MWH

BUILDING A BETTER WORLD

February 6, 2009

Mr. David Ohori
Senior Reclamation Specialist
Mining and Minerals Division
1220 S. St. Francis Dr.
Santa Fe, NM 87505

Electronic Submittal via E-Mail

RE: Responses to MMD Comments on Closeout Plan
Section 27 Mine Site, New Mexico
Permit No. MK005RE

Dear Mr. Ohori:

This letter describes our responses to your comments on the Section 27 Closeout Plan, Supplement to the Closeout Plan, and the Financial Assurance, as presented in the letter to United Nuclear Corporation (UNC), dated January 8, 2009. It is our intention to reach consensus with MMD on our proposed changes to the Closeout Plan and Financial Assurance, prior to submitting a Final Closeout Plan. Responses are listed below as numbered in the January 8 letter.

Responses to Financial Assurance Comments:

1. We calculated the expected soil loss using the standard RUSLE method. The maximum loss rate we calculated was 1.4 tons/ac/yr, which translates to one inch of material loss in 140 years, or over 5,000 years to erode a 3-foot cover by sheet erosion. Rill and gully erosion will be managed by proper design and construction to minimize concentrated flow. The piles will be monitored during the post-reclamation period, and any areas with concentrated flow will be repaired in an appropriate manner.

   Given these extremely low rates of erosion, we request that MMD reconsider the benefit of burying the Ball Mill Reject and Ore Stockpile material any deeper than beneath the soil cover. We understand from recent conversations that MMD will give this issue further consideration. We compared the risk of erosion to the benefits/risks of burial, and concluded that burial is not justified. Excavating a trench to native ground within the non-economic pile presents unfavorable construction challenges and safety issues due to the depth and width of the excavation. The minimum depth of the material, buried or not, will be the cover thickness of three feet. As stated above, the site will be monitored during the post-closure period for erosion features and any erosion features will be repaired as appropriate. Monitoring will consist of visual observations and documentation and will be conducted quarterly for the first year, except monthly during the monsoon season, and then annually thereafter. Other methods of monitoring were considered, such as the use of an erosionometer. This has been attempted at other sites, with limited success. Given the extremely low rates of erosion expected, any testing method would need to be accurate to 0.007 inches, which is not feasible with current technology.

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Responses to Closeout Plan Comments:

1. We agree to eradicate tamarisk, the only noxious plants identified during the vegetation survey, and monitor during post-closure.

2. The supplemental data will be added to the Closeout Plan as a table in Section 1 (see below). The sample locations will be shown on Sheet 3.

TABLE 1.1
SUPPLEMENTAL SOIL ANALYTICAL RESULTS

Location ID	Depth	Uranium	Ra-226	Precision (+/-)
	ft bgs	mg/kg-dry	pCi/g	pCi/g
Background Ranges	0 - 4	1.3 - 6.0	<1 - 2.9	n/a
Western Topsoil Stockpile				
TSW-1	2 - 3	1.1	<1.0	n/a
TSW-2	2 - 3	1.8	1.1	n/a
TSW-3	2 - 3	1.5	1.0	n/a
TSW-4	2 - 3	1.1	1.0	n/a
TSW-5	2 - 3	1.1	1.0	n/a
TSW-6	2 - 3	1.4	1.1	n/a
TSW-10	2 - 3	1.0	<1.0	n/a
Approved Borrow Source (Area 2)				
B2-1	2 - 4	3.0	2.0	2.0
B2-1	0 - 2	7.0	2.0	2.0
B2-2	2 - 4	4.0	2.0	2.0
B2-2	0 - 2	5.0	2.0	2.0
B2-3	0 - 2	3.0	2.0	2.0
B2-3	2 - 4	4.0	2.0	2.0
B2-4	0 - 2	2.0	1.0	1.0
B2-4	2 - 4	2.0	2.0	2.0
B2-5	0 - 2	2.0	1.0	1.0
B2-5	2 - 4	3.0	2.0	2.0
B2-6	0 - 2	1.0	0.9	0.9
B2-7	2 - 4	3.0	2.0	2.0
B2-7	0 - 2	6.0	3.0	3.0
Rejected Borrow Source (Area 1)				
1A	0 - 2	2.3	2.6	1.7
1B	2 - 4	1.4	4.0	3.7
2A	0 - 2	9	6.6	2.4
2B	2 - 4	1.4	2.5	1.9
3A	0 - 2	1.9	3.9	1.8
3B	2 - 4	1.9	2.9	1.9
4A	0 - 2	12	15.4	2.7
4B	2 - 4	2.2	4.3	1.9
5A	0 - 2	1.8	3.1	1.9
5B	2 - 4	1.4	3.4	1.5

3. The text will be revised to indicate that quality assurance test pits will be dug to ensure acceptable thickness of the cover after placement; however, overall quality control will be the responsibility of the construction contractor. MWH will ensure that the contractor has an adequate QC plan in place and follows it.

4. Sheet 5 will be revised to show the location and general plan view shape of the buried material (i.e., a general rectangle in the middle of the NESA-2 pile).

5. The location of the ore stockpile material will be shown on Sheet 5, same as for the BMRP material.

6. The Financial Assurance cost estimate will be revised to include the longer travel distance/time for the "approved" borrow area. See response #7.

7. The current "conceptual" design only includes three inches of concrete, which is not sufficient for load-bearing concrete. For the live load calculation, we increased the concrete thickness to 10 inches with 12-inch spaced rebar in two layers (#4 and #5), which provides a live load capacity 240 psf, and a soil load (three feet) of 360 psf. This change will be reflected in the FA cost estimate.

   One other change that is recommended based on the load calculations, is to remove the soil covers from the shaft plugs, and leave bare concrete instead. In order for anything to grow on the covers, at least two to three feet will be needed, and then only shallow rooting plants can grow (e.g., grass). Furthermore, the presence of three feet of soil on top of the shaft plugs adds to the load, and therefore is not be recommended, especially for the 12-foot diameter shaft. The concrete pads can be fenced off and fitted with sampling ports. This change will be reflected in the FA cost estimate (i.e., added concrete and no borrow transport to the shafts and vents).

Responses to Supplement to Closeout Plan Comments:

1. The location of the approved borrow source (are 2) will be shown on Sheet 3.

2. The FA will be updated to reflect the borrow transport distance changes.

3. The Final Closeout Plan will indicate that the approved borrow source (area 2), west of the background reference area, will be used for reclamation construction.

Upon receiving MMD's consideration of the requests made in Financial Assurance comment no. 1 and Closeout Plan comment no. 7, MWH will prepare revisions for the final Closeout Plan submittal. MWH is prepared to present the final document within 30 days of receiving MMD's final recommendations. MWH will contact MMD the week of February 9, 2009 to schedule further discussions on these two items.

Sincerely,
MWH Americas, Inc.

Toby Leeson
Supervisory Hydrogeologist

cc: Roy Blickwedel, General Electric
Jed Thompson, MWH
Project File