragged again, hand raked or dragged over by chain link. See attached Appendix C for D.O.E seeding requirements.

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**V. TERMS AND CONDITIONS FOR PROSPECTING OPERATIONS:**

- 1. Reclamation measures shall be fulfilled in a timely manner and completed within five (5) years of completion of prospecting activities.
- 2. The prospecting operations described in this Notice will be conducted in such a manner as to minimize surface disturbances. In addition to the measures required in Rule 5, precautions to be taken include:
  - A. Confinement of operations to areas near existing roads or trails, where practicable. Existing roads which are to remain as permanent roads after prospecting activities are completed shall be left in a condition equal to or better than the pre-prospecting condition;
  - B. Drilling shall be conducted in such a way as to prevent cuttings and fluids from directly entering any dry or flowing stream channel. Drill cuttings must be spread to a depth no greater than one-half (1/2) inch or buried in an approved disposal pit;

- C. Proper and timely abandonment of drill holes upon completion of drilling;
  - D. Reclamation of affected lands upon completion of operations or phases of an operation;
  - E. Backfilling and revegetating any pits to blend in with the surrounding land surface;
  - F. Safeguarding mine entries, trenches and excavations from unauthorized entry at all times;
  - G. Disposal of any trash, scrap metal, wood, machinery, and buildings;
  - H. Control of noxious weeds within the area affected by the prospector
3. The prospecting operations shall be conducted in such a manner as to comply with all applicable local, state and federal laws and regulations including applicable state and federal air and water quality laws and regulations.
  4. The prospecting operations shall be conducted so as to minimize adverse effects upon wildlife to include covering of open drill holes until properly plugged.
  5. During the prospecting operations, the operator will perform the necessary stabilization and reclamation work to ensure those areas affected by prospecting activities are erosionally and geotechnically stable.
  6. All prospecting operations shall be in compliance with the Colorado Mined Land Reclamation Act, as amended (34-32-101 et seq. C.R.S.), and all rules and regulations currently in effect or promulgated pursuant thereto. See 2 CCR 407-1, Mined Land Reclamation Board Hardrock /Metal Mining Rules.

#### **VI. ADDITIONAL TERMS AND CONDITIONS FOR PROSPECTING ON BLM/USFS LANDS**

1. The prospector will supply a copy of this NOI to the appropriate BLM and/or USFS office.
2. The prospector authorizes the MLRB to discuss the information in this Notice of Intent with the BLM and/or USFS.
3. If on BLM land, the prospector will complete reclamation to the standards described in 43 CFR 3809.1-3 (d) and implement reasonable measures to prevent unnecessary or undue degradation of lands during operations.

#### **VII. FINANCIAL WARRANTY**

A financial warranty must be provided for the cost of reclamation of the disturbance described in this Notice. The prospector can either file a "One Site Prospecting Financial Warranty" or a "Statewide Financial Warranty." **The financial warranty must be submitted and approved by the Division prior to entry upon lands for the purpose of prospecting.**

An One-Site Prospecting Financial Warranty is usually filed by individuals or companies where prospecting activities are limited to a single area. It must be filed in the amount of \$2,000 per acre for land to be disturbed, or such other amount as determined by the Division, based on the projected costs of reclamation. A Statewide Financial Warranty is usually filed by companies with multiple prospecting sites. It must be filed in an amount equal to the estimated cost of reclamation per acre of affected land for all anticipated sites statewide. (You may increase the Statewide bond at any time in order to cover additional or expanded prospecting activities.)

**VIII. SIGNATURE REQUIREMENT**

Please place you initials on the line provided:

CW

I hereby verify that the foregoing information is true and accurate and commit to the reclamation of the aforementioned prospecting site as required by the Colorado Mined Reclamation Act and the rules as specified in the Hard Rock/Metal Mining Rules and Regulations and this NOI form.

CW

I have enclosed the required permit fee.

CW

I authorize the Division to contact and copy the BLM and/or USFS on any correspondence related to the prospecting operation, if the prospecting operation is located on federal public land.

CW

I have also enclosed the appropriate reclamation surety amount or will post an amount as determined by the office, based on the projected costs of reclamation.

CW

I understand that I am not authorized to create any surface disturbance until the surety amount is posted and approved in writing from the Division of Reclamation, Mining and Safety.

CW

I accept and agree to comply with the foregoing terms and conditions and with all of the provisions of Rules 3 and 5, and C.R.S. 34-32-101.

*This form has been approved by the Mined Land Reclamation Board pursuant to section 34-32-113, C.R.S., of the Mined Land Reclamation Act. Any alteration or modification of this form shall result in voiding any NOI issued on the altered or modified form and subject the operator to cease and desist orders and civil penalties for operating without a NOI pursuant to section 34-32-123, C.R.S.*

I, the undersigned, being the NOI holder or the person authorized to sign on behalf of the NOI holder, declare that the information given in this NOI form is true and correct.

**SIGNATURES MUST BE IN BLUE INK**

Signed and dated this 24 day of June, 2009

Signature of NOI holder or person authorized to sign:

Glen Williams

Name (typed or print) Glen Williams

Title/Position: Manager of Mining

## APPENDIX A

DRMS Form 1 Confidential

COTTER CORPORATION

Western Slope Operations

LP-21 2009 Exploration Project

Proposed Action

### Introduction

Cotter Corporation proposes to conduct exploratory drilling on the Department of Energy's Lease Block LP-21, located about 5 miles south of the historic townsite of Uravan, Montrose County, Colorado. The proposed action consists of boring two air rotary holes and is intended to obtain infill information gaps about historic drill-indicated mineralization and mineral trends. The proposed drill holes (LP21-2009-01 and LP21-2009-02) are located in the NW1/4 SW1/4 Sec. 27, T. 47N, R17W, New Mexico Prime Meridian. Approximate GPS coordinates (Lat/Long WGS84) for the two holes, 01 and 02, are 38.29735, -108.738834, and 38.29765, -108.73912, respectively. The proposed drill sites are located adjacent to an existing road. One site, LP21-2009-02 will require about 100 feet of an off-road, over-the-ground access trail. Construction (e.g. physical disturbance) of a new access road will not occur.

### Starting Date and Duration

Drilling is proposed to start early in the 3<sup>rd</sup> quarter of 2009. The actual date will depend on permitting and drill rig availability constraints. Drill program duration should be a couple of days.

### Pre-Drilling Surveys

Given the size of the program, that the proposed drill pads will be adjacent to an existing road, and the presence of numerous historic drill holes in the immediate area, no pre-drilling surveys, such as archeological, wildlife, or endangered species, are planned. Should a regulatory agency determine that a pre-drilling survey is needed, then Cotter will coordinate with that agency to make sure that an effective survey occur.

### Drilling Information

Two holes are proposed for the lease tract. Estimated depths will be about 225 feet. The holes will start in sediments belonging to the Brushy Basin Member of the Jurassic Morrison

Formation and terminate below the principal ore-bearing horizons of sandstones assigned to the Salt Wash Member of the Morrison Formation.

Drilling will be done by a truck-mounted rotary rig capable of drilling from 1,000 feet to 1,500 feet or so, such as a Gardner-Denver 1500 or equivalent. Hole diameters will be in the 5” to 6” range, and cuttings will be removed by airlift. Although considered unlikely, a nominal 1,000 gal to 2000 gal water truck will be available if water is needed to make an air/foam mixture. If an air foam mixture is needed, then the foaming agent will be an environmentally benign, non-hazardous and non-toxic product such as Quik-Foam™ or equivalent.

Cuttings will be directed into the containment pits at each site and mineralized cuttings will be segregated within the pit.

Probing will be accomplished with a truck-mounted probe unit possessing gamma and electric logging tools. No tool with a radioactive source will be used.

#### Surface Disturbance

No roads will be constructed. The only surface disturbance anticipated will be the excavation of two nominal 10 foot x 10 foot by 3 foot deep containment pits for cuttings and, if needed, air-lifted water from the drill holes. The estimated disturbed area will be about 100 ft square per site, or 0.004 acres in total.

#### Drill Hole Abandonment

- A) Plugging Procedure – The drill hole will be backfilled as much as possible with cuttings, using the mineralized material first. After backfilling to within about 5 feet from the surface, a spray foam plug will be brought to within about 2 feet of the surface. The remainder of the hole to the surface will be filled with soil and cuttings. The hole will be permanently marked with a 2”x2” wooden stake on which a tag bearing the hole designation number is affixed.
- B) Surface Restoration – To the extent possible, remaining drill cuttings will be placed into the containment pit for burial. The disturbed ground will be graded and an approved seed mixture will be broadcast immediately following reclamation
- C) Estimated Cost of Surface Restoration – Estimated cost of the surface restoration is approximately \$400.00

#### Compliance with Statues and Regulations

For exploration, Cotter will use the services of contractors. All Cotter contracts with service companies will contain specific sections requiring compliance with all applicable Federal, State and local statues and regulations.

Surface Use and Environmental Stipulations

Existing roads will be used for access to the proposed drill site. No improvement of existing roads is anticipated. Excessive surface deterioration that might be caused by vehicle in off-road areas, particularly in wet weather, will be restored to the satisfaction of the Contracting Officer as soon as practical after such conditions cease.

Fire hazards resulting from the operation of a drill will be minimized by removing any brush that might come in contact with the drill exhaust. Should any uncontrolled fires be encountered, they will be reported to Manager, Montrose District, U.S. Bureau of Land Management, Montrose, Colorado.

There are no bodies of water on, or near, the area of exploration activity. Drilling shall be conducted in such a way as to prevent cuttings and fluids from directly entering any dry or flowing stream channel.

Drill sites, upon completion of drilling, will be left in a clean condition with the contractor involved removing all trash and carrying it to his shop or base of operations for disposal. All Cotter contracts with service companies contain a clause on waste removal which will be strictly enforced.

## APPENDIX B

DMRS Form 1 Confidential

COTTER CORPORATION

Western Slope Operations

LP-21 2009 Exploration Project

Photos of the Proposed Action Area



Photo 1. View looking northwest toward the proposed drill site LP21-2009-01. Note existing road in the center foreground.

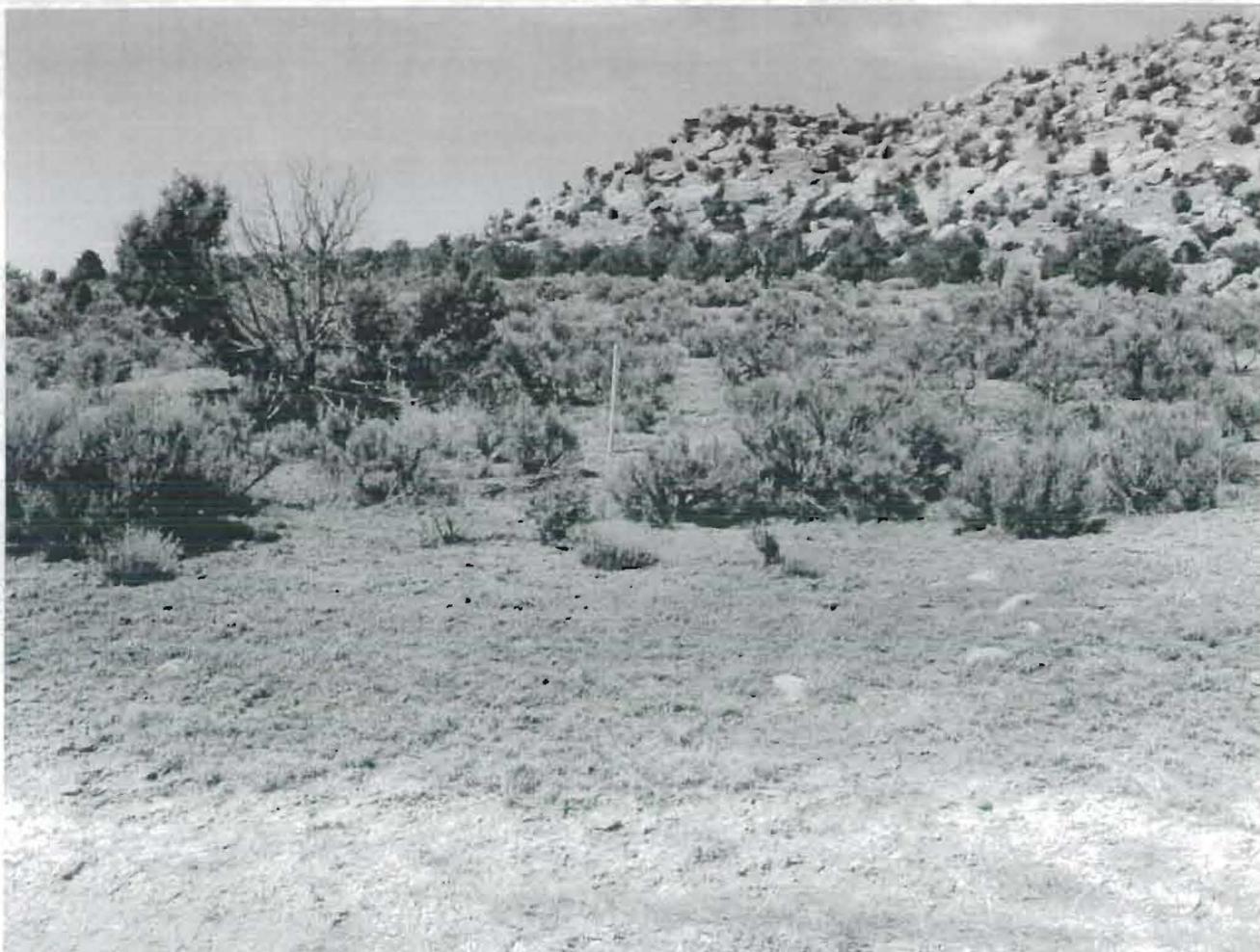


Figure 2. Closeup view of proposed drill site LP21-2009-01 looking northwest



Photo 3. View of proposed drill site LP21-2009-02 looking to the west. Existing road seen in the LP21-2009-01 photos runs from behind the truck in the distance to out the right edge of this photo.

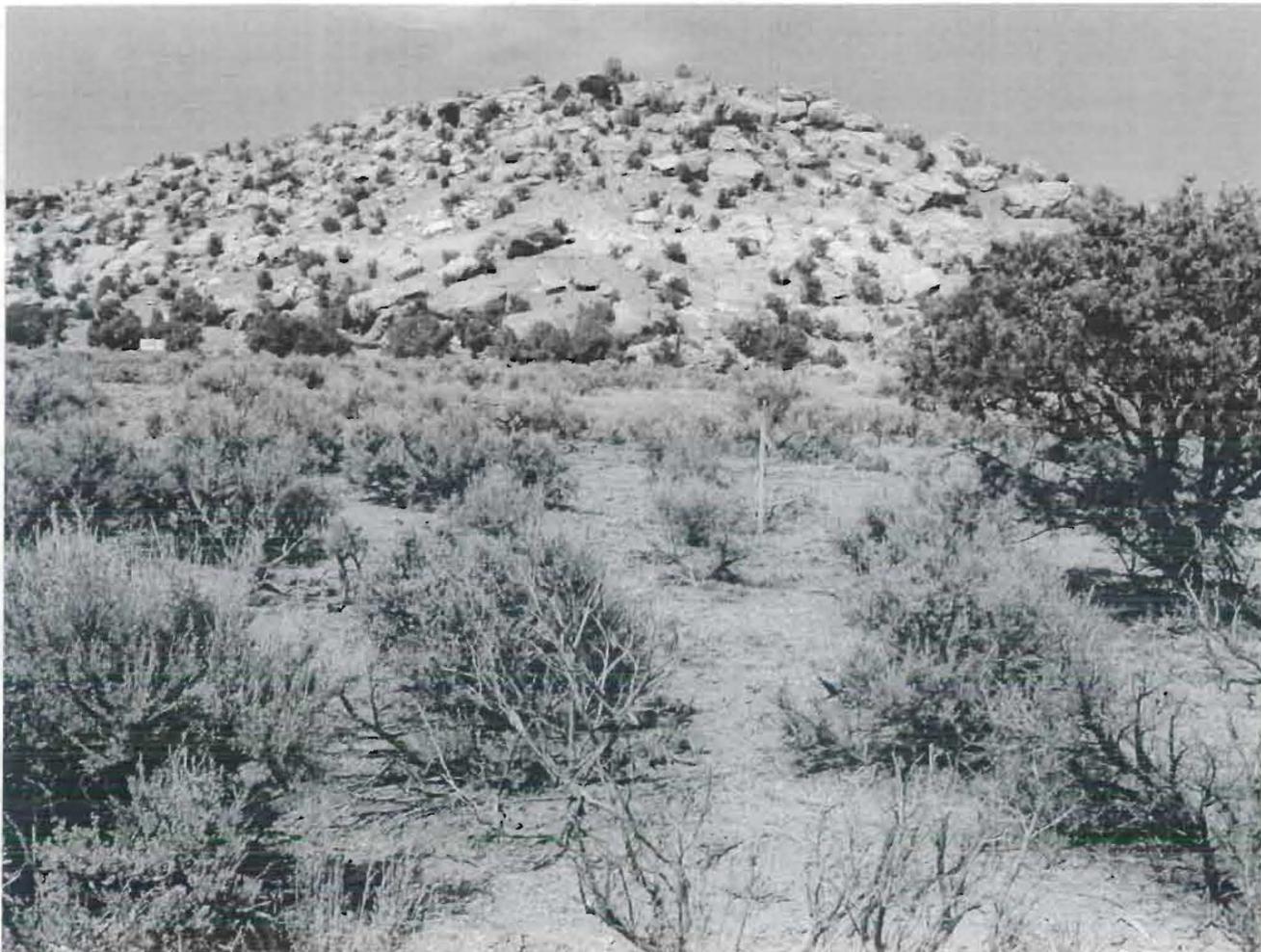


Photo 4. Closeup view looking northeast of proposed drill site LP21-2009-02.

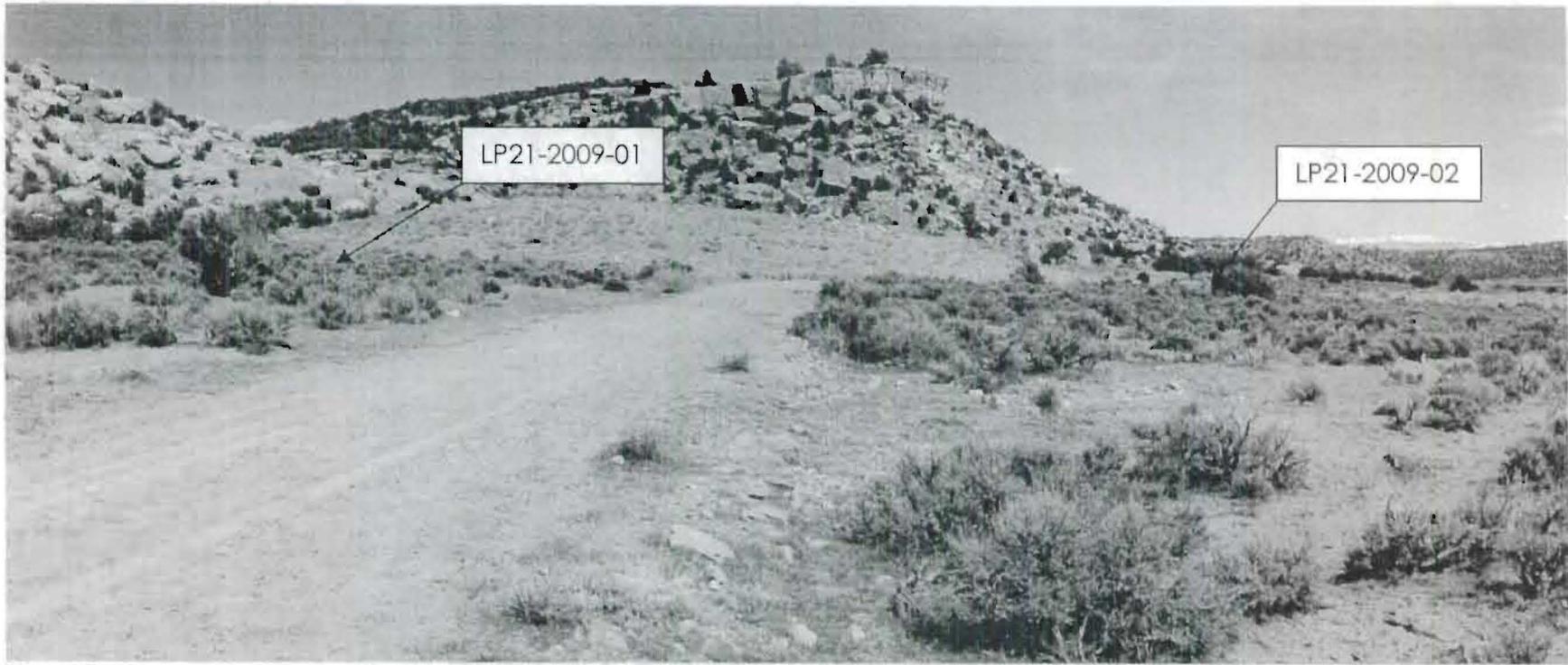


Photo 5. Panoramic view looking from the north clockwise to the east of proposed drill site LP21-2009-01 and LP212009-02.

APPENDIX C

DRMS – Form 1 Confidential

LP21 2009 NOI

**URANIUM LEASING SITES  
Reseeding Specifications**

The following seed mixture was developed, in consultation with U.S. Bureau of Land Management, and is generally approved for use within the Slick Rock, Naturita, Uravan, and Gateway, Colorado, areas. Seed selection criteria were based on climate and elevation ranges within these areas. Recognizing that surface soil conditions, nutrients, and available moisture can vary within these areas, successful establishment of six or more of the twelve species is considered adequate. If the total number of species seeded is less than that specified below, the seeding rates for the individual species must be adjusted accordingly. All seed tags must be submitted to DOE for verification prior to the seeding application.

Species		Broadcast Application Rate (lbs. PLS/ acre)
Scientific Name	Common Name	
<i>Pascopyrum smithii</i>	Arriba western wheatgrass	4.0
<i>Elymus trachycaulus ssp. trachycaulus</i>	Slender wheatgrass	2.0
<i>Oryzopsis hymenoides</i>	Paloma Indian ricegrass	4.0
<i>Bouteloua gracilis</i>	Hachita blue grama	2.0
<i>Hilaria jamesii</i> (florets)	Galleta grass	2.0
<i>Stipa comata</i>	Needleandthread grass	1.0
<i>Stipa viridula</i>	Lodorm green needlegrass	2.0
<i>Linum lewisii</i>	Lewis flax	1.0
<i>Penstemon palmeri</i>	Cedar Palmer penstemon	0.5
<i>Sphaeralcea coccinea</i> or <i>Sphaeralcea parvifolia</i>	Scarlet or Parvifolia globemallow	0.3
<i>Atriplex canescens</i>	Rincon fourwing saltbush	3.0
<i>Ceratoides lanata</i>	Winterfat	1.0
<b>Total pounds per acre</b>		<b>22.8</b>

Seed shall be broadcast at the specified application rate and covered (except pocked surfaces) using a drag bar, chain link, or packer wheels. If seed is drilled, use one-half () the broadcast rate.

Seeding shall be performed during one of the following time periods:

- For best results, between October 15 and consistent ground freeze; or
- Between August 1 and August 31.

Revegetation efforts on the disturbed areas will be considered satisfactory when:

- Soil erosion resulting from the operation has been stabilized; and
- A vegetative cover at least equal to that present prior to the disturbance and a plant species composition at least as desirable as that present prior to the disturbance has been established

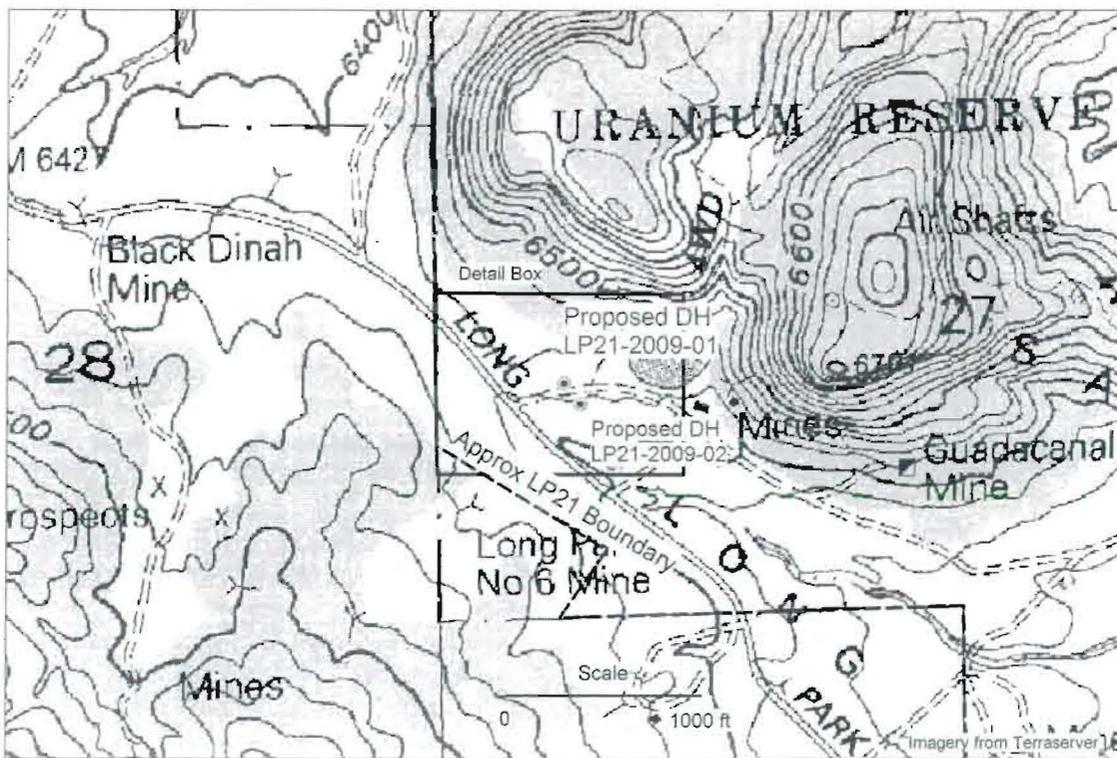
MAPS AND DRAWINGS

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Cotter Corporation  
Western Slope Operations  
LP-21 2009 NOI  
Proposed Drill Hole Locations  
NW1/4 SW1/4 Sec 27 T47N, R17W NMPM  
Figure 1  
TA Apr09

Figure 1. Location of the proposed drill holes relative to the west side of the DOE LP21 Lease Block



Cotter Corporation  
Western Slope Operations  
LP-21 2009 NOI  
Proposed Drill Hole Locations (airphoto base)  
NW1/4 SW1/4 Sec 27 T47N, R17W NMPM  
Figure 2 TA Apr09

Figure 2. Detailed air photo image showing the location of the proposed drill holes