State of Utah
DEPARTMENT OF NATURAL RESOURCES
DIVISION OF OIL, GAS AND MINING

Michael O. Leavitt
Governor

Ted Stewart
Executive Director

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August 2, 1994

Mr. R. A. VanHorn
Umetco Minerals Corporation
2754 Compass Drive, Suite 280
Grand Junction, Colorado 81506

Re: Formal Transfer from Umetco Minerals to Energy Fuels Nuclear, Pandora Mine - M/037/012; Hecla Shaft Mine - M/037/043 and Redd Block IV Mine, M/037/046, San Juan County, Utah

Dear Mr. VanHorn:

On July 27, 1994 the Division Director formally approved of the transfer of the Pandora Mine, the Hecla Shaft Mine and the Redd Block IV Mine from Umetco Minerals Corporation to Energy Fuels Nuclear, Inc. The Board of Oil, Gas and Mining also formally approved of the form and amount of reclamation surety provided by Energy Fuels Nuclear for these three mines.

Energy Fuels Nuclear will now be the party fully responsible for the reclamation of the Pandora Mine, the Hecla Shaft Mine, and the Redd Block IV Mine. Umetco Minerals Corporation is hereby formally released from any further reclamation responsibility for these three mines.

Enclosed are copies of the fully signed and executed transfer forms for your files. Also, please find enclosed: the original surety bond and reclamation contract for the Pandora (General Insurance Company of America #; in the amount of $67,500) and correspondence regarding Seaboard Surety Company (surety prior to General Insurance Company for the Pandora Mine); the original permit transfer forms for the Hecla Shaft and the Redd Block IV from Union Carbide to Umetco Minerals dated January 1985; and the original Mined Lands Reclamation Contracts for the Hecla Shaft and the Redd Block IV.

Thank you for your time and help in completing the transfer process.

Sincerely,

Anthony A. Gallegos

Anthony A. Gallegos
Reclamation Engineer

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Enclosures
cc: William Almas, Energy Fuels Nuclear
Sal Venticinque, BLM, Grand RA