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 archaeological 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.
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,

Steven R. Schiesswohl
Realty Officer

2009.10.27
07:49:07 -06'00'

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.

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

Total pounds per acre 22.8

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 (½) 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.
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 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
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.
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,

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

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<th>Project/Activity Title</th>
<th>NEPA ID Number</th>
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<tr>
<th>Contractor NEPA Coordinator</th>
<th>Contractor Task Manager</th>
<th>Signature</th>
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<tbody>
<tr>
<td>Sandra Beranich</td>
<td>Ed Cotter</td>
<td></td>
</tr>
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</table>

<table>
<thead>
<tr>
<th>DOE Project Manager</th>
<th>Signature</th>
</tr>
</thead>
<tbody>
<tr>
<td>Steven Schiesswohl</td>
<td></td>
</tr>
</tbody>
</table>

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.

<table>
<thead>
<tr>
<th>Element</th>
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<tbody>
<tr>
<td>Air emissions/air quality</td>
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</tr>
<tr>
<td>Noise</td>
<td>X</td>
<td></td>
</tr>
<tr>
<td>Solid waste generation</td>
<td>X</td>
<td></td>
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<tr>
<td>Mixed waste management</td>
<td>X</td>
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<td>Chemical storage on site</td>
<td>X</td>
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<td>Pesticide/herbicide use</td>
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<td>Toxic substances management</td>
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<td>Regulated quantities of petroleum used or stored on site</td>
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<td>Exposure/impacts to public or workers</td>
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<td></td>
</tr>
<tr>
<td>Need for public awareness/involvement</td>
<td>X</td>
<td></td>
</tr>
<tr>
<td>Transportation/traffic control required</td>
<td>X</td>
<td></td>
</tr>
<tr>
<td>Access to/use of DOE property</td>
<td>X</td>
<td></td>
</tr>
<tr>
<td>Visual resources impacted</td>
<td>X</td>
<td></td>
</tr>
<tr>
<td>Cultural/arch resources present</td>
<td>X</td>
<td></td>
</tr>
<tr>
<td>Wetland/floodplain impacted</td>
<td>X</td>
<td></td>
</tr>
<tr>
<td>Protected species present: Federal, state, or Tribe listed</td>
<td>X</td>
<td></td>
</tr>
</tbody>
</table>

Page 1 of 2
### 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  
Date  
8/31/09

Distribution upon signature:

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

- 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.

- 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,

[Signature]

Barbara Sharrow
Manager, Uncompahgre Field Office

cc: Russ Means, CDRMS
    Ed Cotter, Stoller-DOE
August 11, 2009

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
Realty Officer

cc: G. Williams, Cotter Corporation
     L. Kilpatrick, DOE (e)
     E. Cotter, Stoller (e)
     Project File ULSCF 2.0 (E. Cotter)
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
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
July 28, 2009

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

Re: Notice of Intent Application, PP-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

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<th>DOE Lease Tract:</th>
<th>Lessee:</th>
<th>Date:</th>
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<tr>
<td>C-LP-21</td>
<td>Cottler Corp</td>
<td>7/14/09</td>
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</table>

**Proposed Activity:** Exploration Plan (2 holes)

**Examiner Team:**
- Cottler Corp
-Burns, J
- Turley, DOE/Stoller
- Grand Jct (970) 248-6056
- Williams, Cottler
- Nucla, 864-7347
- Adkins, Consultant
- Nucla, 864-7205
- Burns, BLM
- Montrose, 240-5333
- Thnder, DOE/Stoller
- Grand Jct, 248-6711

Description of Surface Area Affected: Sagebrush 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.
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
Realty Officer

cc: L. Kilpatrick, DOE (e)
    E. Cotter, Stoller (e)
    Project File ULSCF 2.0 (E. Cotter)
June 30, 2009

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,

[Signature]

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
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 drill sites.

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

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

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

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

DOE NOIs
Cotter Corporation - West Slope Operations
P.O. Box 700, 28151 DD Road, Nucla, CO 81424 USA

Telephone (970) 864-7347
Fax (970) 864-7287
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)