ULP 000790

Department of Energy
Office of Legacy Management

July 20, 2010

OLM-LEK-2010-099

Mr. Rich Ziegler, Vice President
Golden Eagle Uranium, LLC
6767 South Spruce Street, Suite 100
Centennial, CO 80112

Subject: Approval of Exploration Plans Submitted for DOE Lease Tracts C–SR–15A and C–WM–17

Dear Mr. Ziegler:

The two Prospecting Notices of Intent (NOIs) for U.S. Department of Energy (DOE) Lease Tracts C–SR–15A and C–WM–17 (each proposing 1 hole), submitted by Golden Eagle Uranium, LLC (GEU) on April 16, 2010, have been reviewed by DOE and its contractor in accordance with the *Uranium Leasing Program Final Programmatic Environmental Assessment*, the Lease Agreements and the National Environmental Policy Act. The NOIs are hereby approved as submitted, subject to the following stipulations:

1) No new roads shall be constructed; each drill site shall be accessed by existing roads. These 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, GEU 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, GEU must stop activities in the vicinity of the discovery and protect it for 30 days or until notified to proceed by DOE. Additionally, GEU 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) Combustible materials located within each drill pad area shall be removed as necessary to minimize fire danger.
4) During wet weather, when excessive damage can be caused by vehicle traffic, activities shall cease until conditions improve.

ULP 018.06 (c)

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 buried within the containment pit and covered with existing surface soil materials. Polyurethane foam or concrete shall be used to permanently plug the drill holes.
6) If on-site refueling activities are required, appropriate precautions shall be taken to prevent fuel spills. If a spill occurs, appropriate actions shall be taken immediately to control and mitigate the spill.
7) All activities associated with these NOIs, including the reclamation and reseeding of disturbed areas, shall be completed in a timely manner. 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) 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 each Lease Agreement.
9) GEU personnel shall provide DOE with a proposed schedule for the completion of the approved activities.

DOE coordinated its review of these NOIs with the BLM and the Colorado Division of Reclamation Mining, and Safety (CDRMS). These agencies have concurred with DOE's decision, subject to their letters (Steve Beverlin, BLM, to Ed Cotter, DOE contractor, dated July 12, 2010 [CO–S04], and G. Russell Means, CDRMS to Preston Niesen, GEU, two letters dated June 7, 2010 [P-2010-008 and P-2010-009], respectively.

DOE herein advises GEU that a minimum performance bond in the amount of $5,000 must be posted with DOE for each lease tract to adequately cover the estimated reclamation costs associated with these NOIs. These performance bonds shall be posted with DOE prior to any surface-disturbing activities being initiated on the respective lease tract. Please note that the reclamation liability associated with all future activities proposed by GEU will be assessed by DOE in a similar manner and the bond amounts may need to be revised.

Approval of these plans is conditioned upon the faithful compliance with the terms, conditions, and stipulations set forth herein and in the Lease Agreements. This approval is restricted solely to the activities set forth in your plans. 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 these plans in general shall not be construed as a modification of any requirements of the Lease Agreement.

Should you have any questions concerning this matter, please contact me at (720) 880–4338, or Ed Cotter of my contractor staff at (970) 248–6056.

Sincerely,

Laura E. Kilpatrick
DOE LM - Rocky Flats
2010.07.21 08:57:16 -06'00'

Laura E. Kilpatrick, Esq.
Realty Officer

Enclosure

cc w/enclosure:
J. Blair, DPLO
R. Means, CDRMS
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**	
Pascopyrum smithii	Arriba western wheatgrass	4.0
Elymus trachycaulus ssp. trachycaulus	Slender wheatgrass	2.0
Oryzopsis hymenoides	Paloma Indian ricegrass	4.0
Bouteloua gracilis	Hachita blue grama	2.0
Hilaria jamesii (florets)	Galleta grass	2.0
Stipa comata	Needleandthread grass	1.0
Stipa viridula	Lodorm green needlegrass	2.0
Linum lewisii	Lewis flax	1.0
Penstemon palmeri	Cedar Palmer penstemon	0.5
Sphaeralcea coccinea or *Sphaeralcea parvifolia*	Scarlet or Parvifolia globemallow	0.3
Atriplex canescens	Rincon fourwing saltbush	3.0
Ceratoides lanata	Winterfat	1.0
	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.

Cotter, Ed

From: James_Blair@blm.gov
Sent: Thursday, July 15, 2010 2:44 PM
To: Cotter, Ed
Subject: SR 15, WM 17

Ed,

In our responses to the Notice of Intent for Drilling on DOE Lease tracts SR-15 and WM17 we included the following stipulatyions.

- While no groundwater is expected during drilling, please ensure that if water is encountered that the drill hole is abandoned properly according to state abandonment regulations.
- Make sure conditions are dry enough to conduct drilling-related activities without causing substantial rutting.
- To prevent the spread of weeds, please pressure wash vehicles and heavy equipment, including undercarriages prior to mobilizing onto the site.
- Please adhere to any archeological stipulations or mitigation measures identified in the archeology report.
- Avoid conduction drilling-related activities when soil conditions are dry.

Earlier today you called me and pointed out that the last stipulation did not make sense and conflicted with the second stip. I appologize for the error. Please strike the last stipulation. I will note this change in the files.

Sorry for the confusion.

James J. Blair
Geologist
Bureau of Land Management
Dolores Public Lands Office
29211 Hwy. 184
Dolores, CO, 81323
(970) 882-6862 (office)
(970) 749-6714 (cell)
(970) 882-6841 (fax)

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JUL 14 2010

USDA Forest Service
San Juan National Forest
Dolores Ranger District
http://www.fs.fed.us/r2/sanjuan

Dolores Public Lands Office
29211 Highway 184
Dolores, CO 81323
Ph (970) 882-7296 Fax (970) 882-6841

USDI Bureau of Land Management
San Juan Center
Dolores Field Office
http://www.co.blm.gov

In Reply Refer To:
DOE Leases SR-15A, WM-17 (CO-S04)

Mr. Ed Cotter, Program Lead
DOE Uranium Leasing Program
S.M. Stoller Corporation
2597 B 3/4 Road
Grand Junction, CO 81503

July 12, 2010

Dear Mr. Cotter,

We have reviewed the copy of the Notice of Intent to Conduct Prospecting Operations for Golden Eagle Uranium's proposed drilling on DOE Uranium Lease Tracts WM-17 and SR-15A, signed April 16, 2010. The proposed drill sites are located at the following legal descriptions:

SR-15A: T44N, R19W, Sec. 22, NE¼NW¼

WM-17: T45N, R18W, Sec. 14, NE¼SE¼

The Notices, while at different locations are very similar in all other respects. They are summarized as follows:

> Each has a single drill hole approximately 600 feet deep and 6 inches in diameter. The drilling sites will be approximately 20 feet wide by 50 feet long, and a sump 10x10x3 feet will be excavated to catch cuttings. No road construction is needed because access will be via existing roads. Minor road improvements may be needed in a few rough spots. Equipment will include a small, truck mounted rotary drill rig, a rigid frame rod and or water truck, and a pickup truck support vehicle. The notice indicates that upon completion, the borehole will be backfilled with cuttings, with a cap of spray foam, and the upper 2 feet filled with soil and/or a soil/cuttings mixture. Excess cuttings will be buried in the sump. The notice further states that "historic drill records indicate that the hole will be dry".

On May 15, 2010 Dolores Public Lands Office (DPLO) staff inspected each site. During the inspection the ground was still fairly wet and access roads were very muddy in places. If operations are take place when soil conditions are dry, then disturbance will be negligible. As a rule of thumb, soil is considered to be too-wet when driving causes ruts greater than 4 inches depth and 10 feet in length. No other issues were identified during the site inspection.

Based on a review of the plan, and input from DPLO staff, I recommend that your approval of the drill plan incorporate the following mitigation measures as conditions of approval:

- While no groundwater is expected during drilling, please ensure that if water is encountered that the drill hole is abandoned properly according to state abandonment regulations.
- Make sure conditions are dry enough to conduct drilling-related activities without causing substantial rutting.
- To prevent the spread of weeds, please pressure wash vehicles and heavy equipment, including undercarriages prior to mobilizing onto the site.
- Please adhere to any archeological stipulations or mitigation measures identified in the archeology report.
- Avoid conduction drilling-related activities when soil conditions are dry.

If you have any questions or concerns, please contact James Blair, DPLO geologist, at (970) 882-6862.

Sincerely,

Steve Beverlin
Field Manager

cc:
Bob Oswald, Colorado DRMS
Files

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

Project/Activity: Drill one exploratory borehole on Lease Tract 15A by Golden Eagle Uranium

A. Brief Project/Activity Description

Golden Eagle Uranium LLC proposes to drill one 5-inch-diameter exploratory borehole on U.S. Department of Energy (DOE) lease tract C-SR-15A, located in western San Miguel County, Colorado. The drilling would be completed by a truck-mounted rotary drill rig capable of boring to 1,000 feet (ft) below ground surface (bgs). The proposed location of the borehole is in a previously disturbed area and is adjacent to a two-track dirt road. Access to the site would be on existing dirt roads.

The drilling would be completed dry to an estimated depth of 600 ft bgs. Once data are collected, the hole would be plugged in accordance with Colorado Division of Reclamation, Mining, and Safety regulations. After the borehole is advanced to the desired depth, cuttings showing uranium mineralization would be returned to the borehole first, and the remaining materials would be placed in the hole to a depth of 7 ft bgs. Polyurethane foam or concrete would be used to fill the next 5 ft, and the final 2 ft would be filled with native soil. If groundwater is encountered, bentonite pellets would be used to plug the saturated zone and thereby restrict groundwater movement and potential cross-contamination. Groundwater is not expected to be encountered during the drilling.

The drill site would occupy an area of approximately 20 ft by 50 ft, and a mud pit approximately 10 ft by 10 ft by 3 ft deep would be excavated to contain the drill cuttings and topsoil. All topsoil materials would be segregated from the cuttings and used to reclaim the site. Reclamation of the site after completion of all activities would include grading of all disturbed areas and seeding with an approved native plant mixture.

It is expected that less than 200 gallons of diesel fuel and 55 gallons of motor oil and hydraulic fluids would be needed for equipment operation; these fluids would be stored in appropriate containers on the beds of support vehicles.

The area was evaluated for the presence of cultural resources and none were identified. The work is planned to be conducted after migratory bird season, although there are no breeding or nesting birds known to be present on the site. No wetlands are present.

B. Environmental Concerns

Evaluate the following elements and indicate by checking "yes" or "no" if any phase of the project/activity would result in a change or impact that is subject to regulatory permits, controls, or plans or that would require additional evaluation. If the "yes" column is checked, provide a brief explanation below and attach sheets with additional detail as necessary or appropriate.

Element	Yes	No	Element		
Air emissions/air quality	☒	☐	Exposure/impacts to public or workers	☐	☒
Noise	☒	☐	Need for public awareness/involvement	☐	☒
Solid waste generation	☐	☒	Transportation/traffic control required	☐	☒
Mixed waste management	☐	☒	Access to/use of DOE property	☐	☒
Chemical storage on site	☐	☒	Visual resources impacted	☐	☒
Pesticide/herbicide use	☐	☒	Cultural/archaeological resources present	☐	☒
Toxic substances management	☐	☒	Wetland/floodplain impacted	☐	☒
Regulated quantities of petroleum used or stored on site	☐	☒	Protected species present: federal, state, or tribe listed	☐	☒
Radioactive materials/soils	☐	☒	Migratory birds breeding or nesting	☐	☒
Surface (ground) disturbance	☒	☐	Wild/scenic rivers impacted	☐	☒

Element	Yes	No	Element		
Surface water use/contamination	☐	☒	Prime/unique farmlands present	☐	☒
Surface water quality	☐	☒	Groundwater use/contamination	☐	☒
Groundwater quality affected	☐	☒	Other considerations	☐	☒

C. Explanation and Qualification of All "Yes" Responses

Air emissions/air quality: The dry drilling operation would likely generate fugitive dust. If necessary, water would be used as a dust suppressant and applied by a water truck brought to the location.

Noise: Anticipated noise levels would be commensurate with the use of a drilling rig. Noise would be limited to the duration of the project.

Surface (ground disturbance): Surface disturbance would consist of the borehole and excavation of a mud pit. All disturbed areas would be reclaimed after completion of the drilling. Less than an acre would be disturbed.

D. Eligibility/Conditions

The proposed action fits within a class of actions listed in Appendix A or B to Subpart D of Title 10 *Code of Federal Regulations* Part 1021 (10 CFR 1021); DOE has determined that these classes of actions do not individually or cumulatively have a significant effect on the human environment (see 10 CFR 1021.410). There are no extraordinary circumstances related to the proposed action that may affect the significance of the environmental effects of the proposed action, and the proposed action is not "connected" to other actions with potentially significant impacts. Finally, the action is not related to other proposed actions with cumulatively significant impacts and is not precluded by 40 CFR 1506.1 or 10 CFR 1021.211.

E. Recommendation

The proposed drilling of one borehole is an allowable activity under Criterion B3.1 (f) of Appendix B to Subpart D of 10 CFR 1021: "Sampling and characterization of water, soil, rock, or contaminants." The proposed reclamation of the disturbed area after drilling is completed is an allowable activity under Criterion B1.3 (k) "Erosion control and soil stabilization measures (such as reseeding and revegetation)."

☒ Meets Criteria ☐ Does Not Meet Criteria ☐ Unsure

F. NEPA Determination

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 have been reviewed, and the following has been determined:

☒ 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

Concurrences

Project/Activity: Drill one exploratory drill hole on Lease Tract 15A by Golden Eagle Uranium

LM Site Name Golden Eagle LLC Lease Tract 15A	**LM Site Program** Uranium Lease Program	
Contractor NEPA Coordinator Sandy Beranich	**Signature** Sandra Beranich 2010.05.24 11:44:48 -06'00'	**Date**
Contractor Site Lead Ed Cotter	**Signature** 2010.05.24 12:22:25 -06'00'	**Date**
LM Site Manager Laura Kilpatrick	**Signature** Laura E. Kilpatrick DOE LM - Rocky Flats 2010.05.24 17:30:09 -06'00'	**Date**
LM NEPA Compliance Officer Richard Bush	**Signature**	**Date** 6/15/10

Distribution upon signature:

R. Bush, LM NEPA Compliance Officer
L. Kilpatrick, LM Site Manager
S. Beranich, Stoller NEPA Coordinator
E. Cotter, Stoller Site Lead
S. Osborn, Stoller Compliance Manager
rc-grand.junction

Cotter, Ed

From: Jamie_Sellar-Baker@blm.gov
Sent: Tuesday, June 15, 2010 3:31 PM
To: Cotter, Ed
Cc: James_Blair@blm.gov
Subject: Re: FW: Uranium Leasing Program -- Exploration Drilling on DOE Lease Tract C-SR-13A

Ed, in regard to your earlier mail messages re:

C-SR-13A - You can relay to Glen Williams that he has the green light to drill this hole.

Golden Eagle SR15 and WM-17- There appear to be no other issues on these well sites. As soon as James returns next Monday from leave I will have him draft a letter to proceed with the drilling activity with the appropriate conditions of approval.

Hope this helps. Jamie

Jamie Sellar-Baker
Associate Manager
Dolores Public Lands Office
29211 Hwy. 184
Dolores, CO 81323

970-882-6843
970-799-1173

"Cotter, Ed" <Ed.Cotter@lm.doe.gov> wrote on 06/15/2010 08:31:16 AM:

>
> Jamie,
>
> I received an e-mail note that James Blair is out of the office this
> week, so I was wondering if you could answer my question in the e-mail
> below. Thank you. Ed
>
> -----Original Message-----
> From: Cotter, Ed
> Sent: Monday, June 14, 2010 10:04 AM
> To: James Blair
> Cc: Glen Williams; Cotter, Ed
> Subject: Uranium Leasing Program -- Exploration Drilling on DOE Lease
> Tract C-SR-13A
>
>
> James,
>
> Last week, Glen Williams of Cotter Corporation advised me that he is
> beginning the process of contracting with a drilling company to drill
> the one exploratory hole that Cotter proposed last year for Lease
> Tract C-SR-13A last year; Cotter's proposal was approved in November 2009.
> Glen indicated that the driller was already working in the Egnar area
> and wanted to complete the drilling on C-SR-13A before the driller
> demobilized from the area. Is there anything else that Cotter would
> need to do prior to initiating it proposed 1- to 2-day drilling
> activities on C-SR-13A? Please let me know.
>
> Ed Cotter, Program Lead
> Uranium Leasing Program

Cotter, Ed

From: Cotter, Ed
Sent: Tuesday, June 15, 2010 8:38 AM
To: Jamie Sellar-Baker
Cc: Cotter, Ed
Subject: FW: Golden Eagle SR15 and WM-17 Archeology

Jamie,

Could you please respond to the questions in my e-mail below? Thank you. Ed Cotter

-----Original Message-----
From: Cotter, Ed
Sent: Thursday, June 03, 2010 1:43 PM
To: 'James_Blair@blm.gov'
Cc: Cotter, Ed
Subject: RE: Golden Eagle SR15 and WM-17 Archeology

James,

Have you identified any potential outstanding issues for any other resources? Additionally, can I get a formal letter from DPLO that outlines any/all issues concerning Golden Eagle Uranium's proposed exploration activities?

Thank you for your assistance on this matter.

Ed Cotter, Program Lead
Uranium Leasing Program

-----Original Message-----
From: James_Blair@blm.gov [mailto:James_Blair@blm.gov]
Sent: Monday, May 17, 2010 11:36 AM
To: Cotter, Ed
Subject: Re: Golden Eagle SR15 and WM-17 Archeology

We double checked and the clearance applies to both WM 17 and SR 15. I'll get back to you about the other resources soon, but don't forsee any issues.

James J. Blair
Geologist
Bureau of Land Management
Dolores Public Lands Office
29211 Hwy. 184
Dolores, CO, 81323
(970) 882-6862 (office)
(970) 749-6714 (cell)
(970) 882-6841 (fax)

James Blair/DUFO/CO/BLM/DOI
05/12/2010 09:20 AM

To: Ed Cotter
cc:
Subject: Golden Eagle SR15 Archeology

Ed,

Vince finished the archeology. Looks like there are no concerns. The standard archeology conditions of approval include:

1) If subsurface cultural resources are unearthed during operations, activity in the vicinity of the cultural resource will cease and a BLM representative notified immediately. Pursuant to 43 CFR 10.4 the holder of this authorization must notify the authorize officer, by telephone, with written confirmation, immediately upon the discovery of human remains, funerary items, scred 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.

2) The operator is responsible for informin all persons associated with this project that they will be subject to prosecution for knowingly disturbing Native American Indian Shrines, Historic and prehistoric acheology sites, or for collecting artifacts of any kind, including historic items and or arrowheads and pottery fragments from Federal lands.

James J. Blair
Geologist
Bureau of Land Management
Dolores Public Lands Office
29211 Hwy. 184
Dolores, CO, 81323
(970) 882-6862 (office)
(970) 749-6714 (cell)
(970) 882-6841 (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

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COLORADO DIVISION OF RECLAMATION MINING & SAFETY

Bill Ritter, Jr.
Governor

James B. Martin
Executive Director

June 7, 2010

Preston Niesen
Golden Eagle Uranium, LLC
6767 S. Spruce Street, Suite 100
Centennial, Colorado 80112

RE: DOE Lease SR-15A, Notice of Intent (NOI) Application, P-2010-009, Review and Financial Warranty.

Dear Mr. Niesen,

The Division of Reclamation, Mining, and Safety (DRMS) has finished the review Golden Eagle Uranium's application for the above referenced Notice of Intent. The project is for one drill hole approximately 600 feet in depth and less than an acre of disturbance. All application issues appear to have been addressed to meet the minimum requirements of the Rules and Act.

Due to the minimal surface disturbance of the project and only one drill hole staff feels the minimal bond required per Rule 5.3.3 of $2,000.00 is sufficient. 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. In order for the Notice to become approved and active the reclamation liability bond of $100.00 must submitted and accepted by the Division's Denver Main Office. Additionally, proof of posting of a reclamation bond in the minimum amount of $1,900.00 with DOE must be submitted to the Division.

Please submit all bonding documentation to Elizabeth Merry in the DRMS Denver Office. If there are any questions regarding those documents please contact Elizabeth at 303-866-3567, Extension 8148. As a reminder, no disturbance can begin on site until Golden Eagle receives bond acceptance and activation documentation from the Division and DOE

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: Ed Cotter, Stoller / DOE

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

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JUN 0 2 2010

COLORADO DIVISION OF RECLAMATION MINING & SAFETY

Bill Ritter, Jr.
Governor

James B. Martin
Executive Director

May 26, 2010

Preston Niesen
Golden Eagle Uranium, LLC
6767 S. Spruce Street, Suite 100
Centennial, Colorado 80112

RE: DOE Lease SR-15A, Notice of Intent (NOI) Application, P-2010-009, Under Review.

Dear Mr. Niesen,

The Division of Reclamation, Mining, and Safety (DRMS) has received Golden Eagle Uranium additional information for the application for a Notice of Intent (NOI) for prospecting. Per Rule 5.1.3(a) the Decision Date for this project is twenty working days which is June 25, 2010. Please be aware that if all issues are addressed to both agencies satisfaction any time prior to that date, a decision will be rendered accordingly.

A full review will be forth coming shortly. A Pre-operational inspection will not be required due to the minimal number of holes and disturbance proposed. Staff has received information from DOE which will be used in the review with submitted plans. Please note that for expediency all correspondence should be sent directly to the field office address noted below.

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: Ed Cotter, Stoller / DOE

U.S. Department of Energy Office of Legacy Management

DOE Uranium Leasing Program Field Examination Notes

DOE Lease Tract: C – SR-15A Lessee: Golden Eagle Dr. Date: 5/13/2010

Proposed Activity: Exploration Plan (1 hole) Proposed By: Preston Nielsen

Examining Team:

Name	Organization	Home Office	Telephone
Ed Cotter	Stoller	Grand Jct	970-248-6056
Dan Burns	"	"	970-248-6317
Kyle Turley	"	"	970 248-6318
James Blair	BLM	DPLO	970 882-6862
Preston Nielsen	GEDR	Denver Tech Center	(720)259-1534

Description of Surface Area Affected: Hillside below Horse Range Mesa PS covered; strewn with boulders

☐ Photos Taken: ☐ GPS Data Collected: Yes

Surveys Conducted: ☒ Cultural/Historical ☐ T&E ☐ Other:

Changes to Plan: Route small drainage around the drill hole site (after completion)

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

Access road to be improved as necessary to accomodate the drilling rig and accessory vehicles

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.

LMS 1986
01/27/2009

Distribution: White–DOE-LM Canary–Lessee Pink–Bureau of Land Management

Cotter, Ed

From: James_Blair@blm.gov
Sent: Monday, May 17, 2010 11:36 AM
To: Cotter, Ed
Subject: Re: Golden Eagle SR15 and WM-17 Archeology

We double checked and the clearance applies to both WM 17 and SR 15. I'll get back to you about the other resources soon, but don't forsee any issues.

James J. Blair
Geologist
Bureau of Land Management
Dolores Public Lands Office
29211 Hwy. 184
Dolores, CO, 81323
(970) 882-6862 (office)
(970) 749-6714 (cell)
(970) 882-6841 (fax)

James Blair/DUFO/CO/BLM/DOI 05/12/2010 09:20 AM

To: Ed Cotter

cc:

Subject: Golden Eagle SR15 Archeology

Ed,

Vince finished the archeology. Looks like there are no concerns. The standard archeology conditions of approval include:

1) If subsurface culural resources are unearthed during operations, activity in the vicinity of the cultural resource will cease and a BLM representative notified immediately. Pursuant to 43 CFR 10.4 the holder of this authorization must notify the authorize officer, by telephone, with written confirmation, immediately upon the discovery of human remains, funerary items, scred 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.

2) The operator is responsible for informin all persons associated with this project that they will be subject to prosecution for knowingly disturbing Native American Indian Shrines, Historic and prehistoric acheology sites, or for collecting artifacts of any kind, including historic items and or arrowheads and pottery fragments from Federal lands.

James J. Blair
Geologist
Bureau of Land Management
Dolores Public Lands Office
29211 Hwy. 184
Dolores, CO, 81323
(970) 882-6862 (office)

Department of Energy
Office of Legacy Management

April 22, 2010

OLM-LEK-2010-058

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

Subject: DOE's Uranium Leasing Program, Exploration Plans for Lease Tracts C–SR–15A and C–WM–17

Dear Ms. Sharrow:

The U.S. Department of Energy Office of Legacy Management (DOE) has received two new exploration plans from Golden Eagle Uranium (GEU) for Lease Tracts C–SR–15A and C–WM–17. Each plan proposes to drill one hole. Copies (electronic and hard copy) of GEU's planning documents are enclosed. An on-site examination for the two plans will likely be scheduled for the week of May 3-6, 2010.

If you have questions or comments about these plans, please contact me at (720) 880-4338 (Laura.Kilpatrick@lm.doe.gov), or Ed Cotter, at (970) 248-6056 (Ed.Cotter@lm.doe.gov).

Sincerely,

Laura E. Kilpatrick
DOE LM - Rocky Flats
2010.04.22 14:39:17 -06'00

Laura E. Kilpatrick, Esq.
Realty Officer

Enclosures

cc w/enclosures:
J. Sellar-Baker, BLM-Dolores Public Lands Office
Project File (E. Cotter)

RECEIVED
APR 21 2010

GOLDEN EAGLE URANIUM LLC
6767 S. Spruce Street, Suite 100
Centennial, Colorado 80112

April 16, 2010

Mr. Ed Cotter, Program Lead
Uranium Leasing Program
S.M. Stoller
2597 B 3/4 Road
Grand Junction, CO 81503

Re: Notice of Intent to Conduct Prospecting Operations
On DOE Leases SR-15A and WM-17

Dear Mr. Cotter

Golden Eagle Uranium (GEU) proposes to drill one exploration borehole on DOE Lease SR-15A and one exploration borehole on DOE Lease WM-17. Accompanying this letter is a copy of each of the State of Colorado, Notice of Intent (NOI) to Conduct Prospecting Operations for the two leases. It is GEU's objective to drill these boreholes either in the early part of the fourth quarter 2010 or in the latter part of the second quarter of 2011.

Please accept Appendix A, B and C of the NOI and the maps accompanying the NOI as the Exploration Plan required by paragraph 11 and 12 of our leases. GEU will file the originals of the NOI with the State of Colorado during the month of April 2010. If additional information is required please feel free to contact me at 720-259-1534 or by e-mail at preston.niesen@iprco.net. Thank you for consideration of this exploration plan and NOI.

Preston Niesen
Exploration Geologist
Integrated Production Resources

certified receipt #: 7009 1680 0001 5107 8481

xc: Rich Ziegler
Golden Eagle Uranium

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
APR 21 2010

COLORADO DIVISION OF RECLAMATION MINING & SAFETY

Bill Ritter, Jr.
Governor

Harris D. Sherman
Executive Director

Ronald W. Cattany
Division Director
Natural Resource Trustee

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**
✓ P-_____ (Please reference the file number assigned to this operation)
New NOI

_____ **Modification to an** Existing 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 MM RECEIVED BY THE DIVISION:** _____ (office use only)
2. **PROJECT NAME:** DOE Lease SR-15A
3. **PROSPECTOR:**

Name: Preston L. Niesen
Title: Exploration Geologist
Company Name: Golden Eagle Uranium LLC
Street: 6767 S. Spruce Street, Suite 100
P.O. Box: _____
City: Centennial
State: Colorado
Zip Code: 80112
Telephone Number: (720) 259-1534
Fax Number: (720) 228-2838

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).

5. **LOCATION INFORMATION:**

County: San Miguel
PRINCIPAL MERIDAN (check one) ____ 6th (Colorado) ✓ 19th (New Mexico) ____ (Ute)
SECTION (write number): S 22

TOWNSHIP (write number and check direction) T 44 North ✓ South _____

RANGE (write number and check direction) R 19 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 3 1/2 miles northwest of the historic town site of Slick Rock, Colorado at an elevation of 6655 feet.

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: Please see Appendix A for details of the proposed location.

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: Golden Eagle Uranium LLC
Address: 6767 S. Spruce Street, Suite 100
Centennial, CO 80112

Telephone: (720) 259-1534
Fax Number: (720) 228-2838

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).

NAME	SERIAL NUMBER	LEGAL DESCRIPTION
D.O.E. Lease C-SR-15A	DE-R0001-08LM70089	SE ¼, Sec. 22, T.44N. R.18W. NMPM

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, S.M. Stoller
U.S. D.O.E. – G.J.O. 2597 B-3/4 Road
Grand Junction, CO 81502-5504

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:

1. 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

2. 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

1. **Mineral(s) and/or Resource(s) being Investigated:** Uranium (U_3O_8) and Vanadium (V_2O_5)
2. **Estimated dates of commencement and completion:**

   Commencement: After 1 July 2010

   Completion: Before 30 June 2011
3. **Amount of material to be extracted, moved or proposed to be moved:** N/A
4. **Identify the type or method of prospecting proposed and quantity (place an "X")**

____ Cuts ____ Pits ____ Trenches

____ Shafts ____ Tunnels ____ Adits ____ Declines

X 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 ...

One drill site (approx. 20'X50') on an existing road. The site (SR-15A-01) will not require off road travel. Only actual disturbance expected is for the D.O.E. mandated cuttings pit for the drill site (see Section III-6-I below). No surface disturbance for the drill pad will be required and only minor maintenance of the road will be necessary. Historic drill records indicate that the hole will be 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 1 Average Width 20 (ft) Average Length 50 (ft)

B. Drill Holes: Quantity 1 Depth 600 (ft) Diameter 6 (in)

C. Mud Pits: Quantity 1 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.
Less than 200 gallons diesel fuel and 55 gallons or less of motor oil 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 >0.01 (acres)

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

Bull dozer (small CAT-4 equivelent) or small tire mounted backhoe and loader. Truck-mounted rotary drill rig capable of boring to 1,000 feet. Probe truck (3/4 or 1 ton) and support trucks (1/2 or 3/4 ton). Ridgid-fram water and pipe truck, single or duel rear axles, if needed.

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

Each drill site will have a nominal 10'X10'X3' catchment for cuttings as required on D.O.E. administrated lands.

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

Drainages are ephemeral and flow only during heavy rainstorms or snow melt. The nearest perennial stream is the Dolores River, located about one mile to the east. Historic drill data indicates the hole will 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, rabbit brush and 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 depth is estimated to be very thin at this site (less than 2 feet thick). Any soil disturbed for site preparation will be bermed and used to cover pits and cuttings during reclamation at depths approximately equal to pre-disturbance.

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

To the extent possible drill cuttings will be returned to the bore hole. Remaining cuttings will be buried in the containment pit. The bore hole will be plugged with concrete or spray foam from 7 feet below ground level to within 2 feet of ground level. The remaining bore hole will be filled with available native soil.

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.

When the containment pit is dug topsoil from the pit will be stockpiled on the lower side. When the site is reclaimed bermed soil will be pushed back across the pit, 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:

Washed out portions of the existing road will be repaired as necessary to gain access to the site. Future use is planned for this road.

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 Appendix C for D.O.E. seeding requirements.

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:

PRN 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.

PRN I have enclosed the required permit fee.

PRN 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.

PRN 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.

PRN 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.

PRN 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 16th day of April 2010.

Signature of NOI holder or person authorized to sign:

Preston L Niesen

Name (typed or print) PRESTON NIESEN

Title/Position: CONSULTANT - EXPLORATION GEOLOGIST

APPENDIX A

DRMS Form 1 **Confidential**

GOLDEN EAGLE URANIUM LLC

SR-15A 2010 – 2011 Exploration Project

Proposed Action

Introduction

Golden Eagle Uranium (GEU) proposes to conduct exploratory drilling on the Department of Energy's Lease Block SR-15A, located approximately three and one half miles northwest of the historic town site of Slick Rock, San Miguel County, Colorado. The proposed action consists of boring one air rotary hole and is intended to obtain stratigraphic and mineral information in an area of historic exploration and confirmation of a possible mineral trend. The proposed drill hole (SR-15A-01) is located in the NW¼, SE¼, Section 22, T. 44 N. R. 19 W, New Mexico Prime Meridian. Approximate GPS coordinates (Lat/Long NAD83) for the site is 38.0616 N, -108.9438 W. The proposed drill site is located adjacent to a historic drill road. The historic drill road will require some minor maintenance; however no new road construction is anticipated.

Starting Date and Duration

Exploration drilling is proposed to start early in the 4th quarter of 2010 or in the last half of the 2nd quarter of 2011. The actual date will depend on permitting and drill rig availability constraints. Exploration drilling at this site is anticipated to be completed in one to two days.

Pre-Drilling Surveys

Based on the limited size of this exploration drilling program, that the proposed drill site is 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; GEU will coordinate with that agency to make sure that an effective survey occurs.

Exploration Drilling Information

One bore hole is proposed for the lease tract. Estimated bore hole depth will be about 550 feet. The bore hole will be collared in the Brushy Basin Member of the Morrison Formation and terminate below the base of the Salt Wash Member of the Morrison Formation in either the Summerville Formation or Entrada Sandstone.

The bore hole will be drilled using a truck-mounted rotary rig, such as a Gardner-Denver 1500 or equivalent, capable of drilling to depths of 1,000 to 1,500 feet. Hole diameter will be a nominal 5" and cuttings will be removed by airlift. Although considered unlikely, a 1000 to 2000 gallon water truck will be available if water is needed to make an air/water or air/foam mixture. If an air foam mixture is needed, 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 pit at the site and mineralized cuttings will be segregated within the pit. Geophysical probing will be accomplished with a truck-mounted probe unit possessing gamma, neutron, and

electric logging tools. Geophysical logging of the bore hole will be conducted by a contractor licensed to use radioactive sources for logging.

Surface Disturbance

No new roads will be constructed; the historic road that leads to the site will be repaired as necessary to allow access of the drilling and geophysical logging equipment. The only new surface disturbance anticipated will be excavation of a small containment pit with a nominal size of 10 foot X 10 foot X 3 feet deep for cuttings and, if need, air-lifted water from the bore hole. The estimated disturbed area for this bore hole is less than 0.05 acres in total.

Bore Hole Abandonment

Bore holes are expected to be drilled dry. When gathering of data from the bore hole is completed they will be plugged and the site abandoned in the following fashion:

1. Plugging Procedure – The bore hole will be backfilled as much as possible with drill cuttings. If geophysical logging of the bore hole indicates the presences of mineralization any mineralized cuttings will be placed into the bore hole first. If any groundwater is encountered (none is expected), bentonite pellets will be poured into the bore hole to create a plug that will prevent groundwater from migrating either up or down the hole. After backfilling to within about 7 feet below ground level concrete or foam will be poured into the hole to create a 5 foot seal plug. The remainder of the bore hole, to ground surface, will be filled with soil. The hole will be permanently marked with a 2"X2" wooden stake on which a tag bearing the hole designation number is affixed.
2. Surface Restoration – To the extent possible, remaining drill cuttings will be placed into the containment pit for burial. Disturbed ground will be graded and an approved seed mixture will be broadcast immediately following reclamation. Following broadcasting of the seed mixture the site will be either back dragged or raked to cover the seed.
3. Estimated Cost of Surface Restoration - Estimated cost of the surface restoration is approximately $250.00.

Compliance with Statues and Regulations

For exploration, GEU will use the services of contractors. All GEU 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. Only minor 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 exploration equipment will be minimized by removing any brush that might come in contact with equipment exhaust system. Should any uncontrolled fires be encountered, they will be reported to the Manager, Southwest District, U.S. Bureau of Land Management, Montrose, Colorado.

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

Upon completion of exploration drilling a site 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 GEU contracts with service companies contain a clause on waste removal which will be strictly enforced.

APPENDIX B

DRMS Form 1 **Confidential**

GOLDEN EAGLE URANIUM LLC

SR-15A 2010 – 2011 Exploration Project

Photos of the Proposed Action Area

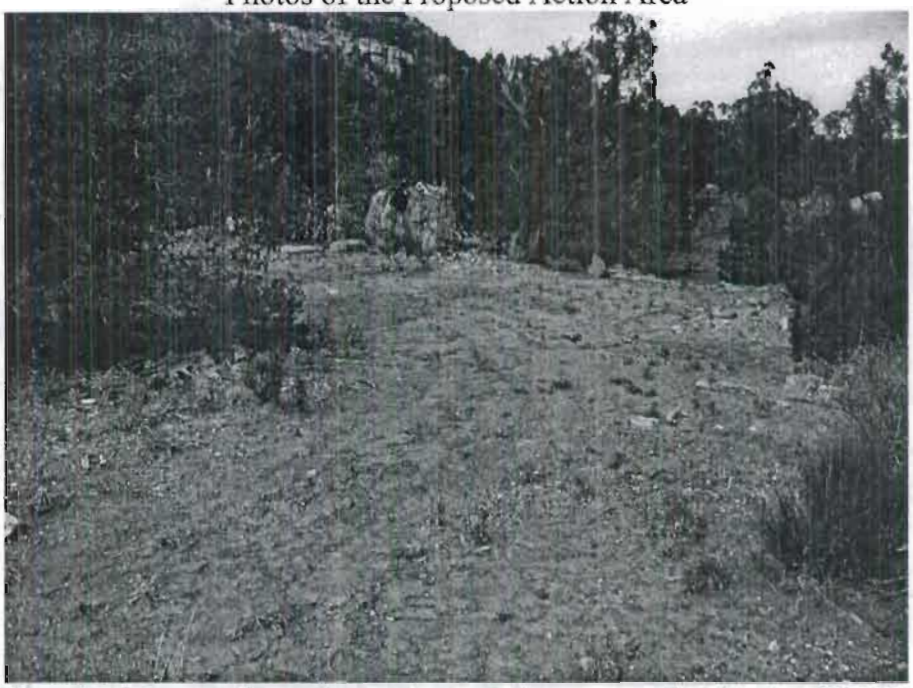

Photo 1. View looking north-northwest toward the proposed drill site SR15A-01. Note existing road in the foreground and the orange-flagged stake in the photo center.

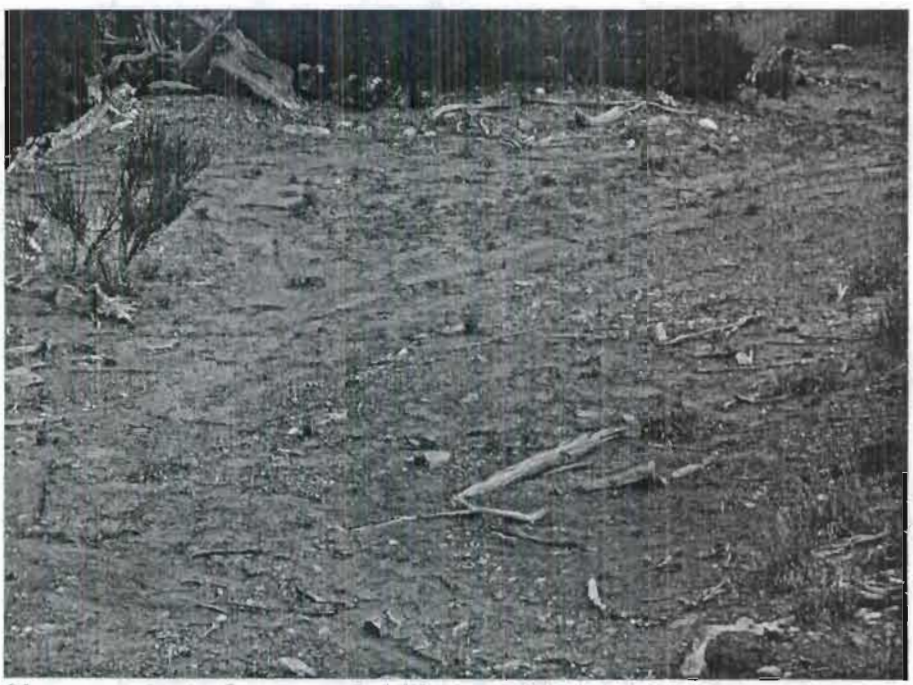

Photo 2. Close-up view of proposed drill site SR15A-01 looking northeast. The view from photo 1 would be from outside the right border of this photo.

APPENDIX C

DRMS Form 1 **Confidential**

GOLDEN EAGLE URANIUM LLC

SR-15A 2010 – 2011 Notice of Intent

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 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**	
Pascopyrum smithii	Arriba western wheatgrass	4.0
Elymus trachycaulus ssp. Trachycaulus	Slender wheatgrass	2.0
Oryzopsis hymenoids	Paloma Indian ricegrass	4.0
Bouteloua gracilis	Hachita blue grama	2.0
Hilaria jamessi (florets)	Galleta grass	2.0
Stipa comata	Needleandthread grass	1.0
Stipa viridula	Lodorm green needlegrass	2.0
Linum lewisii	Lewis flax	1.0
Penstemon palmeri	Cedar Palmer penstemon	0.5
Spharalcea coccinea or Spharalcea parvifolia	Scarlet or Parvifolia globemallow	0.3
Atriplex canescens	Rincon fourwing saltbush	3.0
Ceratoides lanata	Winterfat	1.0
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 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

Re-vegetation 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

DRMS Form 1 Confidential

GOLDEN EAGLE URANIUM LLC

SR-15A 2010 – 2011 Notice of Intent

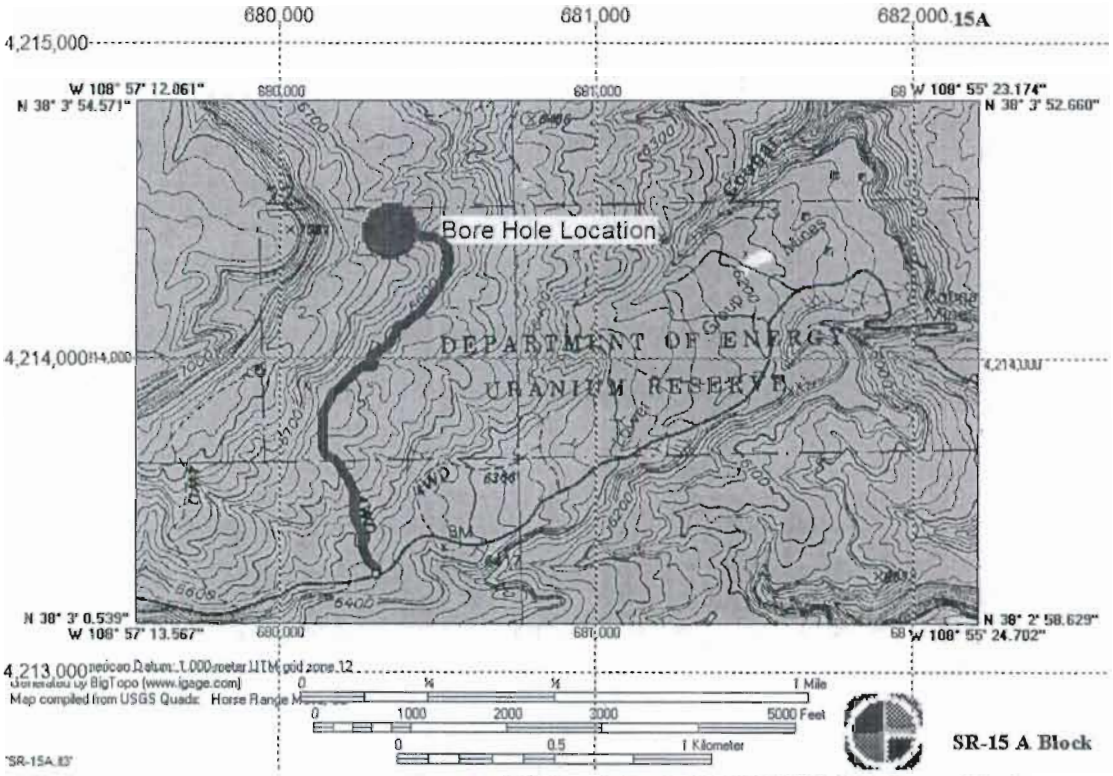

Figure 1. Location of the proposed drill hole relative to the DOE SR-15A Lease Block

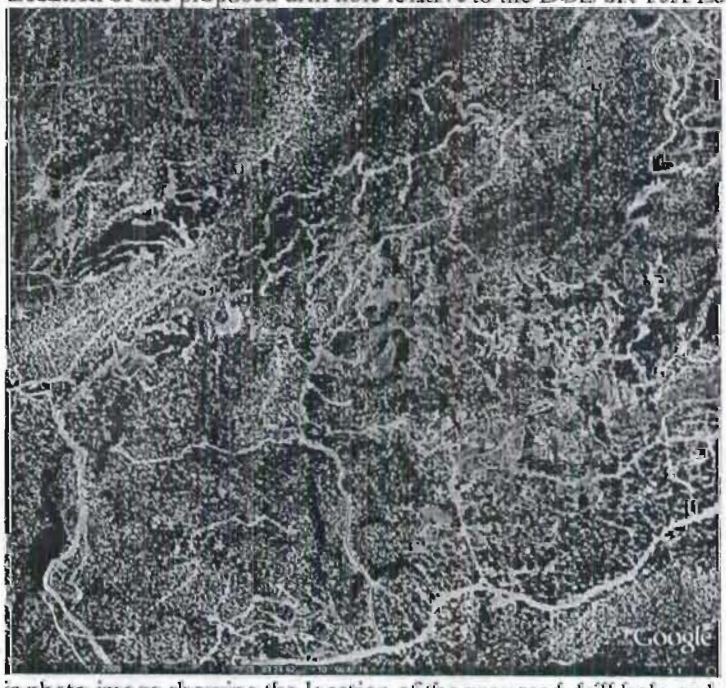

Figure 2. Air photo image showing the location of the proposed drill hole and access road.