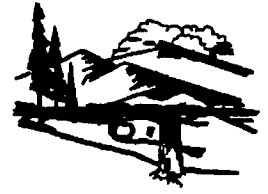




Department of Environmental Quality



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

Matthew H. Mead, Governor

Todd Parfitt, Director

December 20th, 2012

Mr. Jon Winter
Uranium One USA, Inc.
907 N. Poplar Street, Suite 260
Casper, WY 82601

**RE: Willow Creek ISL Operations, Permit No. 478, Well Acceptance Volumes
Mine Unit 10A, Modules 10-1 & 10-2, Acceptance and Inspection Results**

Dear Mr. Winter:

We are in receipt of the well completion documentation received under cover of your letters dated December 7th, 2012 regarding Notice of Completion for Class III wells in Mine Unit 10A, Modules 10-1 & 10-2 respectively.

The Land Quality Division exercised its right to inspect these wells (as provided for in Chapter 11, Section 11(b)(ii)(A) and (B)) on December 18th, 2012. No significant issues relating to well construction were notable at the surface. In fact, nearly all wells were found complete and secure within their new surface covers and leak detection systems in place. Minor issues concerning erosion from well development and/or purging activities were noted and these issues were discussed with Mr. Tim McCullough during the inspection. These issues do not affect the well acceptance herein. However, erosion prevention is important to LQD and required under Permit 478. Based on discussions with Mr. McCullough, LQD is confident Uranium One will address the topic adequately in the future. A copy of the inspection report memo is attached for your information. A copy of this report will be placed in the permanent inspection file for the Permit #478, Willow Creek Irigaray-Christensen ISL Operations, as will any written comments you may have.

LQD accepts your certification of the proper construction of the subject wells in compliance with your approved mine plan and Land Quality Division Non-Coal Rules and Regulations, Chapter 11, Section 11(b).

Uranium One may now commence initial circulation operations with the wells located in Mine Unit 10A, Modules 10-1 and 10-2 as per the 478 permit to mine. Please note the Mine unit 10A well data package has been approved under separate correspondence of this same date.

Regards,

Mike Ploughe P.G.
Project Geologist

\mp

Attachment

cc: Cheyenne file
Ron Linton, NRC



MSK
12/20/12



MEMORANDUM

TO: File, Permit No. 478, "Willow Creek", Well Completion and Inspection Volumes

THRU: Mark Rogaczewski, LQD Supervisor

FROM: Mike Ploughe, Project Geologist *MP*

DATE: December 19th, 2012

SUBJECT: Uranium One's Willow Creek (Christensen Ranch) Permit No.478, Mine Unit 10A, Modules 1 and 2 – Well Acceptance Inspection of December 18th, 2012

On December 18th, 2012 LQD conducted an inspection of the wells concerning Mine Unit 10A, Modules 1 and 2 as described in Uranium One's notice of completion memos dated December 7th, 2012. The following information constitutes the "Well Acceptance Inspection Report" concerning the subject Mine Unit 10A wells:

LQD Representatives: Mike Ploughe and Mark Taylor

Uranium One Representatives: Jon Winter, Tim McCullough, and Kurt Nielson

Inspection Summary:

The recovery wells 10MP1 and 10MP3, adjacent shallow monitoring wells 10SM1 and 10SM2, and numerous surrounding injection wells were visually inspected (see photos). The wells were found to be in sound condition with sufficient casing above ground, completed surface enclosures, leak detection monitoring equipment in place, and wells properly identified. Wells constructed within drainages were adequately "off center" of the drainages. Additionally, the enclosures and completions are sufficiently above grade in such areas to protect the wells from precipitation/runoff events. It was noted that the surface area for runoff into the subject small drainages is also very limited.

Since the wells are already completed at the time of notice, inspecting subsurface construction is not possible without special provisions and tooling. However, indications of proper cement and grouting were observed in adjacent Mine Unit 10B. Additionally, MIT tests were being conducted in Mine Unit 10B and observed at MW10-341. MIT equipment was observed to be functioning properly and the operator stated his equipment was calibrated last month during regular service and maintenance. It is reasonable to assume that similar construction methods and MIT testing circumstances were in place in Mine Unit 10A. A pumping test in Mine Unit 10B was also observed.

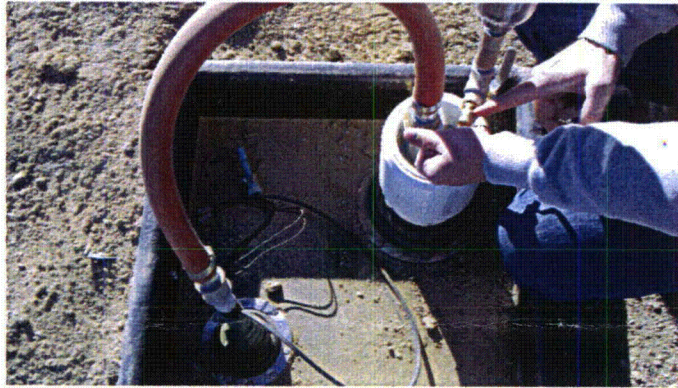
Minor issues with erosion caused from short term air lifting and/or well purging were pointed out. Uranium One staff indicated the issues would be addressed and that final grading and seeding would also be complete in the spring of 2013. The inspection was concluded and approval of the well completion package has been made.

/MP

cc: Cheyenne File w/photo attachment

MP
12/19/12

MU10A Wells – (Typical)



MU10A Overview NE View, Module 10-1 (Typical)

