

# CROW BUTTE RESOURCES, INC.

86 Crow Butte Road  
P.O. Box 169  
Crawford, Nebraska 69339-0169



(308) 665-2215  
(308) 665-2341 - FAX

September 25, 2007

Mr. Michael Linder  
Director  
Nebraska Department of Environmental Quality  
PO Box 98922  
Lincoln, Nebraska 68509-8922

Subject: 2008 Surety Estimate  
Class III Underground Injection Control Permit Number NE 0122611  
Class I Underground Injection Control Permit Number NE 0210457

Dear Mr. Linder:

Attached is the annual update to the surety estimate for the Crow Butte Uranium Mine. This estimate meets the requirements of Chapter 13 of Title 122, *Rules and Regulations for Underground Injection and Mineral Production Wells* and the annual update requirements included in the referenced permits issued by the Nebraska Department of Environmental Quality (NDEQ). Also attached as required in the approved minor permit modification dated August 21, 2007, is an audit statement from George W. Klein, an independent professional auditing firm.

The surety estimate for 2008 is \$25,207,672, an increase of \$2,226,759 over the 2007 surety estimate of \$22,980,913. All costs are current to August 2007 with the exception of the Deep Disposal Well Decommissioning which has been escalated from the March 2004 Permit Re-application. Significant changes reflected in the surety estimate for 2008 include the following items:

- 1) The addition of the tanks and piping necessary to increase the flow through the Central Plant and the Restoration Circuit.
- 2) The estimate includes continued development of Mine Unit 11, with one wellhouse installed in this mine unit by the end of 2008. 366 wells are also projected for Mine Unit 11, which is an increase of 91 wells over the 2007 surety estimate. In addition, 131 additional wells are included for Mine Unit 10. In all, the 2008 surety includes the costs associated with 222 new wells installed in Mine Units 10 and 11. The areal extent of Mine Units 10 and 11 was increased by 1,203,100 square feet (27.4 acres) to reflect the projected expansion in these mine units. These additional mining wells and areas resulted in significant increases in the wellfield reclamation, and well plugging and abandonment costs; and

# CROW BUTTE RESOURCES, INC.



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3) The 2008 escalation factor of 2.7% is based on the increase of the June 2007 Consumer Price Index (CPI) over the June 2006 CPI and was applied to labor and some materials. The Master Cost Basis sheets (sheets 29 through 33) indicate the basis for the increase in these cost elements.

The most significant factors contributing to the increased surety estimate include wellfield reclamation (+\$595,465), contract administration (+\$178,141), contingency (+\$267,211), disposal of unpackaged bulk materials (+\$523,756), and plant demolition costs (+\$119,298). Some cost savings are realized under groundwater restoration due to the pumping efficiency achieved by increasing the restoration flow. Sheet 2 of the attached estimate presents the changes for selected cost elements over the 2007 surety estimate.

Upon approval of the surety estimate update by the NDEQ, Crow Butte Resources, Inc. (CBR) will provide a secured letter of credit on the renewal date to the State of Nebraska in an amount equal to the updated surety estimate.

If you have any questions or require any further information, please do not hesitate to call me at (308) 665-2215 ext 114.

Sincerely,  
CROW BUTTE RESOURCES, INC.

A handwritten signature in cursive script that reads "Larry Teahon". The signature is written in dark ink on a white background.

Larry Teahon  
Manager of Environmental, Health and Safety

Enclosure

cc: Mr. Keith I. McConnell, Deputy Director  
Decommissioning and Uranium Recovery Licensing Directorate  
Division of Waste Management and Environmental Protection  
Office of Federal and State Materials and Environmental Management Programs  
U.S. Nuclear Regulatory Commission  
Mailstop T7-E18  
Washington D.C. 20555-0001

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U.S. Nuclear Regulatory Commission  
Mr. Steve Cohen - ADDRESSEE ONLY  
Fuel Cycle Licensing Branch  
Mail Stop T7-E18  
Washington, DC 20555-0001

**REVIEW OF  
CROW BUTTE RESOURCES, INC.**

**URANIUM PROJECT 2008 SURETY ESTIMATE  
AGREED UPON PROCEDURES ENGAGEMENT REVIEW**

**George W. Klein  
Certified Public Accountant  
Chadron, Nebraska**

September 20, 2007

Stephen P. Collings, President  
Crow Butte Resources, Inc.  
141 Union Boulevard, Suite 320  
Lakewood, CO 80228

Dear Mr. Collings:

This report shows the findings for each of the services I have performed as outlined in our engagement letter for the Crow Butte Uranium Project 2008 Surety Estimate. These findings were based on the review of the spreadsheets received September 12, 2007 through September 19, 2007 with the Total 2008 Surety Bond estimate totaling \$25,207,672.

No findings in the review of the results of the mathematical calculations used in the surety estimate worksheet. A few cosmetic items were discussed but they did not affect the total calculation of the surety amount.

No findings in the review and confirmation of selected items that support the master costs used in preparing the surety estimate worksheet.

No findings in the further tests and procedures I considered necessary to enable me to express an opinion on the master costs and the calculations used in the surety estimate.

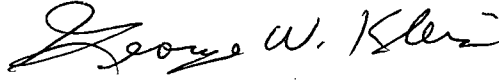
This agreed upon procedures review was conducted in accordance with Statements on Standards for Accounting and Review Services issued by the American Institute of Certified Public Accountants. I was not engaged to and did not conduct an audit, and accordingly, will not express an opinion or any other form of assurance involved in conducting an audit. My report cannot be relied upon to disclose errors, fraud, or illegal acts that may exist.

The management of Crow Butte Resources, Inc. was responsible for making all records and related information used in the preparation of the surety estimate available to me. They were responsible for the accuracy and completeness of that information and for disclosing all significant information that might affect the surety estimate.

This report is intended solely for the information and use of the Crow Butte Resources, Inc., the Nebraska Department of Environmental Quality, and Fuel Cycle Licensing Branch in evaluating the 2008 Surety Estimate and is not intended and should not be used by anyone other than these specified parties.

I appreciate the opportunity to be of service to the Crow Butte Resources, Inc.

Sincerely,

A handwritten signature in black ink that reads "George W. Klein". The signature is fluid and cursive, with the first name "George" being more prominent and the last name "Klein" following in a similar style.

George W. Klein, CPA

GWK/bm

Crow Butte Resources, Inc.  
Crow Butte Uranium Project 2008 Surety Estimate  
(Revised September 2007)

**Total Restoration and Reclamation Cost Estimate**

I.	Groundwater Restoration (Sheets 3 to 6)		\$12,643,133
II.	Wellfield Reclamation (Sheets 7 to 10)		\$5,860,317
III.	Commercial Plant Reclamation/Decommissioning (Sheets 11 to 14)		\$619,244
IV.	R.O. Building Reclamation/Decommissioning (Sheets 11 to 14)		\$91,050
V.	Evaporation Pond Reclamation (Sheets 15 to 18)		\$713,233
VI.	Miscellaneous Site Reclamation (Sheets 19 to 21)		\$143,608
VII.	Deep Disposal Well Reclamation (Sheet 22)		\$68,346
VIII.	I-196 Brule Aquifer Restoration (Sheets 23 to 24)		\$27,206
	Subtotal Reclamation and Restoration Cost Estimate		\$20,166,137
Contract Administration			10%
			\$2,016,614
Contingency			15%
			\$3,024,921
<b>TOTAL</b>			<b>\$25,207,672</b>

Crow Butte Resources, Inc.  
Crow Butte Uranium Project 2008 Surety estimate  
(Revised September 2007)

Comparison of Total Surety and Major Cost Elements to Previous Year						
Projected Costs for 2008 are Compared with Costs for 2007 and Changes are Calculated						
<b>Total Surety</b>				<u>2008</u>	<u>2007</u>	<u>Change</u>
				\$25,207,672	\$22,980,913	\$2,226,759
<b>Contract Administration</b>				<u>2008</u>	<u>2007</u>	<u>Change</u>
				\$2,016,614	\$1,838,473	\$178,141
<b>Contingency</b>				<u>2008</u>	<u>2007</u>	<u>Change</u>
				\$3,024,921	\$2,757,710	\$267,211
<b>Groundwater Restoration</b>				<u>2008</u>	<u>2007</u>	<u>Change</u>
Groundwater Sweep						
Total Gallons Processed (Kgal)				522,280	488,249	34,031
Total Cost				\$339,482	\$297,832	\$41,650
RO Treatment						
Total Gallons Processed (Kgal)				3,133,680	2,929,494	204,186
Total Cost				\$6,612,065	\$6,649,951	(\$37,886)
Recirculation						
Total Gallons Processed (Kgal)				522,280	488,249	34,031
Total Cost				\$459,606	\$410,129	\$49,477
Sampling and Monitoring						
Total On Site Samples				31,118	30,863	255
Total On Site Analysis Costs				\$1,597,909	\$1,600,864	(\$2,955)
Total Contract Samples				1,355	1,423	-68
Total Contract Analysis Costs				\$271,000	\$284,600	(\$13,600)
<b>Wellfield Reclamation</b>				<u>2008</u>	<u>2007</u>	<u>Change</u>
Pipeline Removal and Loading				\$897,940	\$780,373	\$117,567
Well Abandonment						
Total Number of Wells				4,402	4,142	260
Total Abandonment Cost				\$1,955,260	\$1,359,795	\$595,465
<b>Site Reclamation</b>				<u>2008</u>	<u>2007</u>	<u>Change</u>
Site Earthwork				\$577,559	\$526,767	\$50,792
<b>Plant and Equipment Decontamination</b>				<u>2008</u>	<u>2007</u>	<u>Change</u>
Decontamination Costs				\$113,016	\$90,186	\$22,830
Demolition Costs				\$346,500	\$227,202	\$119,298
Piping Shredding Costs				\$316,023	\$264,536	\$51,487
<b>Transportation and Disposal</b>				<u>2008</u>	<u>2007</u>	<u>Change</u>
Byproduct Material						
Soil-Type Materials, Total Volume (Yd3)				4,265	3,860	405
Soil-Type Materials, Total Cost				\$588,071	\$519,189	\$68,882
Unpackaged Bulk Materials, Total Volume (Yd3)				2,293	1,846	447
Unpackaged Bulk Materials, Total Cost				\$768,862	\$245,106	\$523,756



**Crow Butte Resources Inc.**  
**Crow Butte Uranium Project 2008 Surety Estimate**  
**(Revised September 2007)**

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Crow Butte Resources Inc.  
Crow Butte Uranium Project 2008 Surety Estimate  
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Ground Water Restoration																		
								Mine Unit 2	Mine Unit 3	Mine Unit 4	Mine Unit 5	Mine Unit 6	Mine Unit 7	Mine Unit 8	Mine Unit 9	Mine Unit 10	Mine Unit 11	Total
		4.	Recirculation Sampling															
			# of Wells					12	18	43	33	29	25	30	21	32	0	
			Total # samples					12	18	43	33	29	50	60	42	96	0	383
			\$/sample					\$200.00	\$200.00	\$200.00	\$200.00	\$200.00	\$200.00	\$200.00	\$200.00	\$200.00	\$200.00	
		5.	Stabilization Sampling (Guideline 8)															
			# of Wells					12	18	43	33	29	25	30	21	32	0	
			Total # samples					36	54	129	99	87	75	90	63	96	0	729
			\$/sample					\$200.00	\$200.00	\$200.00	\$200.00	\$200.00	\$200.00	\$200.00	\$200.00	\$200.00	\$200.00	
		6.	Stabilization Sampling (6 parameter in-house)															
			# of Wells					12	18	43	33	29	25	30	21	32	0	
			Total # samples					72	108	258	198	174	150	180	126	192	0	1458
			\$/sample					\$51.35	\$51.35	\$51.35	\$51.35	\$51.35	\$51.35	\$51.35	\$51.35	\$51.35	\$51.35	
		7.	Monitor Well Sampling															
			# of Wells					13	10	22	48	54	33	50	33	63	0	
			\$/sample					\$51.35	\$51.35	\$51.35	\$51.35	\$51.35	\$51.35	\$51.35	\$51.35	\$51.35	\$51.35	
			Total # samples (2.2/mo for entire period)					369	266	825	2401	3000	2081	4433	2541	8269	0	24185
		8.	Other Laboratory Costs															
			Radon, urinalysis, etc. =		\$936.62	month												
			Total for Other Laboratory Costs:					\$6,453.31	\$5,694.65	\$10,340.28	\$15,679.02	\$18,029.94	\$21,233.18	\$32,126.07	\$27,161.98	\$50,259.03	\$0.00	\$186,977.46
		Subtotal Monitoring and Sampling Costs per Mine Unit						\$45,412.06	\$48,445.35	\$133,240.88	\$209,250.47	\$236,819.54	\$194,037.53	\$355,840.12	\$219,506.23	\$613,334.58	\$0.00	\$2,055,886.76
		Total Monitoring and Sampling Costs						\$2,055,886.76										

Crow Butte Resources Inc.  
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Ground Water Restoration																		
								Mine Unit 2	Mine Unit 3	Mine Unit 4	Mine Unit 5	Mine Unit 6	Mine Unit 7	Mine Unit 8	Mine Unit 9	Mine Unit 10	Mine Unit 11	Total
VI.	Supervisory Labor Cost																	

**Crow Butte Resources Inc.**  
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Wellfield Reclamation														

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Wellfield Reclamation															
		Mine Unit 1	Mine Unit 2	Mine Unit 3	Mine Unit 4	Mine Unit 5	Mine Unit 6	Mine Unit 7	Mine Unit 8	Mine Unit 9	Mine Unit 10	Mine Unit 11	Totals		
II.	Trunklines														
	A. Removal and Loading														
	Trunkline Removal Unit Cost (\$/ft of pipe)	\$1.46	\$1.46	\$1.46	\$1.46	\$1.46	\$1.46	\$1.46	\$1.46	\$1.46	\$1.46	\$1.46			
	Subtotal Trunkline Removal and Loading Costs	\$7,884.00	\$4,234.00	\$4,307.00	\$20,878.00	\$32,996.00	\$17,520.00	\$8,760.00	\$29,638.00	\$20,075.00	\$12,629.00	\$9,344.00		\$168,265.00	
	B. Pipe Shredding														
	Trunkline Shredding Unit Cost (\$/ft of pipe)	\$1.46	\$1.46	\$1.46	\$1.46	\$1.46	\$1.46	\$1.46	\$1.46	\$1.46	\$1.46	\$1.46			
	Subtotal Trunkline Shredding Costs	\$7,884.00	\$4,234.00	\$4,307.00	\$20,878.00	\$32,996.00	\$17,520.00	\$8,760.00	\$29,638.00	\$20,075.00	\$12,629.00	\$9,344.00		\$168,265.00	
	C. Equipment Costs														
	Cat 924G Loader Unit Costs for removal (200/day)	\$11,841.12	\$6,359.12	\$6,468.76	\$31,357.04	\$49,557.28	\$26,313.60	\$13,156.80	\$44,513.84	\$30,151.00	\$18,967.72	\$14,033.92			
	Shredder Unit Costs for shredding (200/day)	\$2,592.00	\$1,392.00	\$1,416.00	\$6,864.00	\$10,848.00	\$5,760.00	\$2,880.00	\$9,744.00	\$6,600.00	\$4,152.00	\$3,072.00			
	Subtotal Equipment Costs	\$14,433.12	\$7,751.12	\$7,884.76	\$38,221.04	\$60,405.28	\$32,073.60	\$16,036.80	\$54,257.84	\$36,751.00	\$23,119.72	\$17,105.92		\$308,040.20	
	D. Transport and Disposal Costs (NRC-Licensed Facility)														
	Chipped Volume Reduction (6-inch) (ft <sup>3</sup> /ft)	0.0651	0.0651	0.0651	0.0651	0.0651	0.0651	0.0651	0.0651	0.0651	0.0651	0.0651			
	Chipped Volume Reduction (8-inch) (ft <sup>3</sup> /ft)	0.1103	0.1103	0.1103	0.1103	0.1103	0.1103	0.1103	0.1103	0.1103	0.1103	0.1103			
	Chipped Volume Reduction (10-inch) (ft <sup>3</sup> /ft)	0.1712	0.1712	0.1712	0.1712	0.1712	0.1712	0.1712	0.1712	0.1712	0.1712	0.1712			
	Chipped Volume Reduction (12-inch) (ft <sup>3</sup> /ft)	0.2408	0.2408	0.2408	0.2408	0.2408	0.2408	0.2408	0.2408	0.2408	0.2408	0.2408			
	Chipped Volume per Wellfield (yd <sup>3</sup> )	20.4	9.2	19.3	89.8	183.7	97.4	48.7	164.0	111.9	61.7	50.3			
	Volume for Disposal Assuming 25% Void Space (ft <sup>3</sup> )	25.5	11.5	24.1	112.3	229.6	121.8	60.9	205.0	139.9	77.1	62.9		1070.6	
	Transportation and Disposal Unit Cost (\$/ft <sup>3</sup> )	\$334.87	\$334.87	\$334.87	\$334.87	\$334.87	\$334.87	\$334.87	\$334.87	\$334.87	\$334.87	\$334.87			
	Subtotal Transport and Disposal Costs	\$8,539.19	\$3,851.01	\$8,070.37	\$37,605.90	\$76,886.15	\$40,787.17	\$20,393.58	\$68,648.35	\$46,848.31	\$25,818.48	\$21,063.32		\$358,511.83	
	<b>Total Trunkline Costs</b>	<b>\$38,740.31</b>	<b>\$20,070.13</b>	<b>\$24,569.13</b>	<b>\$117,582.94</b>	<b>\$203,283.43</b>	<b>\$107,900.77</b>	<b>\$53,950.38</b>	<b>\$182,182.19</b>	<b>\$123,749.31</b>	<b>\$74,196.20</b>	<b>\$56,857.24</b>		<b>\$1,003,082.03</b>	
III.	Downhole Pipe														
	A. Removal and Loading														
	Downhole Piping Removal Unit Cost (\$/ft of pipe)	\$0.070	\$0.070	\$0.070	\$0.070	\$0.070	\$0.070	\$0.070	\$0.070	\$0.070	\$0.070	\$0.070			
	Downhole Hosing Removal Unit Cost (\$/ft of pipe)	\$0.150	\$0.150	\$0.150	\$0.150	\$0.150	\$0.150	\$0.150	\$0.150	\$0.150	\$0.150	\$0.150			
	Removal of 1-1/4-inch stinger pipe	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$6,384.00	\$8,810.20	\$6,300.00	\$9,212.00	\$5,250.00	\$1,540.00			
	Removal of downhole production pipe	\$63.00	\$420.00	\$1,596.00	\$2,688.00	\$2,716.00	\$5,236.00	\$9,727.20	\$4,113.20	\$5,180.00	\$3,150.00	\$924.00			
	Removal of downhole hose	\$0.00	\$0.00	\$0.00	\$0.00	\$9,945.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00			
	Subtotal Downhole Piping Removal and Loading Costs	\$63.00	\$420.00	\$1,596.00	\$2,688.00	\$12,661.00	\$11,620.00	\$18,537.40	\$10,413.20	\$14,392.00	\$8,400.00	\$2,464.00		\$83,254.60	
	B. Pipe Shredding														
	Downhole Piping Shredding Unit Cost (\$/ft of pipe)	\$0.060	\$0.060	\$0.060	\$0.060	\$0.060	\$0.060	\$0.060	\$0.060	\$0.060	\$0.060	\$0.060			
	Subtotal Downhole Piping Shredding Costs	\$54.00	\$360.00	\$1,368.00	\$2,304.00	\$2,328.00	\$9,960.00	\$15,889.20	\$8,925.60	\$12,336.00	\$7,200.00	\$2,112.00		\$62,836.80	
	C. Equipment Costs														
	Smeal Unit Costs for removal	\$44.40	\$296.00	\$1,124.80	\$1,894.40	\$1,914.13	\$8,189.33	\$13,064.45	\$7,338.83	\$10,142.93	\$5,920.00	\$1,736.53			
	Shredder Unit Costs for shredding	\$19.20	\$128.00	\$486.40	\$819.20	\$827.73	\$3,541.33	\$5,649.49	\$3,173.55	\$4,386.13	\$2,560.00	\$750.93			
	Subtotal Equipment Costs	\$63.60	\$424.00	\$1,611.20	\$2,713.60	\$2,741.86	\$11,730.66	\$18,713.94	\$10,512.38	\$14,529.06	\$8,480.00	\$2,487.46		\$74,007.76	

Crow Butte Resources Inc.  
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Wellfield Reclamation													
		Mine Unit 1	Mine Unit 2	Mine Unit 3	Mine Unit 4	Mine Unit 5	Mine Unit 6	Mine Unit 7	Mine Unit 8	Mine Unit 9	Mine Unit 10	Mine Unit 11	Totals
D. Transport and Disposal Costs (NRC-Licensed Facility)													
	Chipped Volume Reduction - 1-1/4-inch stinger (ft <sup>3</sup> /ft)	0.0044	0.0044	0.0044	0.0044	0.0044	0.0044	0.0044	0.0044	0.0044	0.0044	0.0044	
	Chipped Volume Reduction - 2-inch downhole production (ft <sup>3</sup> /ft)	0.0074	0.0074	0.0074	0.0074	0.0074	0.0074	0.0074	0.0074	0.0074	0.0074	0.0074	
	Volume Reduction - 3/8-inch hose (ft <sup>3</sup> /ft)	0.0313	0.0313	0.0313	0.0313	0.0313	0.0313	0.0313	0.0313	0.0313	0.0313	0.0313	
	Chipped Volume - 1-1/4-inch stinger (ft <sup>3</sup> )	0	0	0	0	0	401	554	396	579	330	97	
	Chipped Volume - 2-inch downhole production (ft <sup>3</sup> )	7	44	169	284	287	554	1028	435	548	333	98	
	Volume 3/8-inch hose (ft <sup>3</sup> )	0	0	0	0	2075	0	0	0	0	0	0	
	Volume for Disposal Assuming 25% Void Space (yd <sup>3</sup> )	0.3	2.0	7.8	13.1	109.4	44.2	73.2	38.5	52.2	30.7	9.0	380.4
	Transportation and Disposal Unit Cost (\$/yd <sup>3</sup> ) (Unpackaged Bulk)	\$334.87	\$334.87	\$334.87	\$334.87	\$334.87	\$334.87	\$334.87	\$334.87	\$334.87	\$334.87	\$334.87	
	Subtotal Downhole Piping Transport and Disposal Costs	\$100.46	\$669.74	\$2,611.99	\$4,386.80	\$36,634.78	\$14,801.25	\$24,512.48	\$12,892.50	\$17,480.21	\$10,280.51	\$3,013.83	\$127,384.55
	Total Downhole Piping Costs	\$281.06	\$1,873.74	\$7,187.19	\$12,092.40	\$54,365.64	\$48,111.91	\$77,653.02	\$42,743.68	\$58,737.27	\$34,360.51	\$10,077.29	\$347,484
IV. Surface Reclamation													
A. Removal and disposal of contaminated soil around wells													
	Volume of contaminated soil (0.37 yd <sup>3</sup> per injection and production well)	1.11	48.47	56.61	98.05	150.96	183.52	212.75	244.20	192.03	255.30	118.4	1561.40
	Disposal of contaminated soil \$137.87 per yd <sup>3</sup>	\$153.04	\$6,682.56	\$7,804.82	\$13,518.15	\$20,812.86	\$25,301.90	\$29,331.84	\$33,667.85	\$26,475.18	\$35,198.21	\$16,323.81	\$215,270.22
	Equipment (Cat 924G loader at 2 yd <sup>3</sup> /hr)	\$30.43	\$1,328.56	\$1,551.68	\$2,687.55	\$4,137.81	\$5,030.28	\$5,831.48	\$6,693.52	\$5,263.54	\$6,997.77	\$3,245.34	
	Labor (1 man-hour per 2 Yd <sup>3</sup> )	\$10.12	\$441.77	\$515.96	\$893.66	\$1,375.91	\$1,672.67	\$1,939.08	\$2,225.73	\$1,750.23	\$2,326.90	\$1,079.14	
	Subtotal removal and disposal of contaminated soil	\$193.59	\$8,452.89	\$9,872.46	\$17,099.36	\$26,326.58	\$32,004.85	\$37,102.40	\$42,587.10	\$33,488.95	\$44,522.88	\$20,648.29	\$272,299.35
B. Recontour and seeding													
	Recontour and seeding (est. \$300/acre)	\$2,781.00	\$3,510.00	\$4,038.00	\$7,116.00	\$9,525.00	\$10,383.00	\$15,303.00	\$17,376.00	\$14,685.00	\$22,287.00	\$15,999.00	
	Subtotal Recontour and Seeding	\$2,781.00	\$3,510.00	\$4,038.00	\$7,116.00	\$9,525.00	\$10,383.00	\$15,303.00	\$17,376.00	\$14,685.00	\$22,287.00	\$15,999.00	\$123,003.00
	Total Surface Reclamation	\$2,974.59	\$11,962.89	\$13,910.46	\$24,215.36	\$35,851.58	\$42,387.85	\$52,405.40	\$59,963.10	\$48,173.95	\$66,809.88	\$36,647.29	\$395,302.35
IV. Well Houses													
	Total Quantity	0	3	3	5	7	7	6	8	7	5	3	
	Average Well House Weight (Lbs.)	6000	6000	6000	6000	6000	6000	6000	6000	6000	6000	6000	
A. Removal													
	Dismantlement at 2-man-days per wellhouse (man-days)	0	6	6	10	14	14	12	16	14	10	6	
	Dismantlement Labor Costs	\$0.00	\$874.98	\$874.98	\$1,458.30	\$2,041.62	\$2,041.62	\$1,749.96	\$2,333.28	\$2,041.62	\$1,458.30	\$874.98	\$15,749.64
	Equipment (Cat 924G at 2 hours per wellhouse) (hrs)	0	6	6	10	14	14	12	16	14	10	6	
	Equipment Costs	\$0.00	\$328.92	\$328.92	\$548.20	\$767.48	\$767.48	\$657.84	\$877.12	\$767.48	\$548.20	\$328.92	\$5,920.56
	Subtotal Well House Dismantlement Costs	\$0.00	\$1,203.90	\$1,203.90	\$2,006.50	\$2,809.10	\$2,809.10	\$2,407.80	\$3,210.40	\$2,809.10	\$2,006.50	\$1,203.90	\$21,670.20
B. Disposal													
	Total Disposal Weight (6000 lbs per wellhouse) (Lbs)	0	18000	18000	30000	42000	42000	36000	48000	42000	30000	18000	
	Subtotal Disposal Costs	\$0.00	\$148.86	\$148.86	\$248.10	\$347.34	\$347.34	\$297.72	\$396.96	\$347.34	\$248.10	\$148.86	\$2,679.48
	Total Well House Removal and Disposal Costs	\$0.00	\$1,352.76	\$1,352.76	\$2,254.60	\$3,156.44	\$3,156.44	\$2,705.52	\$3,607.36	\$3,156.44	\$2,254.60	\$1,352.76	\$24,349.68
	TOTAL REMOVAL AND DISPOSAL COSTS PER WELLFIELD	\$41,995.96	\$104,118.57	\$127,034.74	\$295,656.52	\$511,461.19	\$462,155.29	\$511,717.88	\$667,170.93	\$561,768.94	\$373,622.47	\$244,637.59	\$3,901,340.08
	TOTAL WELLFIELD BUILDINGS AND EQUIPMENT REMOVAL AND DISPOSAL COSTS	\$3,901,340.08											

**Crow Butte Resources Inc.  
Crow Butte Uranium Project 2008 Surety Estimate  
(Revised September 2007)**

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Crow Butte Resources, Inc.  
Crow Butte Uranium Project 2008 Surety Estimate  
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Plant Equipment Decommissioning						Commercial Plant	R.O. Building
<b>I. Removal and Loading Costs</b>							
	Tankage						
	Number of Contaminated Tanks					55	
	Volume of Contaminated Tank Construction Material (ft <sup>3</sup> )					1062	
	Number of Chemical Tanks					9	
	Disposal Void Factor					1.25	
A.	Labor to Remove and Load Tankage						
	Number of Persons					2	
	Tanks/Day					1	
	Number of Days					64	
	\$/Day/Person					\$145.83	
	Subtotal Removal Labor Costs					\$18,666.24	
B.	Labor to Clean Chemical Tankage						
	Number of Persons					1	
	Tanks/Day					1	
	Number of Days					9	
	\$/Day/Person					\$145.83	
	Subtotal Cleaning Labor Costs					\$1,312.47	
C.	Equipment						
	Saws, scaffolding, etc.					\$6,000	
	Subtotal Equipment Costs					\$6,000	
<b>Total Equipment Removal and Loading Costs</b>						<b>\$25,978.71</b>	
<b>II. Transportation and Disposal Costs (NRC-Licensed Facility)</b>							
A.	Tankage						
	Volume of Tank Construction Material (ft <sup>3</sup> )					1062	
	Volume for Disposal Assuming Void Space (yd <sup>3</sup> )					49.2	
	Transportation and Disposal Unit Cost (\$/yd <sup>3</sup> ) (Unpackaged Bulk)					\$334.87	
	Subtotal Tankage Transportation and Disposal Costs					\$16,475.60	
B.	Contaminated PVC Pipe						
	Volume of Shredded PVC Pipe (ft <sup>3</sup> )					177.6	
	Volume for Disposal Assuming Void Space (yd <sup>3</sup> )					8.2	
	Transportation and Disposal Unit Cost (\$/yd <sup>3</sup> ) (Unpackaged Bulk)					\$334.87	
	Subtotal Contaminated PVC Pipe Transportation and Disposal Costs					\$2,745.93	

**Crow Butte Resources, Inc.**  
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Plant Equipment Decommissioning						Commercial Plant	R.O. Building
C.	Pumps						
	Volume of Process Pumps (yd <sup>3</sup> ) (no void factor used)					12.8	
	Transportation and Disposal Unit Cost (\$/yd <sup>3</sup> ) (Unpackaged Bulk)					\$334.87	
	<i>Subtotal Pump Transportation and Disposal Costs</i>					<i>\$4,286.34</i>	
D.	Filters (injection, backwash and yellowcake filters)						
	Volume of Filters (yd <sup>3</sup> ) (no void factor used)					88.9	
	Transportation and Disposal Unit Cost (\$/yd <sup>3</sup> ) (Unpackaged Bulk)					\$334.87	
	<i>Subtotal Filter Transportation and Disposal Costs</i>					<i>\$29,769.94</i>	
E.	Dryer						
	Dryer Volume (yd <sup>3</sup> ) (no void factor used)					29.6	
	Transportation and Disposal Unit Cost (\$/yd <sup>3</sup> ) (Unpackaged Bulk)					\$334.87	
	<i>Total Dryer Transportation and Disposal Costs</i>					<i>\$9,912.15</i>	
	<b>Total Contaminated Equipment Transportation and Disposal Costs</b>					<b>\$63,189.96</b>	
III.	<b>Transportation and Disposal (Solid Waste for Landfill Disposal)</b>						
A.	Cleaned Tankage						
	Volume of Tank Construction Material (ft <sup>3</sup> )					174	
	Number of Landfill Trips					1	
	Transportation and Disposal Unit Cost (\$/Load)					\$133.75	
	<i>Subtotal Tankage Transportation and Disposal Costs</i>					<i>\$133.75</i>	
B.	Uncontaminated PVC Pipe						
	Volume of Shredded PVC Pipe (ft <sup>3</sup> )					177.6	
	Number of Landfill Trips					1	
	Transportation and Disposal Unit Cost (\$/Load)					\$133.75	
	<i>Subtotal PVC Pipe Transportation and Disposal Costs</i>					<i>\$133.75</i>	
	<b>Total Uncontaminated Equipment Transportation and Disposal Costs</b>					<b>\$267.50</b>	
IV.	<b>Supervisory Labor Costs During Plant Decommissioning</b>						
	Estimated Duration (months)					6	
	Engineer					\$53,609.40	
	Radiation Technician					\$27,112.80	
	<b>Total Supervisory Labor Costs</b>					<b>\$80,722.20</b>	
	<b>SUBTOTAL EQUIPMENT REMOVAL AND DISPOSAL COSTS PER FACILITY</b>					<b>\$170,158.37</b>	
	Building Area (Ft <sup>2</sup> )					34,000	5,000
	Building Equipment Removal and Disposal Cost per Square Foot					\$5.00	\$5.00
	<b>TOTAL EQUIPMENT REMOVAL AND DISPOSAL COSTS</b>					<b>\$170,158.37</b>	<b>\$25,000.00</b>

**Crow Butte Resources, Inc.**  
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Building Demolition											Commercial Plant	R.O. Building	
I.	Decontamination Costs												
	A.	Wall Decontamination											
		Area to be Decontaminated (ft <sup>2</sup> )										25,332	
		HCl Application Rate (Gallons/ft <sup>2</sup> )										1	
		HCl Acid Cost										\$1.23	
		Subtotal Wall Decontamination Materials Costs										\$31,158.36	
	B.	Concrete Floor Decontamination											
		Area to be Decontaminated (ft <sup>2</sup> )										18146	
		HCl Application Rate (Gallons/ft <sup>2</sup> )										2	
		HCl Acid Cost										\$1.23	
		Subtotal Floor Decontamination Materials Costs										\$44,639.16	
	C.	Decontamination Labor											
		Labor (man-days)										60	
		Subtotal Decontamination Labor Cost										\$8,749.80	
	D.	Decontamination Equipment Costs											
		Sprayer pump										\$500	
		Recycle pump										\$500	
		Sprayer with hose										\$1,000	
		Subtotal Decontamination Equipment Costs										\$2,000	
	E.	Decontamination Waste Disposal (to Ponds)											
		Total gallons HCl waste										61,624	
		Pumping costs (5 HP/30 gpm)										\$489.81	
		Subtotal Decontamination Costs										\$87,037.13	
		Total Decontamination Costs										\$87,037.13	
II.	Demolition Costs												
		Assumptions (based on 2007 costs):											
		Dismantling interior steel, tanks, pumps, etc.										\$159,450.00	
		Dismantling plant building										\$79,725.00	
	A.	Building Dismantling											
		Dismantle interior components (2007 \$'s escalated by CPI)										\$163,755.15	
		Plant building dismantling (2007 \$'s escalated by CPI)										\$81,877.58	
		Subtotal Building Dismantling										\$245,632.73	
	B.	Concrete Floor Removal											
		Area of direct-dispose concrete floors (ft2)										5,450	
		Removal Rate (\$/ft2)										\$14.04	

**Crow Butte Resources, Inc.**  
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<b>Building Demolition</b>					<b>Commercial Plant</b>	<b>R.O. Building</b>
				<i>Subtotal Concrete Floor Removal</i>	<i>\$76,518.00</i>	
				<b>Total Demolition Costs</b>	<b>\$322,150.73</b>	
<b>III.</b>	<b>Disposal Costs</b>					
	A. Concrete Floor					
		Area of Direct-Dispose Concrete Floor (ft <sup>2</sup> )			5,450	
		Average Thickness of Concrete Floor (ft)			0.50	
		Volume of Concrete Floor (ft <sup>3</sup> )			2,725	
		Volume of Concrete Floor (Yd3)			101	
		Transportation and Disposal Unit Cost (\$/Yd <sup>3</sup> ) (Unpackaged Bulk)			\$334.87	
		<i>Subtotal Concrete Floor Disposal Costs</i>			<i>\$33,821.87</i>	
		<b>Total Disposal Costs</b>			<b>\$33,821.87</b>	
<b>IV</b>	<b>Plant Site Reclamation</b>					
	A. Plant Site Earthwork					
		Material to be Moved (Yd3)			20,000	
		D8N Bulldozer Earthwork Rate (Yd3/hr)			700	
		D8N Hourly Rate			\$170.67	
		<i>Subtotal Plant Site Earthwork</i>			<i>\$4,876.29</i>	
	B. Revegetation					
		Area requiring Revegetation (Ac)			4	
		Revegetation Unit Cost (\$/Ac)			\$300	
		<i>Subtotal Plant Site Revegetation</i>			<i>\$1,200.00</i>	
		<b>Total Plant Site Reclamation Costs</b>			<b>\$6,076.29</b>	
<b>SUBTOTAL BUILDING DEMOLITION AND DISPOSAL COSTS</b>					<b>\$449,086.02</b>	
		Building Area (Ft2)			34,000	5,000
		Building Demolition Cost per Square Foot			\$13.21	\$13.21
<b>TOTAL BUILDING DEMOLITION AND DISPOSAL COSTS</b>					<b>\$449,086.02</b>	<b>\$66,050.00</b>

**Crow Butte Resources, Inc.**  
**Crow Butte Uranium Project 2008 Surety Estimate**  
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Evaporation Pond Reclamation									
				Commercial Ponds	R&D Ponds	Total			
Assumptions/Data:									
	Number of Ponds			3	2				
	Area of Ponds (ft2)			250,000	50,000				
	Thickness of Liner Material (ft)			0.00833	0.0030				
	Leak detection piping size (in)			4	3				
	Leak detection piping length (ft/pond)			2,100	600				
	Earthwork Requirements (Yd3/pond)			60,000	30,000				
	Surface Restoration/Revegetation (Acres)			20	10				
	Sludge Production Rate (Yd3 sludge/gal)				0.000000102				
	(1 Yd3 sludge/9,772,000 gal R&D Phase)								
	Estimated 1991 to 2008 Total Production (gallons)			26,508,584,400					
	Liner Removal Rate (ft2/man-day)			10,000	10,000				
	Sludge Removal Rate (Yd3/man-day)			8.33	8.33				
I. Pond Liner and Piping Removal									
A. Pond Liner and Piping Removal Labor									
	Area of Ponds			750,000	100,000				
	Liner Removal Rate (ft2/Man-Day)			10,000	10,000				
	Total Man-Days			75	10				
	Labor Rate (\$/man-day)			\$145.83	\$145.83				
	Subtotal Liner and Piping Removal Labor Costs			\$10,937.25	\$1,458.30	\$12,395.55			
B. Pond Liner and Piping Removal Equipment									
	Total Man-Days Removal Effort			75	10				
	Size of Crew			4	4				
	Total Days Removal Effort			18.75	2.5				
	Cat 924G Loader Hourly Rate (\$/hr)			\$54.82	\$54.82				
	Subtotal Liner and Piping Removal Equipment Costs			\$8,223.00	\$1,096.40	\$9,319.40			
Total Pond Liner and Piping Removal Costs				\$19,160.25	\$2,554.70	\$21,714.95			

**Crow Butte Resources, Inc.**  
**Crow Butte Uranium Project 2008 Surety Estimate**  
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Evaporation Pond Reclamation									
							Commercial Ponds	R&D Ponds	Total
<b>II. Pond Sludge Removal</b>									
	Pond Sludge Estimate								
	Estimated Production Flow since 1991 (gal)						26,508,584,400		
	Historical Sludge Production Rate						0.000000102		
	Estimated Pond Sludge Volume (Yd3)						2,704	Cleaned following R&D	
A.	Pond Sludge Removal Labor								
	Pond Sludge Volume (Yd3)						2,704		2,704
	Sludge Removal Rate (Yd3/man-day)						8.33		
	Total Man-Days						325		
	Labor Rate (\$/man-day)						\$145.83		
	<i>Subtotal Pond Sludge Removal Labor Costs</i>						<i>\$47,394.75</i>	<i>\$0.00</i>	<i>\$47,394.75</i>
B.	Pond Sludge Removal Equipment								
	Total Man-Days Removal Effort						325		
	Size of Crew						3		
	Total Days Removal Effort						108		
	Cat 924G Loader Hourly Rate (\$/hr)						\$54.82		
	<i>Subtotal Pond Sludge Removal Equipment Costs</i>						<i>\$47,364.48</i>	<i>\$0.00</i>	<i>\$47,364.48</i>
	<b>Total Pond Sludge Removal Costs</b>						<b>\$94,759.23</b>	<b>\$0.00</b>	<b>\$94,759.23</b>
<b>III. Pond Byproduct Material Disposal</b>									
A.	Pond Liner Disposal								
	Area of Pond Liner (ft2)						750,000	100,000	
	Thickness of Pond Liner (ft)						0.00833	0.00300	
	Volume of Pond Liner (ft3)						6,248	300	
	Void Space Factor						1.25	1.25	
	Total Disposed Volume (yd3)						289	14	303.0
	Disposal Unit Costs (\$/yd3) (Unpackaged Bulk)						\$334.87	\$334.87	
	<i>Subtotal Pond Liner Disposal Costs</i>						<i>\$96,777.43</i>	<i>\$4,688.18</i>	<i>\$101,465.61</i>

**Crow Butte Resources, Inc.**  
**Crow Butte Uranium Project 2008 Surety Estimate**  
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<b>Evaporation Pond Reclamation</b>									
							<b>Commercial Ponds</b>	<b>R&amp;D Ponds</b>	<b>Total</b>
<b>B.</b>	<b>Pond Piping Disposal</b>								
			Total Length of Piping				6,300	1,200	
			Piping Volume Factor (ft3/ft)				0.0103	0.0069	
			Total Volume Pond Piping (ft3)				65	8	
			Void Space Factor				1.25	1.25	
			Total Disposed Volume (yd3)				3.0	0.4	3.4
			Disposal Unit Costs (\$/yd3) (Unpackaged Bulk)				\$334.87	\$334.87	
			<i>Subtotal Pond Piping Disposal Costs</i>				<i>\$1,004.61</i>	<i>\$133.95</i>	<i>\$1,138.56</i>
<b>C.</b>	<b>Pond Sludge Disposal</b>								
			Total Volume Pond Sludge (Yd3)				2,704		2,704
			Disposal Unit Costs (\$/yd3) (Soil rate)				\$137.87		
			<i>Subtotal Pond Sludge Disposal Costs</i>				<i>\$372,800.48</i>	<i>\$0.00</i>	<i>\$372,800.48</i>
			<b>Total Byproduct Material Disposal Costs</b>				<b>\$470,582.52</b>	<b>\$4,822.13</b>	<b>\$475,404.65</b>
<b>IV</b>	<b>Pond Site Reclamation</b>								
<b>A.</b>	<b>Pond Earthwork Requirements</b>								
			Earthwork Requirements Yd3)				180,000	60,000	
			D8N Bulldozer Earthwork Rate (Yd3/hr)				700	700	
			Total D8N Hours				257	86	
			D8N Hourly Rate				\$170.67	\$170.67	
			<i>Subtotal Pond Earthwork</i>				<i>\$43,862.19</i>	<i>\$14,677.62</i>	<i>\$58,539.81</i>
<b>B.</b>	<b>Revegetation</b>								
			Area requiring Revegetation (Ac)				20	10	
			Revegetation Unit Cost (\$/Ac)				\$300.00	\$300.00	
			<i>Subtotal Plant Site Revegetation</i>				<i>\$6,000.00</i>	<i>\$3,000.00</i>	
			<b>Total Pond Site Reclamation Costs</b>				<b>\$49,862.19</b>	<b>\$17,677.62</b>	<b>\$67,539.81</b>

**Crow Butte Resources, Inc.**  
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<b>Evaporation Pond Reclamation</b>									
							<b>Commercial Ponds</b>	<b>R&amp;D Ponds</b>	<b>Total</b>
<b>V. Supervisory Labor Costs During Pond Reclamation</b>									
	Estimated Duration (months)						4		
	Engineer Rate (\$/month)						\$8,934.90		
	Total Engineer Labor						\$35,739.60		
	Radiation Technician Rate (\$/month)						\$4,518.80		
	Total Radiation Technician Labor						\$18,075.20		
	<b>Total Supervisory Labor Costs</b>						<b>\$53,814.80</b>	<b>\$0.00</b>	<b>\$53,814.80</b>
<b>TOTAL EVAPORATION POND RECLAMATION PER POND</b>							<b>\$688,178.99</b>	<b>\$25,054.45</b>	<b>\$713,233.44</b>
<b>TOTAL EVAPORATION POND RECLAMATION COSTS</b>							<b>\$713,233.44</b>		



**Crow Butte Resources, Inc.**  
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Miscellaneous Site Reclamation									
I.	Access Road Reclamation								
	Assumptions								
		Road Reclamation production rate (Yd3/hr)							200
		Length of Main Access Roads (ft)							14,900
		Average Main Access Road width (ft)							25
		Depth of Main Access Road Gravel Surface (ft)							1
		Surface Area of Main Access Road (Ac)							8.6
		Length of Wellfield Access Roads (ft)							54,700
		Average Wellfield Access Road width (ft)							12
		Depth of Wellfield Access Road Gravel Surface (ft)							0.5
		Surface Area of Wellfield Road (Ac)							15.1
	A.	Main Access Road Dirtwork							
		Main Access Road Gravel Volume (Yd3)							13,796
		Total reclamation time (hrs)							69
		D8N Unit Operating Cost (\$/hr)							\$170.67
		Subtotal Main Access Road Gravel Roadbase Removal Costs							\$11,776.23
	B.	Wellfield Road Dirtwork							
		Wellfield Road Gravel Volume (Yd3)							12,156
		Total reclamation time (hrs)							61
		D8N Unit Operating Cost (\$/hr)							\$170.67
		Subtotal Wellfield Road Gravel Roadbase Removal Costs							\$10,410.87
	E.	Discing/Seeding							
		Assumptions							
		Surface Area (acres)							23.7
		Discing/Seeding Unit Cost (\$/acre)							\$300.00
		Subtotal Discing/Seeding Costs							\$7,110.00
		Total Access Road Reclamation Costs							\$29,297.10

**Crow Butte Resources, Inc.**  
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Miscellaneous Site Reclamation				
<b>II.</b>	<b>Wastewater Pipeline Reclamation</b>			
	Assumptions			
	Pipeline Removal Rate (ft./man-day)			67
	Pipeline Shredding Rate (ft./man-day)			1,500
	Number of Pond Pipelines			2
	Length of Pond Pipelines (ft)			2,000
	Number of RO Building Pipelines			4
	Length of RO Building Pipelines (ft)			300
	Average Pipe Size (Sch 40)			4
	A. Pipeline Removal Costs			
	Length of Pipelines (ft)			5,200
	Removal Rate (ft/man-day)			67
	Removal Labor Rate (\$/man-day)			\$145.83
	Cat 924G Loader Use (days)			78
	Cat 924G Loader Cost			\$34,207.68
	<i>Subtotal Pipeline Removal Costs</i>			<i>\$45,582.42</i>
	B. Pipeline Shredding Costs			
	Length of Pipelines (ft)			5,200
	Shredding Rate (ft/man-day)			1,500
	Shredding Labor Rate (\$/man-day)			\$145.83
	Shredder Use (days)			3
	Shredder Cost			\$288.00
	<i>Subtotal Pipeline Shredding Costs</i>			<i>\$725.49</i>

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<b>Miscellaneous Site Reclamation</b>				
<b>C.</b>	<b>Pipeline Transportation and Disposal (NRC-Licensed Facility)</b>			
	Pipe Diameter (inches)			4
	Chipped Volume Reduction (ft <sup>3</sup> /ft)			0.0103
	Subtotal Volume of Shredded PVC Pipe (yd <sup>3</sup> )			2.0
	Disposal Void Factor			1.25
	Final Disposal Volume (yd <sup>3</sup> )			2.5
	Transportation and Disposal Unit Cost (\$/yd <sup>3</sup> ) (Unpackaged Bulk)			\$334.87
	Subtotal Pipeline Disposal Costs			\$837.18
	<b>Total Wastewater Pipeline Reclamation Costs</b>			<b>\$47,145.09</b>
<b>III.</b>	<b>Electrical Distribution System Removal</b>			
	Assumptions			
	Length of High Voltage Lines			43,440
	High Voltage Line Removal Rate (\$/ft.)			\$0.59
	High Voltage Line Removal Cost (\$/ft.)			\$25,629.60
	Substation Removal			\$1,175.00
	<b>Subtotal Electrical Distribution System Removal Costs</b>			<b>\$26,804.60</b>
<b>IV.</b>	<b>Supervisory Labor Costs During Miscellaneous Reclamation</b>			
	Estimated Duration (months)			3
	Engineer Rate (\$/month)			\$8,934.90
	Total Engineer Labor			\$26,804.70
	Radiation Technician Rate (\$/month)			\$4,518.80
	Total Radiation Technician Labor			\$13,556.40
	<b>Total Supervisory Labor Costs</b>			<b>\$40,361.10</b>
<b>TOTAL MISCELLANEOUS RECLAMATION COSTS</b>				<b>\$143,607.89</b>

**Crow Butte Resources, Inc.**  
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<b>Deep Disposal Well Reclamation</b>									
<b>I.</b>	<b>Cost Basis</b>								
	A. Plugging and Abandonment								
		Cost Estimate from March 2004 Permit Re-application for plugging and abandonment							\$59,026.00
		March 2004 CPI							187.4
		June 2007 CPI							208.4
		<i>Subtotal Escalated 2003 Plugging and Abandonment Costs</i>							<i>\$65,640.44</i>
	B. Site Reclamation								
		Cost Estimate from March 2004 Permit Re-application for site reclamation							\$2,433.00
		March 2004 CPI							187.4
		June 2007 CPI							208.4
		<i>Subtotal Escalated 2003 Reclamation Costs</i>							<i>\$2,705.64</i>
<b>TOTAL DEEP DISPOSAL WELL RECLAMATION COSTS</b>									<b>\$68,346.08</b>

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<b>I-196 Brule Aquifer Restoration</b>				
<b>I.</b>	<b>Ground Water Sweep Costs</b>			
	Assumptions			
	PV's Required from I-196a, I-196j and I-196n			3
	Total Gallons per Pore Volume			337,758
	Total Gallons to Treat			1,013,274
	Flow Rate (gpm)			3
	Pump Power Requirements (kwh)			3
	Power Cost (\$/kw)			\$0.0638
	Pumping Labor (man-day per day) (1hr/day)			0.125
	Sampling Labor (man-day per day) (.5hr/day)			0.0625
	Labor Rate (\$/man-day)			\$145.83
	Days to complete			235
A.	Electrical Costs			
	<i>Cost to pump 3 Pore Volumes</i>			<i>\$1,077.45</i>
B.	Labor Costs			
	<i>Labor for pumping 3 Pore Volumes</i>			<i>\$4,283.76</i>
<b>Total Ground Water Sweep Costs</b>				<b>\$5,361.21</b>
<b>II.</b>	<b>Monitoring and Sampling Costs</b>			
A.	Labor Costs for Monitoring I-196a, I-196j, and I-196n			\$2,141.88
B.	Monitoring for I-196i, I-196m, and I-196l			\$2,141.88
<b>Total Monitoring and Sampling Costs</b>				<b>\$4,283.76</b>

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<b>I-196 Brule Aquifer Restoration</b>				
<b>III</b>	<b>Additional Ground Water Sweep</b>			
	Pump from additional wells and monitor as above			\$9,644.97
	Drill 4 additional wells, 50 ft deep at \$26/ft.			\$5,200.00
	<b>Total Additional Ground Water Sweep</b>			<b>\$14,844.97</b>
<b>IV</b>	<b>Well Abandonment</b>			
	Abandon 14 wells at \$194/well			\$2,716.00
	<b>Total Well Abandonment</b>			<b>\$2,716.00</b>
<b>TOTAL I-196 BRULE AQUIFER RESTORATION COSTS</b>				<b>\$27,205.94</b>

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GROUNDWATER RESTORATION														
GROUNDWATER SWEEP (GWS) Unit Costs														
Assumptions:														
1. All pumps are 5 hp pumping at 32 gpm														
2. Cost of electricity = \$0.0638 Kw hr														
3. Horsepower to kilowatt conversion = 0.746 Kw/HP														
4. Operator labor costs = \$145.83 man-day														
5 Labor costs are based on 36 pumps at 1,150 gpm														
Wellfield Pumping Electrical Costs per 1000 Gallons														
1000 gal	X	5 hp	X	1 hr	X	0.746 kwh	X	\$ 0.0638		= \$	0.124			
		32 gpm		60 min		hp		kwh						
Wellfield Pumping Labor Costs per 1000 Gallons														
1000 gal	X	1 min	X	1 man-day	X	\$145.83	X	2	operators	= \$	\$0.528			
		1150 gal		480 min		man-day								
Groundwater Sweep Production Rate														
1150 gal	X	60 min	X	24 hr	X	365 day	X	1	year	=	50,370,000	gallons		
		min		hr		year		12	month			month		
TOTAL GWS COSTS PER 1000 GALLONS										= \$	0.65			

**Crow Butte Resources, Inc.**

## Crow Butte Uranium Project 2008 Surety Estimate

**(Revised September 2007)**

Groundwater Reverse Osmosis (RO) Treatment Unit Costs													
<b>Assumptions:</b>													
1. All pumps are 5 hp pumping at 32 gpm													
2. Cost of electricity = \$0.0638 Kw hr													
3. Horsepower to kilowatt conversion = 0.746 Kw/HP													
4. Operator labor costs = \$145.83 man-day													
5. RO System horsepower requirements for 600 gpm rated flow based upon:													
		RO Unit Pump				405 hp							
		Permeate/Injection pump				60 hp							
		Waste pump				12 hp							
		TOTAL:				477 hp							
6. Chemical costs:													
		Reductant =										\$0.37 lb	
		Antiscalant =										\$16.63 gal	
<b>Wellfield Pumping Electrical Costs per 1000 Gallons</b>													
1000 gal		X	5 hp	X	1 hr	X	0.746 kwh	X	\$ 0.0638				
			32 gpm		60 min		hp		kwh		= \$ 0.124		per Kgal
<b>Reverse Osmosis Electrical Costs per 1000 Gallons</b>													
1000 gal		X	477 hp	X	1 hr	X	0.746 kwh	X	\$ 0.0638				
			600 gpm		60 min		hp		kwh		= \$ 0.631		per Kgal
<b>Reverse Osmosis Labor Costs per 1000 Gallons</b>													
1000 gal		X	1 min	X	1 man-day	X	\$145.83	X	2 operators				
			600 gal		480 min		man-day				= \$ \$1.013		per Kgal
<b>Treatment chemical costs per 1000 Gallons</b>													
Antiscalant:													
1000 gal		X	0.000008330 gal antiscalant	X	\$16.63 gal antiscalant								
			1 gal								= \$ \$0.139		per Kgal
Reductant:													
1000 gal		X	0.000560 lbs reductant	X	\$0.370 lb reductant								
			1 gal								= \$ \$0.207		per Kgal
<b>Reverse Osmosis Production Rate</b>													
400 gal		X	60 min	X	24 hr	X	365 day	X	1 year				
			min		day		year		month		= 17,520,000		gallons month
<b>TOTAL RO COSTS PER 1000 GALLONS</b>													
<b>= \$ 2.11</b>													



**Crow Butte Resources, Inc.**  
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Groundwater Recirculation Unit Costs														
<b>Assumptions:</b>														
1.	All pumps are 5 hp pumping at 32 gpm													
2.	Cost of electricity =												\$0.0638	Kw hr
3.	Horsepower to kilowatt conversion =												0.746	Kw/HP
4.	Operator labor costs =												\$145.83	man-day
5.	System horsepower requirements for 1,150 gpm rated flow based upon:													
	injection pump												30	hp
6.	Chemical costs:													
	Reductant =												\$0.37	lb
<b>Wellfield Pumping Electrical Costs per 1000 Gallons</b>														
1000	gal	X	5	hp	X	1	hr	X	0.746	kwh	X	\$0.0638		
			32	gpm		60	min		hp			kwh	= \$	0.124 per Kgal
<b>Wellfield Injection Electrical Costs per 1000 Gallons</b>														
1000	gal	X	30	hp	X	1	hr	X	0.746	kwh	X	\$0.0638		
			1150	gpm		60	min		hp			kwh	= \$	0.021 per Kgal
<b>Recirculation Labor Costs per 1000 Gallons</b>														
1000	gal	X	1	min	X	1	man-day	X	\$145.83		X	2	operators	
			1150	gal		480	min		man-day				= \$	0.528 per Kgal
<b>Treatment chemical costs per 1000 Gallons</b>														
Reductant:														
1000	gal	X	0.000560	lbs reductant	X	\$0.370							= \$	\$0.207 per Kgal
			1	gal		lb reductant								
<b>Recirculation Production Rate</b>														
1150	gal	X	60	min	X	24	hr	X	365	day	X	1	year	
	min		hr			day			year			12	month	= 50,370,000 gallons month
<b>TOTAL RECIRCULATION COSTS PER 1000 GALLONS</b>													= \$	0.88

**Crow Butte Resources, Inc.**  
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WELL ABANDONMENT Unit Costs											
Assumptions:											
1 Use backhoe for 0.25 hr/well to dig, cut off, and cap well.											
2 Drill rig used 2.5 hrs to plug well.											
3 Labor for installing chips, etc. will require 2 workers at 0.5 hrs per well											
Well Abandonment Costs		Cost per ft (based on 700 ft wells)									
Cat 416 Backhoe											
	0.25	hours	X	\$	44.59	per hour		=	\$	11.15	\$0.0159
Drill rig											
	2.5	hours	X	\$	155.00	per hour		=	\$	387.50	\$0.5536
Well Cap											
	1	each	X	\$	7.67	each		=	\$	7.67	\$0.0110
Materials per foot of well (Variable Cost)											
Cement											
	0.0714	lbs/ft	X	\$	0.065	per pound		=	\$		\$0.0047
Bentonite Chips											
	0.007	tubes/ft	X	\$	5.80	per tube		=	\$		\$0.0406
Plug Gel											
	0.0086	sacks/ft	X	\$	7.55	per sack		=	\$		\$0.0649
Total Estimated Cost per Foot:										\$0.69	

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Master Cost Basis

Mine Unit Data

		Mine Unit 1	Mine Unit 2	Mine Unit 3	Mine Unit 4	Mine Unit 5	Mine Unit 6	Mine Unit 7	Mine Unit 8	Mine Unit 9	Mine Unit 10	Mine Unit 11
Total number of production wells		3	52	57	96	187	187	205	248	195	260	120
Total number of injection wells		0	79	96	169	221	309	370	412	324	430	200
Total number of shallow monitor wells		0	3	3	11	25	28	25	30	20	32	24
Total number of perimeter monitor wells		11	10	7	11	23	26	8	20	13	31	22
Total number of restoration wells		10	12	18	43	33	29	25	30	21	32	24
Wellfield Area (ft2)		403,712	509,600	586,188	1,033,405	1,383,005	1,507,647	2,222,190	2,522,911	2,132,355	3,235,900	2,323,200
Wellfield Area (acres)		9.27	11.70	13.46	23.72	31.75	34.61	51.01	57.92	48.95	74.29	53.33
Affected Ore Zone Area (ft2)		403,712	509,600	586,188	1,033,405	1,383,005	1,507,647	2,222,190	2,522,911	2,132,355	3,235,900	2,323,200
Avg. Completed Thickness		19.6	16.3	12.5	12.9	14.6	15.4	12.3	16.4	16.4	20	22
Porosity		0.29	0.29	0.29	0.29	0.29	0.29	0.29	0.29	0.29	0.29	0.29
Affected Volume (ft3)		7,912,755	8,306,480	7,327,350	13,330,925	20,191,873	23,217,764	27,332,937	41,375,740	34,970,622	64,718,000	51,110,400
Kgallons per Pore Volume		17,164	18,018	15,894	28,917	43,800	50,364	59,291	89,752	75,858	140,386	110,869
Number of Patterns in Unit(s)												
	Current	0	52	57	96	187	187	205	248	195	200	60
	Estimated next report	0	0	0	0	0	0	0	0	0	60	60
	Total Estimated	0	52	57	96	187	187	205	248	195	260	120
Number of Wells in Unit(s)												
Production Wells												
	Current	3	52	57	96	187	187	205	248	195	200	60
	Estimated next report	0	0	0	0	0	0	0	0	0	60	60
	Total Estimated	3	52	57	96	187	187	205	248	195	260	120
Injection Wells												
	Current	0	79	96	169	221	309	370	412	324	330	100
	Estimated next report	0	0	0	0	0	0	0	0	0	100	100
	Total Estimated	0	79	96	169	221	309	370	412	324	430	200
Shallow Monitor Wells												
	Current	0	3	3	11	25	28	25	30	20	32	9
	Estimated next report	0	0	0	0	0	0	0	0	0	0	15
	Total Estimated	0	3	3	11	25	28	25	30	20	32	24
Perimeter Monitor Wells												
	Current	11	10	7	11	23	26	8	20	13	31	9
	Estimated next report	0	0	0	0	0	0	0	0	-7	0	13
	Total Estimated	11	10	7	11	23	26	8	20	13	31	22
Number of Wells per Wellfield		14	144	163	287	456	550	608	710	552	753	366
Total Number of Wells		4603										
Average Well Depth (ft) - Deep Wells		665	631	774	698	675	515	762	500	770	480	810
Average Well Depth (ft) - Shallow Wells		200	200	200	200	200	200	200	200	200	150	350

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Master Cost Basis

Electrical Costs			
Power cost (adj for current actual cost)	2007 Rate \$0.0580	2008 Est Rate \$0.0638	kwHr
Kilowatt to Horsepower	0.746	0.746	Kw/HP
Horsepower per gallon per minute	0.167	0.167	HP/gpm
Labor Rates			
Operator Labor Cost	2007 Rate \$142.00	2008 Est Rate (CPI) \$145.83	day
Engineer Cost	\$8,700.00	\$8,934.90	month
Radiation Technician Costs	\$4,400.00	\$4,518.80	month
Chemical Costs			
Antiscalant for RO (adj for current actual cost)	2007 Rate \$16.19	2008 Est Rate \$16.63	gal
Reductant (adj for current actual cost)	\$0.36	\$0.37	lb
Cement (adj for current actual cost)	\$0.06	\$0.07	pound
Bentonite Tubes (adj for current actual cost)	\$3.72	\$5.80	tube
Salt (adj for current actual cost)	\$106.00	\$110.00	ton
Plug Gel (adj for current actual cost)	\$6.57	\$7.55	sack
Well Cap (adj for current actual cost)	\$7.47	\$7.67	each
Hydrochloric Acid (adj for current actual cost)	\$1.20	\$1.23	gallon
Analytical Costs			
Guideline 8 (contract lab adjusted for current contract cost)	\$200.00	\$200.00	analysis
6 parameter (in-house) Est Rate (CPI)	\$50.00	\$51.35	analysis
Other (radon, bio, etc.) Est Rate (CPI)	\$912.00	\$936.62	month
Spare Parts			
Restoration spare parts estimate	2007 Rate \$19,250.00	2008 Est Rate (CPI) \$19,769.75	year

CPI Escalators (CPI-U, U.S. City Average)	
1988 CPI (average)	118.3
March 2004 CPI (deep well estimate)	187.4
2005 CPI (June 2006 used in last update)	202.9
Current CPI (June 2007)	208.4
2008 Escalation Factor	1.027

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Master Cost Basis

Equipment Costs						
<u>Equipment</u>	<u>Base Rental Rate (\$/hr)</u>	<u>Labor Costs (\$/hr)</u>	<u>Repair Reserve Costs (\$/hr)</u>	<u>Fuel Costs (\$/hr)</u>	<u>Mob &amp; Demob (\$/hr)</u>	<u>Total (\$/hr)</u>
Cat 924G Loader	\$26.00	\$17.75	\$3.00	\$8.07	inc.	\$54.82
Cat 416 Backhoe	\$16.00	\$17.75	\$2.50	\$8.34	inc.	\$44.59
Shredder	\$12.00			inc	inc	\$12.00
Cat D8N Bulldozer	\$110.00	\$17.75	\$12.00	\$30.92	inc.	\$170.67
Pulling Unit	\$37.00 inc	inc		inc	inc	\$37.00
Mixing Unit	\$5.00			inc	inc	\$5.00
Drill Rig	\$155.00 inc	inc		inc	inc	\$155.00
Basis:						
Cat 924G, 416 and D8N rental rates from Nebraska Machinery (Aug '07); others estimated.						
Repair Reserve costs based on from Nebraska Machinery (Aug '07).						
Current diesel usage from from Nebraska Machinery (Aug '07), with current (Sep 1, '07) costs for off-road fuel:				\$2.689	gallon	
Labor rate based on current operator labor rate						

Pipe Volumes			
<u>Nominal Pipe Size</u>	<u>Wall Thickness (in.)</u>	<u>Pipe OD (in.)</u>	<u>Volume per foot (ft<sup>3</sup>/ft)</u>
3/8-inch O2 hose		0.37500	0.03130
2-inch Sch. 40 downhole	0.15400	2.37500	0.00740
1-1/4-inch Sch. 40 stinger	0.14000	1.66000	0.00440
2-inch SDR 13.5 inj & prod.	0.14815	2.29630	0.00690
4-inch SDR 35	0.11430	4.22860	0.01030
6-inch Sch. 40 process pipe	0.28000	6.56000	0.03840
6-inch Trunkline	0.49100	6.56600	0.06510
8-inch Trunkline	0.63900	8.54800	0.11030
10-inch Trunkline	0.79600	10.65400	0.17120
12-inch Trunkline	0.94400	12.63700	0.24080

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Pipe Removal and Shredding Costs				
<i>Activity</i>	<i>Removal Rate (ft/man-day)</i>	<i>Shredding Rate (ft/man-day)</i>	<i>Labor Rate (day)</i>	<i>Activity Cost per foot</i>
2-inch SDR 13.5 inj & prod. Removal	225		\$145.83	\$0.65
2-inch SDR 13.5 inj & prod. Shredding		1920	\$145.83	\$0.08
Trunkline Removal	100		\$145.83	\$1.46
Trunkline Shredding		100	\$145.83	\$1.46
Downhole Pipe Removal	2000		\$145.83	\$0.07
Downhole Pipe Shredding		2250	\$145.83	\$0.06
Downhole Hose Removal	1000		\$145.83	\$0.15
Waste and RO Building Pipeline Removal	67		\$145.83	\$2.18
Waste and RO Building Pipeline Shredding		1500	\$145.83	\$0.10

Waste Disposal Costs							
<i>Waste Form</i>	<i>Fee</i>		<i>Density Correction Factor (Tons/Yd3)</i>	<i>Fee per Cubic Yard</i>	<i>Transport Cost</i>	<i>Total Transportation and Disposal</i>	
Soil, Bulk Byproduct Material	\$185.19	per Ton	0.54	\$100.00	\$37.87	per Yd3	\$137.87 per Yd3
Unpackaged Bulk Byproduct Material (e.g., pipe, equipment)	\$707.15	per Ton	0.42	\$297.00	\$37.87	per Yd3	\$334.87 per Yd3
Solid Waste (landfill)	\$0.00827	per Lb			Incl.	per Lb	\$0.00827 per Lb
Solid Waste (landfill)	\$133.75	per Load			Incl.	per Load	\$133.75 per Load
Void Factor (for disposal)	1.25						

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Master Cost Basis

Plant Dismantling						
<u>Plant Components:</u>	<u>Number</u>	<u>Units</u>	<u>Estimated Disposal</u> <u>Volume</u>	<u>Units</u>	<u>Activity</u>	<u>2007 Cost</u>
Contaminated Tanks	55	each	19.3	Ft3 each	Dismantle interior steel, tanks, piping and electrical	\$ 159450
Uncontaminated Tanks	9	each	19.3	Ft3 each	Dismantle Plant Building	\$ 79725
Pumps	69	each	5	Ft3 each		
Downhole Pumps	602	each	0.5	Ft3 each	Concrete floor removal rate	Current Cost \$/ft2 14.04
Contaminated Piping	4625	feet	See estimate by piping size and material			
Uncontaminated Piping	4625	feet				
Filters	24	each	100	Ft3 each		
Dryer	2	each	400	Ft3 each		
Average PVC Pipe Diameter (inches)	6					

Plant Decontamination				
Direct Dispose Plant Floor Area	5450	ft2	Decon Solution (HCl) Floor Application Rate	2 gal/ft2
Uncontaminated Plant Floor Area	7000	ft2		
Decontaminated Plant Floor Area*	18146	ft2		
Average concrete thickness	0.5	ft		
Plant Wall Area	25332	ft2	Decon Solution (HCl) Wall Application Rate	1 gal/ft2