

Department of Environmental Quality

To protect, conserve and enhance the quality of Wyoming's environment for the benefit of current and future generations.

John Corra, Director

September 14, 2011

CERTIFIED MAIL RETURN RECEIPT REQUESTED # 91 7199 9991 7030 9132 2524

Mr. Thomas Gieck Remediation Leader Umetco Minerals Corporation P.O. Box 1029 Grand Junction, CO 81502

RE: Bond Amount for Permit No. 349C, Umetco Minerals Corporation

Dear Mr. Gieck,

The information provided in the 2011 Annual Report for mine permit no. 349C has been reviewed by the Land Quality Division District 2 staff. The United State Nuclear Regulatory Commission (USNRC) staff has also been consulted in order to establish the bond amount. In accordance with W.S. § 35-11-411(d) the bond amount is set at \$5,539,000. This includes \$660,000 for the reclaimed mine area under WDEQ-LQD jurisdiction (1,320 ac. @ \$500/ac.), plus \$4,878,787 for the mill tailings area under NRC jurisdiction. The total has been rounded to the nearest \$1K. The USNRC portion of the bond was set in USNRC's letter dated 8/22/11. This represents an increase of \$3,826,000 over the current bond amount. The increase is due to estimated costs associated with the installation of erosion protection enhancements on the tailings cap required by the USNRC.

This bond amount is based on an estimate of the cost to the State of performing reclamation in the event of bond forfeiture. If the estimated proves to be inadequate, the Department will bring suit to recover the additional cost, as authorized by W.S. § 35-11-422.

Please contact Ms. Deanna Hill, Bonding Analyst, at (307) 777-6910 for information on how to increase the bond. Should you have any questions regarding the bond amount, please contact Mr. Mark Moxley in the Lander District Office at (307) 332-3047.

Sincerely,

Yohn Corra Director

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Department of Environmental Quality

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xc: Deanna Hill - LQD Cheyenne

Dominic Orlando - USNRC, Div. of Waste Mgmt. & Environmental Protection, Mail Stop T-8F5, Washington, DC 20555-0001

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