

From: Saxton, John
To: [John Cash](#)
Cc: [Brian Wood](#)
Subject: Questions regarding verification of MU2 Wellfield Package
Date: Tuesday, September 20, 2016 1:25:00 PM

John,

In reviewing Lost Creek's Mine Unit 2 (MU2) Wellfield Package, I have the following questions:

- (1) The request is listed as Volume 7 for WDEQ's Permit to Mine application. Volume 7 was also for the KM/Lost Creek East Amendment. Does this submittal void the submittal for Lost Creek East/KM Amendment?
- (2) Lost Creek is not proposing perimeter wells between MU1 and MU2, which is okay during operations. How does Lost Creek envision restoration (i.e., will MU1 be restored prior to completion of MU2 and if so should there be monitoring between units)?
- (3) A very good percentage of old exploratory drill holes were found and abandoned; however, the package did not state the procedures to attempt to find the ones not found?

- (4) There is some confusion between wells LC-22MA and LC-22M:

Table MU2 4-2a has sampling at LC22M in 2015; the well is likely LC22MA and not LC22M - the quality is different from the 2006 and well 22M is likely abandoned.

Baseline Table list LC-22M

Pumping Test Report Table 3-1 list 81 feet screen length for LC-22MA but that is for LC22M

Well Completion Report for LC22MA lists a water elevation (07/24/12) prior to its drilled date of 7/15/13

- (5) Screen Thickness is over 47 feet for the following ore baseline wells:

M-HJ203 120 ft. (entire HJ interval)
M-HJ218 70 ft.
M-HJ219 62 ft.
M-HJ222 60 ft.
M-HJ226 57 ft.
M-HJ228 68 ft.
M-HJ230 60 ft.
M-HJ231B 47 ft.

Are these wells screened over multiple production units? How do these lengths affect the average used in the surety calculations? Will the wells act as a conduit?

- (6) Wells M-HJ219 & M-HJ228 are not located within any delineated production units on Figures MU2 5-1 through 5-4.
- (7) The package states that groundwater at well M-HJ230 is impacted by fluids from MU1 and thus not used for the baseline at MU2. However, How far away is the well from MU1? (Coordinates on boring log may be incorrect.) If the distance is

100 feet, a flare factor of 1.47 may be more appropriate than a factor of 1.2.

- (8) License condition 11.3E) states that the ore baseline data are establish in the Data Package and statistically valid factor is used to establish restoration target values. However, the distribution of Uranium, Radium Gross Alpha, Gross Beta, As, Se may not be normal and the use of mean plus standard deviations is not valid.

Let me know if you have questions, or, if you can address these comments a response so that I can complete my review.

John