

New Mexico Energy, Minerals and Natural Resources Department

Bill Richardson
Governor

Joanna Prukop
Cabinet Secretary
Reese Fullerton
Deputy Cabinet Secretary

Bill Brancard
Division Director
Mining and Minerals



7008 1830 0001 9868 6285

CERTIFIED MAIL – RETURN RECEIPT REQUESTED

April 27, 2009

Larry Bush, President
United Nuclear Corporation
P.O. Box 3077
Gallup, NM 87305

RE: Closeout Plan Technically Approvable Determination and Compliance with Director's Order, Section 27 Mine, United Nuclear Corporation, Permit No. MK005RE

Dear Mr. Bush,

The New Mexico Mining and Minerals Division (MMD) has been processing an application submitted by United Nuclear Corporation (UNC), for a permit and closeout plan for the Section 27 Mine, Permit No. MK005RE. MMD issued UNC a Director's Order dated April 17, 2006, stating the requirements that UNC must fulfill prior to MMD approval of the permit and closeout plan. The requirements of the Director's Order include:

1. UNC must obtain a determination from the New Mexico Environment Department (NMED) stating the permit application has demonstrated that the activities to be permitted or authorized will be expected to achieve the compliance with all applicable air, water quality, and other environmental standards if carried out as described in the closeout plan. UNC obtained the determination from NMED on September 27, 2006.
2. UNC must receive a notice from MMD that the closeout plan is technically approvable pursuant to 19.10.5.506.G NMAC. MMD is hereby notifying you that it has determined that the proposed closeout plan for the Section 27 Mine is technically approvable. The MMD determination of a technically approvable closeout plan triggers UNC's responsibility to submit a proposal for financial assurance in accordance with 19.10.5.506.H NMAC. Please submit a financial assurance proposal for MMD approval as soon as practicable.
3. UNC must complete the public participation requirements of 19.10.9 NMAC. UNC and MMD have scheduled an informational meeting for Thursday, May 14, 2009 to be held at the Cibola County Courthouse convention room, starting at 5:30 pm. Over thirty individuals and organizations including the respondents to the public notice for the

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closeout plan have been invited to participate in the meeting. MMD may determine that changes to the closeout plan are required based on the results of the informational hearing.

With the exception of the public participation requirements, the requirements of the Director's Order have been fulfilled. As soon as the financial assurance instrument(s) have been provided to and approved by MMD and the public participation process is complete, MMD will consider approving Permit No. MK005RE including the closeout plan for the Section 27 Mine. In the interim, MMD will be drafting the permit document.

Please contact me at (505) 476-3432 or by e-mail at david.ohori@state.nm.us, if you have any questions.

Sincerely,



David R. Ohori, Permit Lead
Mining Act Reclamation Program (MARP)

cc: Holland Shepherd, MARP Program Manager
Kurt Vollbrecht, Mining Act Team Leader, NMED GWQB
Jerry Schoeppner, NMED GWQB
Roy Blickwedel, Project Manager, GE Corp. Environmental Programs
Toby Leeson, MWH Americas, Inc.
Mine File (MK005RE)