



April 13, 2009

William Brancard, Director
New Mexico Mining and Minerals Division
Energy, Mineral and Natural Resources Department
1220 South St. Francis Drive
Santa Fe, NM 87505

**Re: Submittal of Revised Sampling and Analysis Plan
Roca Honda Resources, LLC
Permit No. MK025RN**

Dear Mr. Brancard:

On November 12, 2008 Roca Honda Resources, LLC (RHR) submitted a Sampling and Analysis Plan (SAP) to the New Mexico Mining and Minerals Division (MMD) in support of a New Mine Permit Application (MK025RN) to be submitted to MMD for its proposed Roca Honda uranium mine in McKinley County, New Mexico. On January 5, 2009 the MMD informed us that the SAP had been determined to be administratively incomplete, providing us with a summary of items found to be either deficient or missing from the SAP submittal.

In subsequent discussions and in a January 27, 2009 meeting with MMD we defined with more specificity the deficiencies that should be addressed to provide MMD with a document that would meet the requirements for being found administratively complete. RHR has spent the last two months revising its SAP in accordance with the comments provided in your January letter and meeting.

RHR is pleased to submit this revised SAP for your review. Submitted herewith are seven copies and one electronic copy (CD) of the document. The revised SAP has been restructured to address the data needs for the baseline program and incorporates appropriate pieces of the baseline document per our discussions at the January 27 meeting. In addition, in order to ensure that we adequately address each of the comments provided in your January 5 letter, we have repeated each MMD comment followed by an explanation and reference to the location in the SAP where the comment is addressed.

MMD General Comments:

In preparing the SAP, RHR has presented the information such that the SAP focuses entirely upon addressing data gaps identified through RHR's initial review

of existing historical environmental data from the 1970's and 1980's for the proposed Roca Honda Permit Boundary Areas. While MMD finds RHR's identification of this information (data gaps) useful in technically evaluating the SAP, the information compiled and submitted by RHR addresses only the data gaps identified for each topic or environmental medium (e.g., meteorology, vegetation, topsoil, wildlife, etc.). The SAP in generally an incomplete description of sampling and analysis procedures planned for establishing baseline data described within 19.10.6.602.D (13) NMAC. In addition to addressing any data gaps identified through research of historical environmental data, RHR must also completely describe its proposed baseline data sampling and analysis methods and procedures for non-data gap categories, by outlining each topic or environmental medium pursuant to 19.10.6.602.D(12)(a)NMAC.

RHR Response:

RHR has restructured each of the Sections of the SAP in conformance with 19.10.6.602.D.(12)(a)(i) through (viii) NMAC for all data needs identified, including addition of Sections discussing Historic Places and Cultural Properties and Present and Historic Land Use to the SAP to address baseline data from NMAC 19.10.6.602.D (13). We have also added an introduction and background in each topic or environmental medium Section to provide a more detailed context to the SAP.

MMD Specific Comments:

RHR shall more thoroughly describe sampling and analysis procedures for the collection of baseline data listed in 19.10.6.602.D.(13) NMAC in regard to the proposed permit area, as well as any areas potentially affected by the proposed permit area. Specific descriptions and general discussion covering the following baseline data relevant to the permitted and surrounding or potentially affected areas, are lacking in the SAP as required in 19.10.6.602.(12) and (13) NMAC:

- 1. Section 19.10.6.602.D.(13)(f) Please provide a description of the ore body in the proposed permit area, including geologic plans and cross-sections depicting the nature and depth of overburden, mineralized zone or ore body, aquifers and springs.**

RHR Response:

A description of the ore body and mineralized zone is found in the Geology Section 7.1.3 of the SAP. Geologic plans and cross-sections are found in Figures 7.3 through 7.10. The nature and depth of overburden is discussed in Section 7.1.4 of the SAP. A discussion of the springs in the vicinity of the permit area is found beginning Section 8.1.4 of the SAP. A detailed discussion of aquifers in the permit area is found in Section 9.0 of the SAP.

- 2. Section 19.10.6.602.D.(13)(h) Please provide a description and delineation on topographic maps of any prior mining operations which may have affected the permit area including, if known, the type of mining and processing methods and a list of any processing chemicals or reagents used.**

RHR Response:

No prior mining operations which may have affected the permit area have been identified. Section 3.1 of the SAP contains a discussion of certain historic exploration drilling known to have been performed in the permit area. Figure 3.1 in the SAP identifies their approximate location.

- 3. Section 19.10.6.602.D.(13)(i) Please provide a list and accompanying map indicating all sites on, or eligible for listing on, either the National Register of Historic Places and/or State Register of Cultural Properties and known cemeteries and human burials within the proposed permit area. Included with this list and map shall be a description of the effects the proposed mining operations may have on these sites and any proposed mitigation measures.**

RHR Response:

Section 11, Historic Places and Cultural Properties, has been added to the SAP. RHR performed Archaeological and Cultural Properties surveys of the permit area. The reports were submitted to the State Historic Preservation Office (SHPO). The MMD requested list and accompanying maps, which are contained in the report, are considered confidential (so as to protect the information and, therefore, the sites identified). As such, they are not included in the SAP. The reports, referenced in Section 11 of the SAP, can be reviewed upon request either at the SHPO or at our offices. No cemeteries or human burials were identified within the permit area. The mitigation measure for any sites on or eligible for listing on either the National Register of Historic Places or State Register of Cultural Properties at this time is avoidance. As the project matures to detailed surface facility design and construction, the mitigation measure will be reviewed and adjusted as necessary.

- 4. Section 19.10.6.602.D.(13)(j) Please provide a description of the present and historic land use of the permit area, the general patterns of land use in the surrounding areas, and a narrative of land capability and productivity based upon U.S. Soil Conservation Service land use capability classes or a similar classification.**

RHR Response

Section 12, Present and Historic Land Use of the Permit Area, has been added to the SAP. The present and historic land use of the permit area is discussed.

5. Section 19.10.6.602.D.(12) Sampling and Analysis Plan. Several required components of the SAP were not found in the submittal. Please submit additional information to address these deficiencies. The deficiencies are given in Table 1.

RHR Response:

RHR has restructured each of the Sections of the SAP in conformance with 19.10.6.602.D.(12)(a)(i) through (viii) NMAC to address the deficiencies identified in Table 1.

RHR and Strathmore look forward to working with you and your staff to resolve any remaining issues so that we can proceed to a determination that the document is administratively complete.

If you have any comments or concerns please contact me at 505-474-6696.

Sincerely,

A handwritten signature in black ink, appearing to read "Juan R. Velasquez", with a long horizontal line extending to the right.

Juan R. Velasquez
Vice President, Govt., Regulatory & Environmental Affairs

cc: Kathy Economy, MARP Permit Lead
Holland Shepherd, MARP Program Manager