

April 21, 2009

Mr. David Ohoi  
Mining and Minerals Division  
1220 South St. Francis Drive  
Santa Fe, NM 87505

Dear Mr. Ohoi:

UNC and MMD have reached final agreement on all comments received from the regulatory agencies on the Section 27 Closeout Plan in the letter from MMD dated January 8, 2009. The final two items that required resolution were establishing an erosion monitoring plan and modifying the Financial Assurance calculation to the agreed upon modifications to the Closeout Plan. This letter formalizes the agreed upon erosion monitoring plan and transmits the adjusted Financial Assurance calculations.

This letter supersedes the letter to you from MWH dated April 6, 2009, and incorporates revisions to the erosion monitoring plan. The financial assurance has not changed from the previous letter.

### Erosion Monitoring Plan

The erosion monitoring plan for Section 27 was agreed upon between Jed Thompson, MWH and David Ohoi, MMD, in telephone conversations on April 2 and 17, 2009. Following construction, the site will be monitored for excessive erosion until the area is released under the New Mexico Mining Act. Erosion monitoring will focus on reclaimed areas. However, areas adjacent to reclaimed areas will be inspected for erosion features that may currently or may potentially impact the reclaimed areas in the future.

Monitoring will be performed quarterly for the first year with monthly inspections during the first monsoon season (July, August and September). After the first year, inspections will be conducted annually during the monsoon season. Inspections will be visual using the Bureau of Land Management (BLM) erosion classification system, shown in the table below.

BLM EROSION CLASSIFICATION SYSTEM	
Classification	Description
Class 1:	No soil loss or erosion; top soil layer intact, well-dispersed accumulation of litter from past year's growth plus smaller amounts of older litter.
Class 2:	Soil movement slight and difficult to recognize; small deposits of soil in form of fans or cones at end of small gullies or rills, or as accumulations behind plant crowns or behind litter, litter not well dispersed or no accumulation from past year's growth obvious.
Class 3:	Soil movement or loss more noticeable; topsoil loss evident, may be some pedestaled or hummocked plants; rill marks evident, poorly dispersed litter and bare spots not protected by litter.
Class 4:	Soil movement and loss readily recognizable; topsoil remnants with vertical sides and exposed plant roots, roots frequently exposed, litter in relatively small amounts and washed into erosion protected patches.
Class 5:	Advanced erosion; active gullies, steep sidewalls on active gullies; well developed erosion pavement on gravelly soils, litter mostly washed away.

An inspection report will be submitted to MMD within 30 days following completion of the monitoring event. The inspection report will include information on any Class 3 or higher erosion feature identified. The inspection report will include a description of the erosion feature, photographs of the feature, probable cause of the feature, and any proposed corrective actions to repair erosion damage and address the probable cause of the feature. Class 3 erosion features will be evaluated on an individual basis to determine if corrective actions are needed. All Class 4 and Class 5 erosion features will have corrective actions recommended.

Any corrective actions will be agreed to by both UNC and MMD and will include a schedule for implementation of the corrective actions. Corrective actions will be reported to MMD within 45 days of implementation. The report will include photographs of actions taken. Any areas where corrective actions have been taken will be inspected during the following inspection.

### **Financial Assurance**

The financial assurance calculation was updated to address modifications to the Closeout Plan resulting from agency comments. As a result of the updates, the financial assurance increased from \$324,000 to \$377,000. The revised estimate is included in Attachment 1. Modifications made to the financial assurance are described below.


The estimated cost to plug the vents and shafts, shown in Attachment 1, Worksheet 6, was reduced due to the removal of Polyurethane Foam (PUF) from the design. No change was made to the estimated volume of concrete for the plugs. The current design for the plugs calls for a 12-inch thick reinforced concrete plug. The previous estimate included two feet of concrete for each plug. The previous estimate of concrete costs remains conservative.

Haul distances and haul times for borrow material, shown in Attachment 1, Worksheet 14, were adjusted to be consistent with the current borrow area. The change in borrow area resulted in an increase to the haul distances and haul times and an overall increase in the cost to haul borrow materials.

Post-closure monitoring was increased from four visits in the first 8 years to 15 visits in the first 10 years. The cost per monitoring event and post-closure monitoring for years 11 and 12 were not changed. These changes are consistent with the erosion monitoring plan presented above.

Sincerely,

MWH Americas, Inc.



James Thompson  
Supervising Engineer

cc: Larry Bush – UNC  
Roy Blickwedel – GE  
Toby Leeson - MWH

**ATTACHMENT 1**  
**REVISED ESTIMATE**