M/037/0026
cc: Tom
Task: 3773

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November 8, 2010

Paul Baker
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PO Box 145801
Salt Lake City, Utah 84114-5801

Dear Mr. Baker:

Re: Response to Comments on Amended Notice of Intention to Commence Large Mining Operations, Denison Mines (USA) Corp., La Sal Snowball Mine, M/037/0026, San Juan County, Utah as provided by Uranium Watch on September 9, 2010.

Denison Mines (USA) Corp. ("Denison") received comments from Uranium Watch via email from you on October 20, 2010. The comment letter is dated September 9, 2010. Denison has addressed these comments to the best of our ability as follows:

1. Figure 2 Map

1.A. A note has been added to The Base Map Checklist Section (d) stating that Denison's exploration maps and notices are on file with the Division [Utah Division of Oil, Gas and Mining]. All power lines surveyed by Denison and available via GIS internet downloading are shown on the figures. The power lines are shown on Figure 2; however, the detailed maps also included in the NOI show whether the power lines are to be reclaimed by Denison or are owned by the Power Company.

1.B. The note on the bottom of Figure 2 states which roads are pre-law and will not be reclaimed by Denison. The "access roads" shown in pink on the figure are the roads that will be reclaimed by Denison and for which bonding is in place.

1.C. This access road was incorrect and has been corrected on the Figure.

1.D. The word trails was changed on the figure.

1.E. The roads in Section 5 have been closed by the USFS and this note was added at their request during comment on the Plan of Operations. The documentation associated with this road closure is provided with this letter for your use.

2. Figure 1-2

Denison previously responded to similar comments from Uranium Watch in a letter to Tom Munson dated September 28, 2010 and believes that this letter (enclosed) may help clear up any confusion and answer some of the questions posed again in the September 9th comments. One note here is that Figure 1-2 is from the Draft Plan of Operations which is currently being completed *prior* to release to the public. It is not appropriate for Uranium Watch to make comments on this figure to UDOGM, especially prior to the BLM and USFS releasing this document to the public; however, Denison will respond to these comments here.

2.A. Denison is confused by this comment, either the map has been previously repaired or no changes need to be made.

2.B. This change has been made to Figure 2 of the NOI.

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2.C. Although these vents have been reclaimed, they are still bonded by Denison and therefore, are included on the figure. A note has been added to Figure 2 of the NOI stating that this vent has been reclaimed.
2.D. This vent was proposed to be re-drilled in 2007 by Denison and approved for maintenance activities by the Division. Bonding is in place for this vent; however, Denison has not re-drilled it as of the date of this letter. A note was added to Figure 2 of the NOI stating that this vent is reclaimed.

2. La Sal Vent Naming Table
These changes were address in our September 28, 2010 letter to Tom Munson and have been fixed (or explained in our letter) on Figure 2 in the NOI.

Denison appreciates the opportunity to work with you and your staff on this project and hopes that all comments are addressed to your satisfaction. Please feel free to contact me at 303.389.4136 or cwoodward@denisonmines.com with any additional questions or comments.

Yours very truly,

DENISON MINES (USA) CORP.

Christy Woodward

Christy Woodward, PE
Environmental coordinator

Cc: Denison Mines (USA) Corp., File
Terry Wetz, Philip Buck, Alex Morgan, Denison Mines (USA) Corp.
Ben Kniola, US Bureau of Land Management
Joel Nowak, US Forest Service

DENISON MINES

Decision Notice and Finding of No Significant Impact

Moab Open Areas Route Designation

USDA Forest Service, Intermountain Region

Manti- La Sal National Forest, Moab/Monticello Ranger District

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1. DECISION

Based on my review of the information documented in the Moab Open Area Motorized Route Designation Environmental Assessment (EA) (July 2009), the Finding of No Significant Impact documented below, public comments, and other documents contained in the project file, I have decided to implement Alternative 2, the Proposed Action, as modified in this decision, for the designation of motorized wheeled-vehicle routes in seven areas on the Moab portion of the Moab/Monticello Ranger District.

My decision limits public motorized wheeled-vehicle travel to a system of designated roads and trails throughout the 34, 974 acres of areas that are currently open to cross-country travel on the Moab portion of the Ranger District. The following list of key elements and actions comprise the decision:

- Designate as open to all motor vehicles approximately 101 miles of road managed as maintenance Level 2 (see attached Decision Map for specific roads)

- Designate approximately 11 miles of road as Level 1 roads closed to public use and open for administrative access. (see attached Decision Map for specific roads)

- Designate approximately 10 miles of motorized trail open to motor vehicles 50" or less in width (see attached Decision Map for specific roads)

- Issue Special Use Permits for four sections of road totaling approximately 2 miles in length for specific purposes including access to mining facilities, private water developments and access to private inholdings within the Moab/Monticello District.

- Continue to allow for motorized off road and off trail use when exercising the provisions of a valid permit or written authorization by a Forest Officer for fuelwood, grazing management , etc..

- Continue to allow for motorized off road and off trail use when utilizing undeveloped camp or picnic areas, within 150 feet of an open Forest Development Road or Trail, unless the area is signed as closed to those uses.

- Construct approximately 500 feet of new trail in the Two Mile Creek drainage to remove the existing trail from the streambed and locate it in a more suitable location. The reroute would be constructed to Forest Service standards for motorized trails.

Roads and trails closed to public motorized use would be signed closed and monitored for compliance. The USFS will also consider the following actions on an individual basis for

closed roads and trails, to discourage unauthorized motorized use and to reduce impacts to other resources;

- Physically blocking the entrance to a road (i.e. wooden barriers, gates, berms, boulders, etc…)
- Road obliteration including; recontouring all or portion of a road
- Decompaction of road surface
- Reestablishing natural drainage patterns and stream channels (address mass failure or erosion risk factors, e.g. culvert, bridge, or other structure removal)
- Out-sloping the road surface
- Scattering debris on the roadbed
- Planting native vegetation on the road bed

In the event that any ground disturbance associated with the above activities occurs, eligible archeological sites will be avoided.

My decision does not apply to over-snow vehicles.

Following my decision, the Forest Service will publish a Motor Vehicle Use Map for the Moab/Monticello Ranger District that will clearly identify all routes on the District where the public use of motorized wheeled vehicles is allowed.

The selected alternative is described in detail in Section 2.2.2 of the EA and Section 6 of this Decision Notice, and includes all of the actions described in the Proposed Action with some additions.

Modifications to the selected alternative are described in Section 7 of this decision. The rationale for my decision is explained in Section 8 of this decision.

The EA for the Motorized Wheeled-Vehicle Route Designation in the seven open areas of the Moab/Monticello Ranger District was prepared pursuant to the requirements of the National Environmental Policy Act (NEPA, 40 CFR §§1500-1508), the National Forest Management Act (36 CFR Part 219, 2007) (NFMA implementing regulations of 2000, including the transition provisions clarified by the 2004 interpretive rule), other relevant Federal and State laws and regulations, and the 1986 Manti-La Sal National Forest Land and Resource Management Plan as amended. The EA documents the analysis of a "No Action Alternative" and three action alternatives designed to meet the purpose and need for the project.

2. PURPOSE AND NEED

In 1991 the US Forest Service issued a Travel Map for the Moab and Monticello Ranger District of the Manti La-Sal National Forest outlining what roads, trails and areas were open to public motorized use. The Travel Plan restricted motorized use on the majority of the Moab portion of the District to routes shown on the map. However, the Travel Map

left approximately 34,974 acres (or about 20% of the Moab portion of the District) in seven different areas open to cross-county motorized travel.

In 2004, the Chief of the Forest Service cited four major threats to National Forest System (NFS) lands. One of these threats included "unmanaged outdoor recreation". To address this issue, the Forest Service developed a national strategy to evaluate recreational motor vehicle use on NFS lands. The strategy would work towards resolving issues such as damage to wetlands, wildlife habitat and fragile soils, disturbance to wildlife, spread of noxious weeds, and conflicts between recreationists. Following a national public comment process, this strategy was then formalized as new national travel management regulations and published as a "final rule" in the Federal Register in 2005.

The final rule, entitled, *"Travel Management - Designated Routes and Areas for Motor Vehicle Use,"* became effective in December 2005 and revises several regulations to require designation of roads, trails, and areas for motor vehicle use on National Forests and National Grasslands. To meet the direction and intent of the final travel management rule, every National Forest and grassland unit is to develop or revise their travel management plan for motorized vehicle use by 2009 as needed to provide for motorized vehicle travel on designated routes and areas only.

Highlights of the Travel Management Rule are:

- Each National Forest or Ranger District is to designate those roads, trails, and areas open to motor vehicles.
- Designation will include class of vehicle and, if appropriate, time of year for motor vehicle use.
- Once the designation process is complete, the rule will prohibit motor vehicle use off the designated system or use that is inconsistent with the designations.
- Designation decisions will be made locally, with public input and in coordination with state, local, and tribal governments.

To meet these new regulations, the Moab/Monticello District began the process to designate motorized routes within the seven areas that were left open to cross-country motorized travel. These areas encompass a total of about 34,974 acres or 20 percent of the Moab portion of the District. While the new regulations do not expressly prohibit areas open to cross country travel they do provide a definition of what types of areas may be appropriate for this type of management. The 2005 Travel Rule defined an area open for motor vehicle use as being "a discrete, specifically delineated space that is smaller, and in most cases much smaller than a Ranger District". Further discussion in the Federal Register associated with the 2005 Travel Rule states that "These [areas open for motor vehicle use] would have natural resource characteristics that are suitable for motor vehicle use, or would be so significantly altered by past actions that motor vehicle use might be appropriate"

The Forest Service did not feel that the existing seven open areas on the Moab portion of the District met the definition of areas open to cross-country travel that the 2005 Travel

Rule provided. Some of the boundaries of these areas are located along identifiable topographical features such as cliffs or drainages; however, the majority of the boundaries are located along Forest Service boundaries, contour lines or other features that are difficult to identify on the ground. While these areas are smaller than a Ranger District, the boundaries are not necessarily "discrete" or "specifically delineated" as mandated by the 2005 Travel Rule; and the areas are not "so significantly altered by past actions that motorized vehicle use might be appropriate".

Application of the 2005 Travel Rule results in a fundamental change in motorized travel management across the Ranger District. In the simplest of terms, application of the Travel Rule would change the existing motorized travel management situation from one of being "open for motor vehicle use, unless specifically ordered and posted as closed" to one of "closed for motor vehicle use, unless specifically designated and mapped as open". This change is consistent with the national policies of the Forest Service.

The Proposed Action was developed to allow implementation of the Forest Services 2005 Travel Rule (36 CFR 261.13) by proposing to allow public, motorized wheeled vehicle travel only on designated roads and trails. This is not currently the situation on 34,974 acres of the Moab portion of the District which are open to cross country motorized travel. These areas are designated as "National Forest lands open to all vehicles" on the Manti-La Sal National Forest Travel Map. The proposed action would ensure consistency with the Rule, while allowing for continued motorized access and resource protection.

The primary purpose of the Proposed Action is to provide a sustainable and manageable system of roads and trails for motorized wheeled-vehicle use within all seven areas that are currently open to cross-country travel to provide for a variety of public motorized access opportunities, while protecting resource values and addressing social conflicts. Achieving this objective primarily involves deciding which, of the currently existing roads and routes within these areas should remain designated or become designated as a part of the Forest Service road and motorized trail system.

The Forest Service's designation of motorized wheeled-vehicle routes in the areas is also intended to achieve the following objectives:

- Prohibit cross-country wheeled motorized travel.
- Retain some existing routes that are not designated as National Forest System roads or trails for continued public motorized wheeled-vehicle travel.
- Close some existing National Forest System (NFS) roads and trails that are currently open to motorized travel but provide limited access opportunity, or present resource management issues.
- Retain existing, primary, motorized access routes while increasing the area accessible only by nonmotorized means.
- Designate some limited, additional motorized loop trail opportunities

Currently, public motorized wheeled-vehicle travel within the seven areas is not restricted to designated routes and as a result, along with the increase in OHV use among users and the introduction of motorized vehicles with increased off-road capabilities, impacts to other forest resources are occurring. The existing network of routes, and the public motorized use that results, creates a number of problems that demand agency action.

The prevalence of open ridgelines and gentler slopes in portions of these areas has resulted in the creation of non-engineered motorized routes under the prior travel management policy. This network of user-created routes is typically opportunistic and some are causing or have the potential to cause resource impacts. In some areas, the routes provide increased access into areas that were previously accessed only by nonmotorized means. This increase in access and use has adversely affected wildlife habitat quality and big game security. The impacts to big game vulnerability and hunting opportunities fuel conflicts between hunters using OHVs and those using more traditional non-motorized means.

Some portions of the open areas are extensively roaded. These road systems were developed primarily to conduct uranium exploration and vegetation management activities (pinyon-juniper chainings and timber management) in the 1950s through the 1970s. In several cases they are redundant in accessing areas and are not needed for management purposes at this time.

In a couple of instances, motorized roads and trails in the open areas enter private land without legal easements. The Forest Service has no rights to designate and manage routes on private land without proper authorization. Adjacent landowners have a reasonable expectation that the Forest Service would not designate routes that deliver unwelcome motorized enthusiasts onto their private land, leaving the private landowner to resolve public trespass issues. It is often not possible or does not warrant the cost to secure rights-of-way for these types of routes.

In addition, the designated, motorized road and trail system in these areas was developed and/or designated primarily with full-sized vehicles in mind. Today, ATVs comprise a larger proportion of motorized use in the areas than in the past. There are limited routes, other than roads open to full sized vehicles that have been designated and are suitable for ATV and motorcycle recreation and access opportunities. The Proposed Action would create appropriate opportunities for ATVs and motorcycles in these areas.

3. DECISIONS TO BE MADE

After considering the environmental effects disclosed in the EA, I am making the following decisions for motorized wheeled-vehicle travel within seven areas on the Moab portion of the Ranger District:

- What changes in the roads, trails, or areas designated for motorized use should occur within the seven open areas?

- What type of motorized vehicles to allow on these roads, trails, and in these areas?

Detailed results of these decisions are displayed on maps attached to this Decision Notice.

4. PUBLIC INVOLVEMENT

Public involvement began with consulting key public interests including San Juan and Grand Counties, S.P.E.A.R. and Ride with Respect (local OHV/motorcycle clubs), and Red Rock Forests (a local environmental group). Maps of all routes that the USFS had inventoried within the open areas were provided to the interest groups during the summer of 2008. Groups were asked to provide input on formulating a proposed action for designating the routes.

San Juan County and S.P.E.A.R. provided verbal comments on several routes they were interested in seeing designated as motorized trails. Ride with Respect provided maps and GIS data on routes that they would like to see included in the Proposed Action. Red Rock Forests provided a framework that they requested the Forest Service use to determine the minimum motorized travel system for the areas.

The detailed Proposed Action was developed by considering both the input received from the key public interest groups and thorough agency knowledge of current motorized uses in each of the open areas. The Forest Service decision maker conducted field visits with District Staff during the summer of 2008. The Forest Service decision maker visited almost every one of the areas and many of the roads and routes that were identified by the key interest groups.

The Proposed Action was mailed out for public comment in December of 2008. The Forest Service held two public meetings to inform the public on the details of the Proposed Action and to discuss the opportunity to submit comments on it. Meetings were held in Moab and Monticello, Utah. Two separate articles discussing the proposal were published in the *Moab Times Independent* in January of 2008.

Following release of the Proposed Action in December 2008, the Forest Service received thirty-seven separate responses in the form of letters, e-mails, faxes, telephone calls, and personal conversations. Twenty-four of the comments came from individuals, ten from interest groups and three from local governments/officials. Each entity's response was carefully reviewed and individual comments were extracted for detailed consideration and response. All the comments and the Forest Service's responses are contained in the Comment Analysis found in the Project Record.

5. ISSUES

Four issues, or points of unresolved conflict, were identified through scoping and addressed in the EA. A summary of these issues is shown below. A complete description of each issue can be found in Section 1.9 of the EA.

Issue #1 -The Proposed Action would reduce motorized recreation opportunities on the Moab/Monticello Ranger District by closing existing motorized routes within the open areas.

The Forest Service received comments that the Proposed Action eliminated favorite routes, resulting in a measurable reduction in recreational access opportunities for motorized wheeled-vehicle enthusiasts. The Forest Service identified the comments that were route-specific and that took issue with not designating a specific route. In each case, the Forest Service reviewed each route for the site-specific, cause-effect relationships between the Proposed Action and the concerns about recreational opportunities expressed by the commenters. The Forest Service field-verified the amount of motorized use that was evident on these routes and assessed the ability for these routes to continue to be used while avoiding adverse resource impacts. Those routes that provided meaningful motorized access (i.e. created loop opportunities, provided access to specific points of interest), had minimal potential to cause adverse resource impacts, and addressed the recreational opportunity issue were included in an alternative to the Proposed Action.

Issue #2- The Proposed Action would produce road densities that would impact the ability of users to find quality non-motorized recreation experiences in the area, specifically those opportunities associated with non-motorized hunting.

The Forest Service received comments expressing concern about the amount of proposed motorized access and road/trail densities within the open areas and the overall effect this access and density would have on non-motorized hunting opportunities.

Issue #3 - The Proposed Action would produce road densities that will have negative impacts on big game habitat, specifically regarding Elk and Mule deer.

The Forest Service received comments expressing a general concern about the amount of proposed motorized access and road/trail densities within the open areas and the overall effect this density would have on elk and mule deer habitat.

Issue #4- The Proposed Action would produce road densities that would impact riparian resources in the open areas.

FS Resource Specialists identified the impacts to riparian resources from road/trail densities in the Open Areas as an issue.

6. ALTERNATIVES CONSIDERED

Alternative 1: No Action
Under the No-Action Alternative, public wheeled motorized travel within the Open Areas on the Moab portion of the Ranger District would have continued to be allowed on all roads and routes including NFS roads currently designated for motorized travel, as well as all other routes within the Open Areas. Cross-country wheeled motorized travel would have also continued to be allowed.

Alternative 2: Proposed Action
Alternative 2 is the alternative that I have selected with modifications described in Section 7. This alternative (described below and shown on maps in Appendix A of this Decision Notice, and in Section 2.2.2 of the EA) was developed to address the general concern expressed regarding the impacts to big game habitat, non-motorized recreation and riparian resources from high route densities and continued cross country motorized travel. It also addresses the reduction in motorized recreation opportunity resulting from the elimination of motorized cross country travel and the closure of some existing roads and routes. Only those routes/areas determined to be both sustainable and manageable were included.

The Proposed Action will limit public motorized wheeled-vehicle travel to a system of designated roads and trails throughout the Open Areas on the Moab portion of the Ranger District. The Proposed Action will also designate several Level 1 Roads that would be closed to public motorized use but would occasionally be used for specific management purposes by the USFS. The proposed action will also designate allowable vehicle classes for all roads and trails within the areas.

The Proposed Action will continue to allow for motorized off road and off trail use under the following circumstances

- When exercising the provisions of a valid permit or written authorization by a Forest Officer for fuel wood , grazing management, etc..
- When utilizing undeveloped camp or picnic areas, within 150 feet of an open Forest Development Road or Trail, unless the area is signed as closed to those uses.

All roads and trails designated by the Proposed Action currently exist on the ground and will not require additional surface disturbance for construction. The only exception is a small reroute of an existing motorized trail that will move the trail out of a riparian area and locate it to a more suitable alignment. The trail reroute will include constructing 500 feet of new trail. The reroute will be constructed to Forest Service standards for motorized trails.

Roads and trails closed to public motorized use will be signed closed and monitored for compliance. The USFS will also consider the following actions on an individual basis for

closed roads and trails to discourage unauthorized motorized use and to reduce impacts to other resources:.

- Physically blocking the entrance to a road (i.e. wooden barriers, gates, berms, boulders, etc.)
- Road obliteration including; recontouring all or portion of a road
- Decompaction of road surface
- Reestablishing natural drainage patterns and stream channels (address mass failure or erosion risk factors, e.g. culvert, bridge, or other structure removal)
- Out-sloping the road surface
- Scattering debris on the roadbed
- Planting native vegetation on the road bed

In the event that any ground disturbance associated with the above activities occurs, eligible archeological sites will be avoided.

Alternative 3 – Enhanced Motorized Access

This alternative was developed to address the general concern expressed in public scoping regarding the reduction in motorized recreation opportunity resulting from the elimination of existing FS Development Roads and other currently open roads and routes. This alternative was formulated by adding specific motorized opportunities to the Proposed Action identified through public comment. Only those routes/areas determined to be both sustainable and manageable were included.

Alternative 3 would have been the same as the Proposed Action in that it would limit public motorized wheeled-vehicle travel to a system of designated roads and trails throughout all of the existing Open Areas. Exceptions listed in the Proposed Action would have applied and closed roads and routes would have been signed, monitored for compliance and a variety of methods could have been used to manage closed roads and routes that continued to receive unauthorized motorized use or where the closed roads, routes and trails were impacting other resources.

The primary difference between the Proposed Action and Alternative 3 were;

- In the Carpenter Ridge Open Area a level 1 road would have been proposed as a road open to all motorized vehicles
- In the Polar Mesa Open Area a closed route would have been proposed as a motorized trail open to two-wheeled motorized vehicles.
- In the Slaughter Flats Open Area a closed road in Section 21 would have been proposed as a road open to all motorized vehicles.
- In the Two-Mile Open Area two level 1 roads (one in upper Hop Creek and one in Lower Hop Creek) would have been Dual Designated as level 1 roads and motorized trails open to motor vehicles 50" or less. One closed route connecting the lower Two-Mile motorized trail to the Hop Creek motorized trail would have been proposed as a motorized trail open to motorized vehicles 50" or less.

Alternative 4- Reduced Road Density

Alternative 4 would have reduced the road densities and decreased road and motorized trail mileage in all of the Open Areas, except the Fisher Mesa Open Area. This alternative was developed in part to address a general concern expressed regarding the amount of proposed motorized access within the Open Areas and the overall effect this access could have on some resources. It also served as a baseline for comparison, along with the No-Action Alternative. Together they represented the outer limits of the motorized access decision space for this action.

Alternative 4 would have been the same as the Proposed Action in that it would limit public motorized wheeled-vehicle travel to a system of designated roads and trails throughout all of the Open Areas.

Exceptions listed in the Proposed Action would have applied and closed roads and routes would have been signed, monitored for compliance and a variety of methods could have been used to manage closed roads and routes that continue to be used for unauthorized motorized use or where the closed roads and trails were affecting other resources.

7. MODIFICATION TO SELECTED ALTERNATIVE

As stated in Section 1 of this decision, I have selected Alternative 2 the Proposed Action, with modifications. Modifications of the selected alternative are described as follows and the rationale for those modifications is found in Section 8 of this decision:

- Designation of the northern portion (1.6 miles) of Forest Road 4799 in the Two Mile Open Area as a Level 1 Road closed to public motorized use.

- Issuance of a Special Use Permit for a road (0.4 miles long) for access to a private inholding in the Carpenter Ridge Area (see map in Appendix A for exact location).

- Issuance of a Special Use Permit for a road (0.5 miles long) in the Pine Ridge Area to access permitted mining operations. (see map in Appendix A for exact location).

- Issuance of a Special Use Permit for a road (0.1 miles long) in the Two Mile Area to access a mining reclamation project on adjacent BLM lands. A gate would be installed to prohibit public use of the road (see map in Appendix A for exact location).

- Issuance of a Special Use Permit for a road (0.6 miles long) in the Two Mile Area to access an authorized privately owned water system (see map in Appendix A for exact location).

8. RATIONAL FOR DECISION

It is my decision to implement Alternative 2, the Proposed Action with modifications, based upon the results of the analysis that has been documented in the Environmental Assessment prepared for the project, relevant Forest Plan direction, laws and regulations, and my review of public comments received during the analysis process.

My decision to limit motorized wheeled-vehicle cross country travel to designated routes within the seven open areas achieves two primary objectives:

1. It provides a sustainable and manageable system of roads and trails for motorized wheeled vehicle use within all seven open areas on the Moab portion of the Ranger District so as to provide for a variety of public motorized access opportunities, while protecting resource values and addressing social conflicts.

2. It resolves the existing motorized travel designations on the Moab portion of the Ranger District that are incompatible with or undesirable to perpetuate as part of the implementation of the Forest Service's Travel Rule. These situations involve the current designation of seven areas that were open to cross country motorized wheeled-vehicle.

I received thirty-seven separate responses during the public comment period. The comments reflected in these letters expressed a variety of opinions concerning the designation of routes within the open areas. Some comments requested that all roads and routes remain open for motorized use in the areas while others wanted to see the number of routes reduced. While the analysis is not a voting process, I have objectively considered these public comments in relation to the purpose and need, the issues, and the alternatives with their associated effects. I believe my decision provides a good balance between the various social and resource needs within the open areas at this time. The following points were the basis for my decision:

- ***Prohibiting Cross-country Motorized Wheeled Vehicle Access.*** Allowing continued cross-country motorized wheeled vehicle travel in the seven areas is not consistent with the Forest Service 2005 Travel Rule. I do not believe that the existing seven open areas on the Moab portion of the District meet the definition of areas open to cross-country travel that the 2005 Travel Rule provides and leaving these areas open to cross-country travel would be inconsistent with the Travel Rule While some of the boundaries of these areas are located along identifiable topographical features such as cliffs or drainages; the majority of the boundaries are located along Forest Service boundaries, contour lines or other features that are difficult to identify on the ground and as such are not consistent with the Travel Rule. While the open areas are smaller than a Ranger District, the boundaries are not necessarily "discrete" or "specifically delineated" as mandated by the 2005 Travel Rule; and the areas are not "so significantly altered by past actions that motorized vehicle use might be appropriate".

- ***Reduced Motorized Recreation Opportunities.*** Several of the comments I received expressed concern about the loss of motorized recreational access in the seven areas. This concern was brought forward as an issue and analyzed in the Environmental Assessment. My decision responds to this issue by designating approximately 122.7 miles of roads and trails as open to public motorized use within the seven areas. Providing appropriate motorized recreation opportunities was an important consideration when designating roads and trails in these areas. Factors such as ability of routes to provide for potential loops and to access scenic overlooks or other points of interest and popular camp sites were used to determine public benefits of each route.

  My decision designates appropriate roads and trails that can be combined and connected for longer loop riding opportunities with roads and trails on adjacent public and state lands. These include; a 20 mile loop in the Two Mile Area (almost half of which is on motorized trails limited to vehicles less than 50" in width) and a motorized trail connecting open road systems in the Slaughter Flats and Pack Creek areas.

  My decision keeps the road to the Pinhook Battleground Historic Monument open to public motorized use and designates routes to overlooks in Carpenter Ridge, Pine Ridge, Hideout Mesa and Fisher Mesa. Roads accessing popular campsites were also designated in most of the areas.

- ***Potential Impacts to Non-Motorized Recreation.*** Several of the comments I received expressed concern about the impact of high road densities to opportunities for non-motorized recreation use. This concern was brought forward as an issue and analyzed in the Environmental Assessment. My decision responds to this issue by closing approximately 75 miles of roads and trails to public motorized use and reducing road densities from the current level of 3.4 mi/mi^2 to 2.1 mi/mi^2. The decision also prohibits cross-country motorized wheeled-vehicle travel which reduces the potential for impacts to non-motorized recreation.

  A user created route that was within the South Mountain Inventoried Roadless Area (IRA) was closed to motorized use which will enhance non-motorized recreation opportunities in the IRA. Redundant routes and routes deemed unnecessary for management or public motorized access were closed to motorized use. These route closures lowered route densities substantially in some of the areas. Route densities were reduced from 3.8 mi/ mi^2 to 2.1 mi/ mi^2 in the Two Mile area and from 5.7 mi/ mi^2 to 2.8 mi/ mi^{2}in the Polar Mesa area.

  My decision will create more opportunities for non-motorized users to escape the sights and sounds of motorized use, however the route densities will remain relatively high as compared to other portions of the District and very few places within the open areas are not influenced by motorized use (i.e. further than .5 miles from a road or motorized trail).

In considering my decision it is important to understand the history and past management emphasis in these areas and why the areas contain higher road densities than the rest of the District. The areas contain high road densities associated with past and current mining operations, timber management and range projects (such as pinion-juniper chainings). Due to the high road densities these areas have become areas where motorized use is emphasized and were left open to cross-country motorized wheeled travel in the 1991 Travel Map for the Moab/Monticello District. My decision will reduce road densities and prohibit cross-country travel but will continue to focus sustainable and responsible motorized recreation use within the areas.

It is also important to understand that while the open areas total about 20% of the Moab portion of the District they are comprised of seven separate relatively small units and the ability to escape the sights and sounds of motorized recreation within them is directly related to adjacent lands. Opportunities on adjacent lands (State lands, Bureau of Land Management and other Forest Service lands) must be looked at in conjunction with the open areas to get a realistic perspective of the opportunities for non-motorized recreation on the Moab portion of the District.

These areas have also not been the primary areas for non-motorized recreation to occur on the Moab portion of the District. No non-motorized trails are located within them and non-motorized recreation has generally been focused on the larger roadless areas and areas of lower road densities on the Moab portion of the District.

- ***Potential impacts to Big Game Habitat specifically Elk and Mule Deer.*** Several of the comments I received expressed concern about the potential impact to big game habitat from high road densities. This concern was brought forward as an issue and analyzed in the Environmental Assessment. My decision responds to this issue by closing approximately 75 miles of roads and trails to motorized public use and reducing the overall route density from 3.4 mi/ mi^2 to 2.1mi/ mi^2. My decision also prohibits cross-country motorized wheeled-vehicle travel which reduces the potential for impacts to big game habitat from motorized use.

  The Twomile and Slaughter Flats open areas contain the greatest acreages of key habitats. These large areas are at lower elevation and provide crucial winter and spring range for elk and deer, and also some deer fawning habitat. These areas may be accessible to motorized vehicles through much of the winter and spring, leading to a potential for disturbance of big game animals during these critical seasons. The route closures in the Twomile Open Area provide for undisturbed travel corridors and areas of hiding cover in an area that still lacks adequate cover due to the 2002 Hang Dog wildfire. Restricting travel on two routes in the Hop Creek drainage reduces the road density in good fawning habitat, and provides larger areas of secure habitat. Slaughter Flat winters a large number of elk, and

the road closures there, mostly of seldom-used spur routes, provides larger blocks where elk may forage and rest with less disturbance.

The route closures in the smaller open areas, which also have winter range and deer summer range on Pine Ridge, will also benefit big game by reducing the potential for disturbance from roads and associated human activity during critical seasons when they are already stressed by weather conditions, lower forage quality and fawning/calving.

- ***Potential impacts to Riparian Resources.*** Potential impacts to riparian resources from high route densities was identified as an issue and was analyzed in the Environmental Assessment. My decision responds to this issue by closing approximately 75 miles of roads and trails to motorized public use and reducing the overall route density from 3.4 mi/ mi^2 to 2.1mi/ mi^2. Many of the roads that were closed to public motorized use were closed due to their potential to impact riparian resources. These roads and trails were primarily located in the Two-Mile Area where the majority of the riparian resources within the open areas are also located. The closed routes included two routes within the Hop Creek drainage that paralleled the drainage and were closed to prevent impacts from occurring to that riparian area and one in the Upper Two Mile drainage that traversed sensitive wetlands. My decision also includes rerouting a section of the Two-Mile OHV trail out of the bottom of the Two Mile drainage and locating it along a sidehill to reduce riparian impacts. My decision also prohibits cross-country motorized wheeled-vehicle travel which reduces the potential for impacts to riparian resources from motorized use.

- ***Rational for Modifications.*** Several modifications were made to the Proposed Action by the Decision. Rationale for each specific modification follows.
    - The northern portion of Forest Road 4799 was proposed to be open as a Level 2 Road in the Proposed Action. I have decided to designate this road segment as a Level 1 Road closed to public motorized use in the Decision. My rationale for doing this is that the road parallels and is within 800 feet of the designated Two-Mile Motorized Trail and does not provide any additional motorized access to the area. In addition, Forest Road 4743 provides comparable access to the ridge and area on the east side of Two-Mile creek. The lower portion of the road was left open to public motorized use to access a small stock pond in the vicinity.
    - Special Use Permits will be issued for four road segments in the open areas three of these roads were proposed to be closed and one was proposed to be designated as a Level 2 road open to the public in the Proposed Action. All of these roads serve specific purposes (access to private inholdings, mining operations, mining reclamation projects and private water developments). These roads do not provide meaningful motorized public access to Forest Service lands and are used primarily for single specific purposes. The Forest Plan recommends putting roads under special-use permit that are needed for the benefit of private uses, and are

- ***Contribution to Accomplishing Forest Plan Desired Conditions and Goals.*** The decision is intended to meet Forest Management Goals and Desired Conditions for recreation and big game habitat that are outlined in the Manti-La Sal National Forest Land and Resource Management Plan. I believe this decision moves us in that direction.

9. FINDING OF NO SIGNIFICANT IMPACT

After considering the environmental effects described in this document, I have determined that these actions will not have a significant effect on the quality of the human environment considering the context and intensity of impacts (40 CFR 1508.27). Thus, an environmental impact statement will not be prepared. My finding of no significant environmental effects is not biased by the beneficial effects of the action. I have based my finding on the following:

(A) Context

(1) Actions will be limited to those actions disclosed in the EA. Further, my decision is consistent with direction in the 1986 Manti-La Sal National Forest Land and Resource Management Plan, as amended. The following Forest-Wide and Management Unit Directions will be followed:

Forest-Wide Direction: Soil Resource Management
Maintain or improve soil productivity and watershed qualities within the ecological site capabilities (page III-31).Minimize adverse, man-caused impacts to the soil resource including accelerated erosion, compaction, contamination, and displacement (page III-32).

Forest-Wide Direction: Transportation System Management
Encourage the development of Forest Development Roads, when constructed or reconstructed for special purposes to meet existing and potential all purpose needs (page III-40). Close Forest Development Roads when unacceptable environmental or road damage is occurring as a result of road use (page III-40). Coordinate transportation planning for Forest Development Roads with Forest trails to provide continuity and fulfill Forest transportation needs (page III-40).

Forest-Wide Direction: Local Road Construction and Reconstruction
Construct and reconstruct local roads to provide access for specific resource activities such as campgrounds, trailheads, timber sales, range allotments, leases, etc., with the minimum amount surface disturbance and fitting the road to topography (page III-41).

Forest-Wide Direction: Trail System Management
Construct or reconstruct trails when needed as part of the transportation system (page III-42).

(B) Intensity Factors

(1) My decision will not result in any significant adverse effects [40 CFR 1508.27 (b)(1)]. All practicable and reasonable mitigation and monitoring to avoid or minimize adverse environmental and social harm have been incorporated. I believe the intensity of disclosed beneficial and adverse effects is reasonable, acceptable, and typical of actions taken to designate a motorized transportation system. None of the impacts documented in the EA have the potential to cause irreparable, adverse damage to the environment. None of the impacts documented in the EA have an intensity that could result in uncommon or unique beneficial result to the human environment.

(2) There will be no significant effects on public health and safety [40 CFR 1508.27 (b) (2)]. Based on the analysis and disclosure of effects in the EA, I have determined that there are no significant adverse effects on public health or safety.

(3) My decision will not result in any significant effects on any unique characteristics of the geographic area, historic or cultural resources, park lands, prime farmlands, wetlands, wild and scenic rivers, or ecologically critical areas [40 CFR 1508.27 (b) (3)]. The project area includes a small portion of the South Mountain inventoried roadless area and the Hideout Mesa Research Natural Area. Significant effects are not anticipated to either area.

(4) The Selected Alternative will not result in any effects that are likely to be highly controversial [40 CFR 1508.27 (b) (4)]. Public comments were mixed between leaving all routes open to motorized use and closing most of the routes to motorized use. A balanced approach was taken to designating routes within the open areas, and while it is anticipated that there may be disagreements on specific routes, it is not anticipated that the effects of the designation will be highly controversial.

(5) The Selected Alternative will not result in any highly uncertain, unique, or unknown risks [40 CFR 1508.27 (b) (5)]. Managing motorized use by designating roads and trails is consistent with the Travel Rule and has been implemented throughout the Mani-La Sal National Forest including the Moab/Monticello Ranger District. All of the roads and trails designated are currently used by motor vehicles and their continued use will not result in any highly uncertain, unique, or unknown risks

(6) My decision does not establish a precedent for future actions with significant effects nor does it represent a decision in principle about a future consideration [40 CFR 1508.27 (b) (6)]. This action is fully consistent with Manti-La Sal Land and Resource Management Plan. Based on this, I find the degree to which the action may establish a

precedent for future actions with significant effects or to represent a decision in principle for the future to be low, and therefore not significant.

(7) The analysis documented in the EA discloses that my decision will not result in any significant cumulative effects [40 CFR 1508.27 (b) (7)].

(8) My decision will not adversely affect sites or objects listed or eligible for listing in the National Register of Historic Places, nor will it cause the loss or destruction of significant scientific, cultural, or historic resources [40 CFR 1508.27 (b) (8)]. This determination is made based on completed cultural resource surveys on file with the Forest heritage program manager.

(9) My decision will not adversely affect threatened or endangered species or their habitats [40 CFR 1508.27 (b) (9)]. A biological evaluation and assessment has been prepared for this project and is part of the project file. Based on its content, I find the actions approved in this decision will have no effect on any federally listed threatened, endangered, proposed, or candidate wildlife, fish, amphibian, or plant species. The proposed action would have no impact to any Region 4 Forest sensitive fish, amphibian, or plant species. Due to potential impacts from the presence of roads, traffic and associated human activities, the project may impact R4 sensitive wildlife species (spotted bat, western big-eared bat, bald eagle, northern goshawk, peregrine falcon, flammulated owl and three-toed woodpecker), but would not likely contribute to a trend towards Federal listing or loss of viability to the population or species. The project would have a beneficial impact to Elk and Mule Deer which are Manti-La Sal National Forest Management Indicator Species (MIS).

(10) My decision is consistent with federal, state, and local laws and requirements imposed for the protection of the environment [40 CFR 1508.27 (b) (10)]. The analysis did not identify any adverse effects that threaten a violation of federal, state, or local laws designed to protect the environment. The Forest Plan requires consistency with federal, state, and local laws in project implementation. Therefore, if the effects disclosed in this analysis are consistent with the Plan then they would also not threaten a violation of law. Based on this information, I find the activities approved in the decision will not have a significant impact nor violate a federal, state, or local law or requirements imposed for the protection of the environment.

(11) Executive Order 12898, Federal Actions to Address Environmental Justice in Minority Populations and Low-Income Populations, and Departmental Regulation 5600-2 direct federal agencies to integrate environmental justice considerations into federal programs and activities. I have reviewed the effects of the selected alternative and I do not believe this alternative would have any disparate impacts on individual groups of peoples or communities. Implementation of any of the alternatives will produce no adverse effects on minorities, low-income individuals, Native Americans, or women. No civil liberties will be affected.

(C) Compliance with Other Laws

National Forest Management Act
National Forest management must be consistent with Forest Plans prepared under authority of the National Forest Management Act (NFMA), 16 U.S.C. 1604 and 36 CFR 219. The Act requires the Secretary of Agriculture to assess forest lands, develop a management program based on multiple-use, sustained-yield principles, and implement a resource management plan for each unit of the National Forest System. This decision is consistent with the Manti-La Sal Land and Resource Management Plan.

Best Science
Upon review of the documentation and discussions with the Interdisciplinary Team Leader and team members I have determined that the applicable science information has been properly considered, interpreted and the risks identified. Contrary science was not raised during the scoping or applicable comment periods. It is my opinion that the use of existing Forest Service manual direction, protocols, and best management practices represent the best science.

Endangered Species Act
The Endangered Species Act of 1973, as amended, provides a program for the conservation of threatened and endangered (TE) plants and animals and the habitats in which they are found. The US Fish and Wildlife Service (USFWS) currently maintains a list of 1,320 T&E species for the United States. Implementation of the selected alternative would have no impacts to TE species listed in Utah or Colorado. (See BA/BE in project record).

National Historic Preservation Act
The National Historic Preservation Act created the Advisory Council on Historic Preservation (ACHP) to advise on matters involving historic preservation. The ACHP is authorized to review and comment on all actions licensed by the Federal government which will have an effect on properties listed in the National Register of Historic Places (NHRP), or which are eligible for such listing.

A cultural resource survey was conducted along all roads included in the proposed action and alternatives. Numerous new and previously documented sites are located along the routes-many of which are eligible to the National Register of Historic Places. As stipulated in the cultural resource report for the proposed project,

> "Any road improvements or closures will be designed and conducted to avoid impacting eligible archaeological sites and any rehabilitation of closure roads will be monitored by an archaeologist. These measures will avoid impacts to the sites and protect their integrity and National Register characteristics. If these stipulations are followed, the Forest Service has determined a finding of *no adverse effect* to historic properties is appropriate for this proposed project" (Cooperider and Irwin 2009).

In consultation with the Utah State Historic Preservation Office (SHPO) the Forest Service has determined a finding of *No Adverse Effect* is appropriate to the proposed project providing the stipulations above are followed. (See Project Record for SHPO concurrence).

Clean Water Act, Floodplain Management (Executive Order 11988), and Protection of Wetlands (Executive Order 11990)

The Clean Water Act employs a variety of regulatory and non-regulatory tools to sharply reduce direct pollutant discharges into waterways, finance municipal wastewater treatment facilities, and manage polluted runoff. These tools are employed to achieve the broader goal of restoring and maintaining the chemical, physical, and biological integrity of the nation's waters so that they can support "the protection and propagation of fish, shellfish, and wildlife and recreation in and on the water." Executive Orders 11988 and 11990 require that executive agencies take special care when undertaking actions that may affect wetlands or floodplains, directly or indirectly, by avoiding the disruption of these areas wherever there is a practicable alternative and by minimizing any environmental harm that might be caused by federal actions. The selected alternative is consistent with the Manti-La Sal Land and Resource Management Plan, Management Unit Direction for Riparian Area Management: Limit use (dispersed recreation) where the riparian area is being unacceptably damaged (page III-70). Minimize surface disturbing activities that alter vegetative cover, result in stream channel instability or loss of channel cross-sectional areas, or reduce water quality (page III-71). Maintain or enhance the long-term productivity of soils within the riparian ecosystem (page III-72). Locate new roads and trails outside riparian areas unless alternative routes have been reviewed and rejected (page III-73).

Migratory Bird Treaty Act

The Migratory Bird Treaty Act implements various bilateral treaties and conventions between the U.S. and four other countries for the protection of migratory birds. Under the Act, taking, killing, or possessing migratory birds is unlawful. There is low potential for the decision to result in unintentional take. My decision complies with the USFWS Directors Order No. 131 (December 21, 2000) related to the applicability of the MBTA to federal agencies and requirements for permits for 'take'. My decision complies with the intent of the MBTA and EO 13186 and follows bird conservation recommendations in the Utah Partners in Flight (PIF) Avian Conservation Strategy (Parrish et al. 2002) and other reports where applicable under the scope of this project. The 2008 interagency MOU, pursuant to Executive Order 13186, continues the direction as stated above, and my decision meets the obligations in the MOU.

Environmental Justice (Executive Order 12898)

Executive Order 12898 requires all federal agencies to take actions, to the extent practical and permitted by law, to make achieving environmental justice part of its mission by identifying and addressing, as appropriate, disproportionately high and adverse human effects of its programs policies and activities on minority populations and low-income populations in the United States and its possessions. There would be no adverse human effects on minority and low-income populations from my decision.

10. ADMINISTRATIVE REVIEW AND APPEAL PROCEDURES

This decision is subject to appeal pursuant to Forest Service regulations at 36 CFR 215. Appeals must meet the content requirements of 36 CFR 215.14. Only individuals or organizations who submitted comments or otherwise expressed interest in the project during the comment period may appeal. Appeals must be postmarked or received by the Appeal Deciding Officer within 45 days of the publication of the Legal Notice in the *Moab Times Independent* newspaper. This date is the exclusive means for calculating the time to file an appeal. Timeframe information from other sources should not be relied on. Incorporation of documents by reference is not allowed. The Appeal Deciding Officer is Forest Supervisor, Pamela Brown. Appeals must be sent to: Appeal Deciding Officer, Intermountain Region USFS, 324 25th Street, Ogden, Utah 84401; or by fax to 801-625-5277; or by email to: appeals-intermtn-regional-office@fs.fed.us. Emailed appeals must be submitted in rich text (rtf), Word (doc) or portable document format (pdf) and must include the project name in the subject line. Appeals may also be hand delivered to the above address, during regular business hours of 8:00 a.m. to 4:30 p.m. Monday through Friday.

11. IMPLEMENTATION DATE

If no appeal is filed within the 45-day time period, implementation of this decision may begin on, but not before, the fifth business day following the close of the appeal-filing period (36 CFR § 215.15). If an appeal is filed, implementation may occur on, but not before, the 15th business day following the date of appeal disposition (36 CFR § 215.2). In the event of multiple appeals of the same decision, the implementation date is controlled by the date of the last appeal disposition.

12. CONTACT PERSON

For additional information concerning my decision or the Forest Service appeal process, please contact Brian Murdock at the Moab District Office at 62 East 100 North, Moab, Utah 84532, or at 435-259-7155.

8/2/09

MICHAEL C. DIEM
Moab and Monticello District Ranger

DATE

PLAN OF OPERATIONS AMENDMENT FOR MINING ACTIVITIES
ON NATIONAL FOREST SYSTEM LANDS

Submitted by: _____ _____
Signature Date

_____ _____
Name Title

I. GENERAL INFORMATION

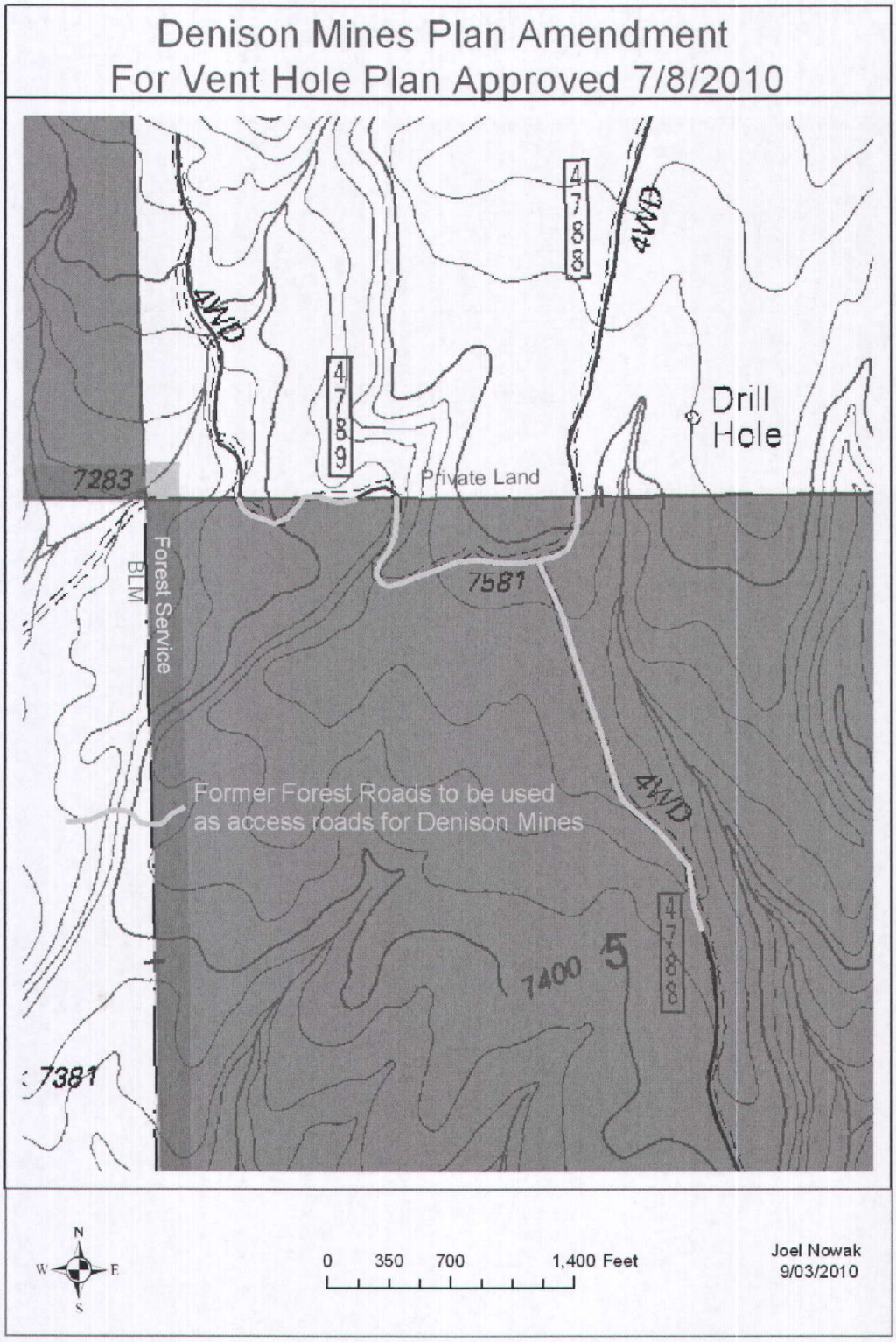
A. Name of Mine/Project to be amended: **Pandora Mine Vent Hole Project approved on 7/8/2010**

B. This Amendment Changes This Plan of Operations: To include former Forest Service roads that are numbered 54789 and 54788 as shown on attached map.

II. AMENDMENT APPROVAL

_____ _____
(NAME) (TITLE)

_____ _____
(SIGNATURE) (DATE)


Denison Mines Plan Amendment
For Vent Hole Plan Approved 7/8/2010
4788
4WD
4WD
4789
Drill Hole
7283
Private Land
Forest Service
BLM
7581
Former Forest Roads to be used as access roads for Denison Mines
4WD
4788
7400
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0 350 700 1,400 Feet
Joel Nowak
9/03/2010

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USA

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Fax : 303 389-4125

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September 28, 2010

Tom Munson
Utah Division of Oil, Gas and Mining
1594 West North Temple, Suite 1210
Salt Lake City, Utah 84105

Dear Mr. Munson:

Re: Questions Raised in Email Correspondence from Uranium Watch dated August 27, 2010.

On August 30, 2010, you forwarded to Denison Mines (USA) Corp. questions and statements you had received from Ms. Sarah Fields of Uranium Watch. That correspondence stated that:

> "An August 17, 2010, letter to Paul Baker, Utah Division of Oil, Gas & Mining from Denison Mines (USA) Corp. included a list of the radon vents associated with Denison's uranium mines in La Sal, Utah. There were some inaccuracies in the La Sal Vent Naming Table."

Denison would like to respond to these statements as follows:

Statement 1:
"New vent #21 is listed as Vent Shaft Pandora #5. It is Pandora #2. PD 2 is written on the side of the vent."

Response:

Ms Fields is correct. There is an error on this figure. Over the years, the vents at the La Sal mines have had various names. In an effort to address this, Denison has recently renamed some of the vents to make their names consistent with naming conventions for the other vents. This has resulted in some mistakes on the figure. A revised figure is enclosed for your use. Denison would also like to point out that the vent numbers Ms. Fields is using in her email are a third naming convention based on the order in which they appear in the table. In addition, referring to these vents as "new" is misleading as very few of the vents referenced in the email are actually "new".

Statement 2:
"Also, new vent # 13, is Vent Shaft Pandora #5, not Snowball #5. PD 5 is written on the side of the vent. PD #5 is the vent where the grate needed to be replaced. Old grate was tossed to the side, rather than being removed from the site."

Response:

Ms. Fields is correct. The vent identified in the 13th row on the table, has in fact been called Pandora #5 and is identified as such (PD 5) on the side of the vent. Denison appreciates, Ms. Fields pointing out this error. Hopefully, our renaming the vents will prevent this type of mistake from recurring in the future. A revised figure is enclosed for your use.

This is also the area where Denison recently repaired the grate covering the vent opening. At the time the grate was repaired, a vehicle of sufficient size was not on site to haul off the previous covering; however, Denison has since removed the old grate from the area.

Statement 3:
"Additionally, at least two of the radon vents have borehole shafts right next to the vent. These shafts have not been plugged, but are covered and fenced. These vents are new Vent #6 (900 Vent) and new Vent #11 (2300-1). There may be other vents with borehole shafts next to them that have not been plugged. Vent hole areas on BLM land and SITLA land have metal parts laying around on the ground that could be cleaned up."

Response:

Denison is currently in the process of reclaiming these holes. The casing has arrived for the re-drilled ventilation shaft of Vent hole 900, and this casing has to be installed prior to plugging the existing hole to ensure the integrity of the new hole as well as worker safety. Vent 2300-1 is in the process of reclamation; however, a certified man-basket was required to ensure we were able to safely close the old hole without destroying the new hole. These old vents will be reclaimed as soon as reasonably possible in accordance with the notices provided to UDOGM. In addition, the former ventilation shaft 2300 #2 which was re-drilled has been reclaimed as well as ventilation shaft 1280.

Statement 4:
"Denison failed to construct new Vent #25 (Pandora #12), the vent identified as 3-09 on BLM land as represented in their 2009 application. The vent was constructed in December 2009, but as of last week the required diffuser had not been placed on the vent. The BLM is requiring them to place a diffuser after this was brought to their attention. Although the vent was constructed in December, there is no evidence that any reclamation work has been done. The road to 3-09 is in a different place than that represented on the map of the proposed vent project submitted to DOGM in 2009."

Response

Denison has agreed that whenever possible, we will place the vent fans underground to prevent noise impacts on federal and private lands. This is the case on this vent hole. The only reason vents require diffusers on the surface are if the fan is on the surface. The application should have stated that diffusers will be installed when a fan is mounted on the surface. Although from an engineering and practical standpoint, this is not a necessary measure and serves no practical purpose on this vent and the cost to Denison will be thousands of dollars (cost is estimated at $8,000), Denison has agreed to install a diffuser on this vent at the request of Uranium Watch and the BLM.

Denison completed this vent installation in January of 2010, during the winter months when reclamation is not practical. In addition, further maintenance and repairs of this vent were needed and

continued into July of 2010. Denison typically conducts concurrent reclamation following vent installation, in accordance with availability of appropriate equipment and seasonal requirements. The area around this vent is scheduled for reclamation in the fall of 2010, with seeding to occur in the appropriate fall season.

Statement 5:
"Further, that vent was constructed prior to filing an application and receiving approval of the Division of Air Quality, pursuant to the requirements of 40 CFR §§ 61.07 and 61.08."

Response

Individual vents are not stationary sources, but rather the whole mine site is the stationary source. In the past, Denison did not consider the installation of a new vent to generally constitute a modification of a source that would require an approval under 40 CFR 61.08. We understand that in general UDEQ agreed with this approach; however after further consideration Denison and UDEQ have agreed that applications under 40 CFR 61.07 will generally be made for new vent construction. Therefore, in January of 2010, Denison provided UDEQ with a 40 CFR 61.07 application for the approval of the construction of seven additional vents and in that letter indicated that one vent (the vent indicated above) had just been constructed.

Statement 6:
"Also, there is no fencing around most of the vents and no signs warning the public that the vents release radon (a hazardous air pollutant), radioactive particles, and possibly other air pollutants, such as particulates from underground diesel engines. Although most of the vents are on public land, there has never been an assessment under the National Environmental Policy Act of the health, safety, and environmental impacts of the release of radon and other radionuclides from the vents, mine shafts, ore pads, waste rock piles, etc."

Response

No fencing has previously been required at these vents; however, as you know, Denison is currently working to place fencing and signage at all of the vents. The fencing material was just recently received; however, fencing and signage on public land will require BLM and USFS approval. Denison will begin fencing the vents on private land as weather and resources allow.

It should be noted that these mines predate National Environmental Policy Act (NEPA) regulations; however, it is inaccurate to state that NEPA has ***never*** been conducted on the La Sal Mine Complex vents, mine shaft, ore pads, and waste rock piles. Assessments were completed for these mine sites in the early 80's when the NEPA regulations were put in place. It should also be noted that NEPA was conducted on all new vents at the facility. In addition, Denison is currently preparing an amended Plan of Operations (PO) for the BLM and USFS, who will then conduct a formal NEPA analysis for the entire facility (public and private land) to update our permit documents. This upcoming NEPA analysis will assess cumulative impacts and allow the public an opportunity to formally participate in the process.

Please let us know if there is anything else that we can do to help address these statements. Thank you.

Yours very truly,

DENISON MINES (USA) CORP.

Christy Woodward, PE
Environmental Coordinator

Cc: Denison Mines (USA) Corp., File
David C. Frydenlund, Philip Buck, Terry Wetz, Alex Morgan, Denison Mines (USA) Corp.
Paul Baker, Utah Division of Oil, Gas and Mining
Joel Nowak, US Forest Service, Manti-La Sal National Forest
Ben Kniola, Rebecca Doolittle, US Bureau of Land Management

DENISON MINES