



STATE OF NEBRASKA

Dave Heineman
Governor

DEPARTMENT OF ENVIRONMENTAL QUALITY
Michael J. Linder
Director

Paul Goranson, President
Crow Butte Resources, Inc.
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NOV 15 2010

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Dear Mr. Goranson:

On October 25, the Nebraska Department of Environmental Quality (NDEQ) received a request from Crow Butte Resources, Inc. (CBR) to replace Mine Unit 4 baseline restoration well CM1-9 with P456 because CM1-9 was inadvertently abandoned due to a misplaced well box. In this letter, CBR provided documentation that P456 is completed and screened in the same zones of the Chadron Formation as CM1-9. Additionally, P456 is located approximately 55 feet south of CM1-9.

NDEQ has reviewed the baseline water quality data submitted for Mine Unit 4 in 1994, and concurs with CBR's assertion that the baseline water quality data gathered in 1990 from CM1-9 can be applied to P456. Part I.I.C. of CBR's Class III injection permit (NE0122611) requires at least one baseline restoration well per four acres within the mine unit. This requirement continues to be met if P456 is used as a baseline well. No changes to the restoration goals previously approved by NDEQ for Mine Unit 4 are proposed.

The Department has reviewed the well completion reports for both wells and the preoperational ground water quality data associated with all baseline monitoring wells in Mine Unit 4. The Department has determined that P456 will make an adequate replacement for CM1-9 based on physical proximity and similar screen intervals of the two wells. The Department will now consider P456 as a baseline restoration well for Mine Unit 4.

Please contact Jenny Coughlin of my staff at (402) 471-4290 if you have any additional requests or questions concerning the contents of this letter. Thank you for your cooperation.

Sincerely,

Michael Linder
Director

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Cc: Jim Stokey, CBR
Dave Carlson, NDEQ
Ron Burrows, NRC